

SINGLE AUDIT REPORT
SANTA ROSA COUNTY, FLORIDA
SEPTEMBER 30, 2007

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SANTA ROSA COUNTY, FLORIDA

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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, 2007. 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, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the special-purpose 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, 2007, and have issued our report thereon dated March 28, 2008. Our audit was performed for the purpose of forming our opinions on the special-purpose financial statements taken as a 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 Board of County Commissioners, 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

March 28, 2008

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2007

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	\$ 300,433
Disaster Grants - Public Assistance	97.036	06-PA-G-01-67-01-502	1,282,769
Disaster Grants - Public Assistance	97.036	06-KT-B-01-67-01-506	4,274
			<u>1,587,476</u>
Hazard Mitigation Grant - Admin. Bldg. Retrofit	97.039	06HM-5@-01-67-01-006	23,859
Hazard Mitigation Grant - Auditorium Retrofit	97.039	06HM-5@-01-67-01-002	19,395
Hazard Mitigation Grant - Three County Buildings	97.039	07HM-5@-01-67-01-003	13,013
Hazard Mitigation Grant - East Milton Gym Retrofit	97.039	07HM-5@-10-67-01-004	10,380
Hazard Mitigation Grant - County Extension Center	97.039	07HM-5@-01-67-01-005	9,731
Hazard Mitigation Grant - Harrison Ave. Stormwater	97.039	07HM-5@-01-67-01-010	90,264
Hazard Mitigation Grant - Sabertooth Circle Stormwater	97.039	07HM-5@-01-67-01-013	62,250
Hazard Mitigation Grant - Orion Lake Stormwater	97.039	07HM-5@-01-67-01-014	68,475
Hazard Mitigation Grant - Ganges/Madura Stormwater	97.039	07HM-5@-01-67-01-015	119,550
Hazard Mitigation Grant - Villa Venyce Stormwater	97.039	07HM-5@-01-67-01-018	58,781
Hazard Mitigation Grant - Ramblewood Stormwater	97.039	07HM-5@-01-67-01-019	59,859
Hazard Mitigation Grant - Greenbriar Stormwater	97.039	07HM-5@-01-67-01-020	154,316
Hazard Mitigation Grant - Bagdad Strom Shutters	97.039	07HM-4@-01-67-01-005	5,310
Hazard Mitigation Grant - Navarre Storm Shutters	97.039	07HM-4@-01-67-01-011	9,877
Hazard Mitigation Grant - Milton Storm Shutters	97.039	07HM-4@-01-67-01-014	5,850
			<u>710,910</u>
Homeland Security Grant Program	97.067	06-DS-3W-01-67-01-349	13,750
Passed Through the Florida Dept. of Law Enforcement Buffer Zone Protection Program	97.078	2006-BZPP-SANT-1-N5-007	49,507
<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	349,263
Community Development Block Grants	14.228	06DB-3C-01-67-01-W30	5,610,792
			<u>5,960,055</u>
<u>U.S. Department of Commerce</u>			
Passed Through the Office of Tourism, Trade and Economic Development			
Investment for Public Works and Economic Development Facilities	11.300	OT-06-042	640,000
<u>U.S. Department of Justice</u>			
Passed Through Office of Justice Programs			
Public Safety Partnership and Community Policing Grants	16.710	2004-SH-WX-0118	158,775
Passed Through Office of Justice Programs			
Drug Court Discretionary Grant Program	16.585	2005-DC-BX-0047	200,000
Passed Through Florida Dept. of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-JAG-SANT-1-P3-192	53,322
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2006DJBX1100	12,279
			<u>65,601</u>

