

SINGLE AUDIT REPORT
SANTA ROSA COUNTY, FLORIDA
SEPTEMBER 30, 2006

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER
10.550, RULES OF THE AUDITOR GENERAL**

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 Santa Rosa County, Florida (hereinafter referred to as 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 State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2006. The County's major federal 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 major federal 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 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 program or 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 of 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 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 or state 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program or state project 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 financial statements of each major fund and the aggregate remaining fund information of the Board of County Commissioners of Santa Rosa County, Florida, as of and for the year ended September 30, 2006, and have issued our report thereon dated January 26, 2007. Our audit was performed for the purpose of forming an opinion on the basic 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 basic 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 County, 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 26, 2007

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2006

Federal and State Grantor/Pass-through Grantor/Program Title	CFDA/ CSFA Number	Contract / Grant Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
Passed Through Florida Dept. of Community Affairs			
Disaster Grants - Public Assistance	97.036	05-PA-G-01-67-01-541	\$ 1,803,423
Disaster Grants - Public Assistance	97.036	06-PA-G-01-67-01-502	4,294,869
Disaster Grants - Public Assistance	97.036	06-KT-B-01-67-01-506	39,230
			<u>6,137,522</u>
State Domestic Preparedness Equipment Support Program	97.004	05-DS-2N-01-67-01-259	76,734
State Domestic Preparedness Equipment Support Program	97.004	06-SHSP-SANT-1-N9-054	34,000
			<u>110,734</u>
Homeland Security Grant Program	97.067	06-DS-3W-01-67-01-349	12,180
<u>U.S. Department of Housing and Urban Development</u>			
Passed Through Florida Dept. of Community Affairs			
Community Development Block Grants	14.228	05DB-15-01-67-01-H05	509,753
Community Development Block Grants	14.228	06DB-3C-01-67-01-W30	809,159
			<u>1,318,912</u>
<u>U.S. Department of Justice</u>			
Direct Programs			
COPS MORE 99	16.710	1999-CM-WX-2038	40,070
COPS In Schools	16.710	2004-SH-WX-0118	174,095
COPS Universal Hiring	16.710	2003-UM-WX-0031	266,207
COPS Homeland Security Overtime Program	16.710	2003-OM-WX-0197	43,257
			<u>523,629</u>
Passed Through Office of Justice Programs			
Drug Court Discretionary Grant Program	16.585	2005-DC-BX-0047	13,642
Passed Through Florida Dept. of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2006-JAG-SANT-1-M8-159	85,878
<u>U.S. Department of Health and Human Services</u>			
Passed Through Florida Dept. of Revenue			
Child Support Enforcement Program	93.563	120-0071-5490015	27,546
Child Support Enforcement Program	93.563	CC357	76,675
			<u>104,221</u>
Passed Through Florida Dept. of Elder Affairs/Northwest Florida Area Agency on Aging			
Medical Assistance Program	93.778	AZCH006-SR1	45,676
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	ADD05-S	5,163
<u>Elections Assistance Commission</u>			
Passed Through Florida Dept. of State			
Help America Vote Act Requirements Payments	90.401	N/A	56,124

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2006

<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>U.S. Department of Transportation</u>			
Passed Through Florida Dept. of Transportation Formula Grants for Other Than Urbanized Areas	20.509	AM 521	69,287
State and Community Highway Safety	20.600	SC-06-13-08	22,791
Passed Through Federal Aviation Safety Airport Improvement Program	20.106	3-12-0052-008-2005	733,500
<u>U.S. Department of Agriculture</u>			
Emergency Watershed Protection Program	10.UNKNOWN	N/A	3,344,356
<u>U.S. Department of Interior</u>			
Passed Through Florida Fish and Wildlife Commission Sport Fish Restoration Program	15.605	FWC-05022	30,000
<u>U.S. Department of Defense</u>			
Community Economic Adjustment Assistance	12.614	APO503-05-01	<u>134,316</u>
Total Federal Awards			<u>\$ 12,747,931</u>

