

SANTA ROSA COUNTY, FLORIDA

SINGLE AUDIT REPORT

SEPTEMBER 30, 2017

**SANTA ROSA COUNTY, FLORIDA
SINGLE AUDIT REPORT
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF
THE AUDITOR GENERAL**

Board of County Commissioners
Santa Rosa County, Florida

Report on Compliance for Each Major Federal Program and State Project

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) *Compliance Supplement*, and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2017. The County's major federal program and state projects are identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance 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 on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance with those requirements.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2017.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Florida Department of Financial Services *State Projects Compliance Supplement*, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Rosa County, Florida, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 9, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis as required by the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Warren Averett, LLC

Pensacola, Florida

March 9, 2018

SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Department of Agriculture/U.S. Forest Service</u>				
Passed Through Florida Department of Agriculture and Consumer Services: Cooperative Forestry Assistance	10.664	023923	\$ 15,121	\$ -
<u>U.S. Department of Health and Human Services</u>				
Passed Through Florida Department of Revenue: Child Support Enforcement Program	93.563	COC01	244,010	-
Child Support Enforcement Program	93.563	CST57	14,645	-
			<u>258,655</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Passed Through Florida Division of Emergency Management: Hazard Mitigation Grant	97.039	16HM-6B-01-67-01-196	160,529	-
Hazard Mitigation Grant	97.039	16HM-J3-01-67-01-216	17,956	-
Hazard Mitigation Grant	97.039	18HM-H4-01-67-01-029	17,108	-
Hazard Mitigation Grant	97.039	16HM-J3-01-67-01-217	2,694	-
Hazard Mitigation Grant	97.039	16HM-H4-01-67-01-250	15,413	-
Hazard Mitigation Grant	97.039	16HM-H4-01-67-01-422	74,878	-
			<u>288,578</u>	<u>-</u>
Passed Through Florida Division of Emergency Management: Flood Mitigation Assistance Grant Program	97.029	17FM-S3-01-67-01-353	132,600	-
Flood Mitigation Assistance Grant Program	97.029	17FM-S3-01-67-01-355	23,835	-
			<u>156,435</u>	<u>-</u>
Passed Through Florida Division of Emergency Management: Homeland Security Grant Program	97.067	17-DS-V4-01-67-01-302	42,733	-
Homeland Security Grant Program	97.067	16-DS-T9-01-67-01-294	13,500	-
			<u>56,233</u>	<u>-</u>
Passed Through Florida Division of Emergency Management: Emergency Management Performance Grant	97.042	17-FG-P9-01-67-01-131	57,140	-
Emergency Management Performance Grant	97.042	18-FG-7A-01-67-01-181	19,251	-
Passed Through Volunteer Florida: Emergency Management Performance Grant	97.042	VF2017 2069	14,185	-
Emergency Management Performance Grant	97.042	VF2017 8162	7,594	-
			<u>98,170</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through Escambia County Consortium: Home Investment Partnerships Program	14.239	M-11DC-12-0225	118,657	-
Passed Through Department of Economic Opportunity: Community Development Block Grant	14.228	17DB-OL-01-67-01-N30	5,000	-
<u>U.S. Department of Justice</u>				
Passed Through Florida Coalition Against Domestic Violence: Violence Against Women Formula Grants	16.588	17-8027-SAO	42,043	-
Violence Against Women Formula Grants	16.588	18-8027-SAO	17,597	-
			<u>59,640</u>	<u>-</u>
Passed Through Florida Office of the Attorney General: Crime Victim Assistance	16.575	V13233	20,578	-

The accompanying notes are an integral part of this schedule.