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2007

Federal and State Grantor/Pass-through Grantor/Program Title	CFDA/ CSFA Number	Contract / Grant Number	Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed Through Florida Dept. of Revenue			
Child Support Enforcement Program	93.563	N/A	32,254
Child Support Enforcement Program	93.563	CC357	72,174
			<u>104,428</u>
Passed Through Florida Dept. of Elder Affairs/Northwest Florida Area Agency on Aging			
Medical Assistance Program	93.778	AZCH006-SR1	58,482
<u>Election Assistance Commission</u>			
Passed through Florida Department of State			
Help America Vote Act Requirement Payments	90.401	N/A	11,550
<u>U.S. Department of Transportation</u>			
Passed Through Florida Dept. of Transportation			
Formula Grants for Other Than Urbanized Areas	20.509	AO184	77,731
Passed Through Federal Aviation Administration			
Airport Improvement Program	20.106	3-12-0052-008-2005	224,109
Airport Improvement Program	20.106	3-12-0052-009-2006	201,902
			<u>426,011</u>
<u>U.S. Department of Agriculture</u>			
Emergency Watershed Protection Program	10.923	N/A	<u>1,093,050</u>
 Total Federal Awards			 <u><u>\$ 11,157,326</u></u>

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2007

Federal and State Grantor/Pass-through Grantor/Program Title	CFDA/ CSFA Number	Contract / Grant Number	Expenditures
Florida Department of Environmental Protection			
Florida Recreation Development Assistance Program	37.017	F5202	2,371
Beach Erosion Control Program	37.003	05SR1	2,780,161
Florida Department of Agriculture and Consumer Services			
Mosquito Control	42.003	SA003	27,750
Florida Department of Community Affairs			
Emergency Management Programs	52.008	07BG-04-01-67-01-295	84,049
Emergency Management Projects	52.023	07CP-11-01-67-01-066	8,815
Residential Construction Mitigation Project	52.016	07RC-Q-01-67-01	98,062
Florida Housing Finance Corporation			
State Housing Initiative Partnership Program	52.901	HFC01	671,855
Hurricane Housing Recovery Program	52.902	67ER-05	7,723,551
Florida Department of Transportation			
Small County Incentive Program	55.008	AO151	60,000
Small County Outreach Program	55.009	AO164	1,433,550
Transportation Regional Incentive Program	55.026	421994-1	470,253
Florida Department of Health			
County Grant Award	64.005	C5055	41,834
Florida Department of Elder Affairs			
Passed through Northwest Florida Area Agency on Aging			
Home Care for the Elderly	65.001	AZCH006-SR1/AM007-SR	4,831
Alzheimer's Respite Services	65.004	AZCH006-SR1/AM007-SR	10,239
Community Care for the Elderly	65.010	AZCH006-SR1/AM007-SR	56,376
Florida Department of Management Services			
Wireless 911 Emergency Telephone System	72.001	N/A	273,799

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2007

<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 State</u> State Aid to Libraries	45.030	07-ST-90	441,529
<u>Florida Executive Office of the Governor</u> Economic Development Transportation Fund	31.002	OT06-111	250,000
<u>Florida Department of Highway Safety and Motor Vehicles</u> Choose Life License Plates	N/A	N/A	10,947
<u>Florida Department of Law Enforcement</u> Drug Control/Money Laundering Investigations	71.005	PE-18-0122	19,225
Violent Crime Investigation	71.004	N/A	<u>1,170</u>
Total State Financial Assistance			<u>\$ 14,470,367</u>

Santa Rosa County, Florida
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2007

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, 2007

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 <input checked="" type="checkbox"/> no
Significant deficiency (ies) identified that are not considered to be material weakness(es)?	_____ yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	_____ yes <input checked="" type="checkbox"/> no

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <input checked="" type="checkbox"/> no
Significant deficiency (ies) identified that are not considered to be material weakness(es)?	_____ yes <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> no

IDENTIFICATION OF MAJOR PROGRAMS

Federal Programs

CFDA No. 14.228	Community Development Block Grants
CFDA No. 97.039	Hazard Mitigation Grant
CFDA No. 11.300	Investment for Public Works and Economic Development Facilities

Dollar threshold used to distinguish between type A and type B programs:	\$ 334,720
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes _____ no

Santa Rosa County, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2007

State Projects

CSFA No. 52.902 Hurricane Housing Recovery Program
CSFA No. 55.009 Small County Outreach Program
CSFA No. 55.026 Transportation Regional Incentive Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 434,111

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.