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2006

<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	H5SR1	\$ 2,120,000
Beach Erosion Control Program	37.003	05SR1	7,144,768
			<u>9,264,768</u>
Florida Recreation Development Assistance Program	37.017	F5202	13,148
Florida Recreation Development Assistance Program	37.017	F5207	50,893
			<u>64,041</u>
<u>Florida Department of Agriculture and Consumer Services</u>			
Mosquito Control	42.003	SA003	30,419
<u>Florida Department of Community Affairs</u>			
Emergency Management Programs	52.008	05BG-04-01-67-01-230	133,696
Emergency Management Programs	52.008	06BG-04-01-67-01-230	30,732
			<u>164,428</u>
Residential Construction Mitigation Program	52.016	05-RC-11-13-00-21-009	122,382
Residential Construction Mitigation Program	52.016	06-RC-11-01-67-01-160	187,573
			<u>309,955</u>
Growth Management Implementation	52.033	06-DR-73-01-67-01-133	17,585
<u>Florida Housing Finance Corporation</u>			
State Housing Initiative Partnership Program	52.901	HFC01	1,187,479
Hurricane Housing Recovery Program	52.902	67ER-05	2,883,839
<u>Florida Department of Transportation</u>			
Aviation Development Grant	55.004	AFN 60	62,340
Aviation Development Grant	55.004	AFN 55	7,500
Aviation Development Grant	55.004	AFN 53	46,875
Aviation Development Grant	55.004	AFN 54	11,250
Aviation Development Grant	55.004	AFN 56	3,625
Aviation Development Grant	55.004	AFN 57	2,500
Aviation Development Grant	55.004	AFN 58	1,250
Aviation Development Grant	55.004	AFN 59	5,000
			<u>140,340</u>
Small County Outreach Program	55.009	ANZ68	205,339
<u>Florida Department of Health</u>			
County Grant Award	64.005	C5055	36,716

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2006

<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 Elder Affairs</u>			
Passed through Northwest Florida Area Agency on Aging			
Home Care for the Elderly	65.001	AZCH006-SR1/AM007-SR	1,834
Alzheimer's Respite Services	65.004	AZCH006-SR1/AM007-SR	2,770
Community Care for the Elderly	65.010	AZCH006-SR1/AM007-SR	23,073
<u>Florida Department of Management Services</u>			
Wireless 911 Emergency Telephone System	72.001	N/A	277,673
<u>Florida Department of State</u>			
Public Library Construction Program	45.020	05-PLC-39	500,000
State Aid to Libraries	45.030	06-ST-90	416,850
<u>Florida Executive Office of the Governor</u>			
Enterprise Florida, Inc.	31.003	DIG 05-01	292,611
<u>Florida Department of Law Enforcement</u>			
Drug Control/Money Laundering Investigations	71.005	PE-18-0104	100,000
Violent Crime Investigation	71.004	N/A	24,636
Violent Crime Investigation	71.004	N/A	3,141
Violent Crime Investigation	71.004	N/A	2,139
			<u>29,916</u>
<u>Other State Financial Assistance</u>			
Choose Life License Plates	N/A	N/A	<u>11,693</u>
Total State Financial Assistance			<u>\$ 15,961,329</u>

Santa Rosa County, Florida
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2006

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 basic financial statements.

Santa Rosa County, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2006

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified Opinion
Internal control over financial reporting:
Material weakness(es) identified? _____ yes no
Reportable condition(s) identified that are
not considered to be material weakness(es)? _____ yes none reported

Noncompliance material to financial statements
noted? _____ yes no

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major programs:
Material weakness(es) identified? _____ yes no
Reportable condition(s) identified that are
not considered to be material weakness(es)? _____ yes none reported

Type of auditor's report issued on compliance
for major programs: Unqualified Opinion

Any audit findings disclosed that are required
to be reported in accordance with section 510(a) of
Circular A-133? _____ yes no

IDENTIFICATION OF MAJOR PROGRAMS

Federal Program

CFDA No. 14.228	Community Development Block Grants
CFDA No. 16.710	COPS Programs
CFDA No. 20.106	Airport Improvement Program
CFDA No. UNKNOWN	Emergency Watershed Protection Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 382,438

Auditee qualified as low-risk auditee? yes _____ no

Santa Rosa County, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2006

State Projects

CSFA No. 37.003 Beach Erosion Control Program
CSFA No. 45.020 Public Library Construction Program
CSFA No. 52.016 Residential Construction Mitigation Program
CSFA No. 52.902 Hurricane Housing Recovery Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 478,840

The Summary Schedule of Prior Audit Findings is not required as there were no prior audit findings relating to Federal programs or State projects.

B. FINANCIAL STATEMENT FINDINGS

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 AND NON-MAJOR AWARD PROGRAMS

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

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE

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