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
Direct Program: Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0396	14,595	-
Passed Through Florida Department of Law Enforcement: Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JAGC-SANT-1-R3-086	46,888	-
			<u>61,483</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Direct Program: Airport Improvement Program	20.106	3-12-0052-013-2016	1,080,363	-
Passed Through Florida Dept. of Transportation: Formula Grants for Rural Areas	20.509	G0712	114,343	-
Passed Through Florida Dept. of Transportation: Highway Planning and Construction	20.205	G0811 (437087-2-38-01)	33,612	-
Highway Planning and Construction	20.205	G0813 (436985-1-38-01)	42,022	-
			<u>75,634</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
Direct Program: RESTORE Act	21.015	RDCGR210016-01-00	108,000	-
<u>Executive Office of the President</u>				
Passed Through Office of National Drug Policy: High Intensity Drug Trafficking Areas Program	95.001	G17GC00007A	18,253	-
<u>U.S. Election Assistance Commission</u>				
Passed Through Florida Division of Elections: Help America Vote Act Requirement Payments	90.401	2016-2017-0001-SAN	29,388	-
Total Federal Awards			<u>\$ 2,564,531</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>State Grantor/Pass-through Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>Florida Department of Agriculture and Consumer Services</u>				
Mosquito Control	42.003	023812	\$ 31,540	\$ -
Agriculture Nonpoint Source Best Management Practices Implementation	42.017	023012	40,188	-
Agriculture Nonpoint Source Best Management Practices Implementation	42.017	024312	15,955	-
			<u>56,143</u>	<u>-</u>
<u>Florida Department of Economic Opportunity</u>				
Passed through Enterprise Florida, Inc.				
Enterprise Florida, Inc. - Defense Infrastructure Grant	40.003	DIG 14-01	196,122	-
Enterprise Florida, Inc. - Defense Infrastructure Grant	40.003	DIG 15-04	200,000	-
			<u>396,122</u>	<u>-</u>
Local Economic Development Initiatives - Defense Infrastructure Grant	40.012	S0035	4,225	-
Military Base Protection	40.014	DRG S0071	25,922	-
Military Base Protection	40.014	DRG S0084	4,875	-
			<u>30,797</u>	<u>-</u>
Community Planning Technical Assistance Grant	40.038	P0195	30,000	-
<u>Florida Department of Health</u>				
County Grant Awards	64.005	C4055	1,860	-
County Grant Awards	64.005	C5055	20,336	-
			<u>22,196</u>	<u>-</u>
<u>Florida Department of State</u>				
State Aid to Libraries	45.030	17-ST-74	52,386	-
<u>Florida Division of Emergency Management</u>				
Emergency Management Programs	31.063	17-BG-83-01-67-01-064	89,803	-
Emergency Management Programs	31.063	18-BG-W9-01-67-01-182	15,814	-
			<u>105,617</u>	<u>-</u>
Emergency Management Projects - Hazards Analysis	31.067	17-CP-11-01-67-01-166	9,475	-
<u>Florida Fish and Wildlife Conservation Commission</u>				
Derelict Vessel Removal	77.005	16167	4,125	-
Artificial Reef Grants Program	77.007	15154	203,257	-
<u>Florida Department of Environmental Protection</u>				
Beach Management Funding Assistance Program	37.003	17SR1	38,275	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP57111	115,197	-
NRDA Early Restoration Deep Water Horizon Oil Spill	37.081	S0896	137,545	-
NRDA Early Restoration Deep Water Horizon Oil Spill	37.081	S0937	9,279	-
			<u>146,824</u>	<u>-</u>
<u>Florida Housing Finance Corporation</u>				
State Housing Initiative Partnership Program	40.901	N/A	1,109,699	-
TOTAL STATE AWARDS			<u>2,355,878</u>	<u>-</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 4,920,409</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

**SANTA ROSA COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

1. BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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.

2. 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 under programs of the federal and state government for the year ended September 30, 2017. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Santa Rosa County, Florida elected to utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified Opinion
Internal control over financial reporting:
Material weakness(es) identified? _____ yes no
Significant deficiency (ies) 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
Significant deficiency (ies) identified that are
not considered to be material weakness(es)? _____ yes none reported
Type of auditor's report issued on compliance
for major programs: Unmodified opinion
Any audit findings disclosed that are required
to be reported in accordance with the Uniform
Guidance or Chapter 10.550, *Rules of
the Auditor General*? _____ yes no

IDENTIFICATION OF MAJOR PROGRAM

Federal Program

CFDA No. 20.106 Airport Improvement Program

Dollar threshold used to distinguish
between type A and type B programs: \$750,000
Auditee qualified as low-risk auditee? yes _____ no

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

A. SUMMARY OF AUDITOR RESULTS (CONTINUED)

State Projects

CSFA No. 40.003 Enterprise Florida, Inc. – Defense Infrastructure Grant
CSFA No. 40.901 State Housing Initiative Partnership Program

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

B. FINANCIAL STATEMENT FINDING

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 PROGRAM

There were no findings which were required to be reported in accordance with the Uniform Guidance.

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE

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
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

2016-001: General Fund Budget Over Expenditure

Florida Statute 129.06 (2) allows for the county budget to be increased and amended during the year, and as late as 60 days after the end of the fiscal year, for receipts not originally anticipated and received for a particular purpose. During the year, an accrual for significant intergovernmental grants to fund beach re-nourishment expenditures resulted in the need to increase both the budgeted revenues and expenditures.

Although the Board was aware of, and approved the grant revenue sources, the official budget was not amended. Since the budget was not duly amended in accordance with Florida Statute 129.06, the actual expenditures reported in the general fund's schedule of revenues, expenditures, and changes in fund balance – budget and actual, exceeded the total appropriations by approximately \$11.7 million.

Current Status

No similar findings were noted in the 2017 audit.