

**SINGLE AUDIT REPORT**  
**SANTA ROSA COUNTY, FLORIDA**  
**SEPTEMBER 30, 2010**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON 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 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, 2010. 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 could have a direct and material effect on each of its major Federal programs and State projects for the year ended September 30, 2010.

#### Internal Control Over Compliance

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 in order 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, 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.

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 deficiencies, 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 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, 2010, and have issued our report thereon dated March 28, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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, 2011

**Santa Rosa County Florida**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**Year ended September 30, 2010**

<b>Federal and State Grantor/Pass-through Grantor/Program Title</b>	<b>CFDA/ CSFA Number</b>	<b>Contract / Grant Number</b>	<b>Expenditures</b>
<b>U.S. Department of Homeland Security</b>			
<hr/>			
Passed Through Florida Dept. of Community Affairs			
Disaster Grants - Public Assistance	97.036	05-PA-G-01-67-01-541	\$ 4,160,447
Disaster Grants - Public Assistance	97.036	08-PA-00-01-67-13-501	341,801
			<hr/> 4,502,248
Hazard Mitigation Grant - Harrison Phase I	97.039	07HM-5@-01-67-01-010	3,187
Hazard Mitigation Grant - Chumuckla Community Center Phase I	97.039	08HM-81-01-67-01-017	20,599
Hazard Mitigation Grant - Chumuckla Community Center Phase II	97.039	09HM-16-01-67-01-006	61,798
Hazard Mitigation Grant - Harrison Phase II	97.039	10HM-17-01-67-01-010	13,682
Hazard Mitigation Grant - Villa Venyce Phase II	97.039	10HM-17-01-67-01-002	4,841
Hazard Mitigation Grant - Ramblewood Phase II	97.039	10HM-17-01-67-01-005	10,608
Hazard Mitigation Grant - Orion Lake Phase II	97.039	10HM-17-01-67-01-006	79,272
Hazard Mitigation Grant - Sabertooth Phase II	97.039	10HM-17-01-67-01-007	5,430
Hazard Mitigation Grant - Ganges/Madura Phase II	97.039	10HM-17-01-67-01-008	12,442
Hazard Mitigation Grant - Greenbriar Phase II	97.039	10HM-17-01-67-01-009	69,912
			<hr/> 281,771
Homeland Security Grant Program	97.067	09-DS-51-01-67-01-356	12,166
Homeland Security Grant Program	97.067	10-DS-51-01-67-23-243	4,500
Homeland Security Grant Program	97.067	2010-SHSP-SANT-1-V3-080	13,989
Homeland Security Grant Program	97.067	2009-SHSP-SANT-1-V3-0	25,578
Homeland Security Grant Program (CERT)	97.067	11-CI-35-01-67-01-199	9,981
Homeland Security Grant Program (Citizen Corps Component)	97.067	11-CC-35-01-67-01-097	5,431
			<hr/> 71,645
Flood Mitigation Assistance Grant	97.029	09 FM-45-01-67-01-343	17,100
Flood Mitigation Assistance Grant	97.029	10 FM-56-01-67-02-245	143,200
			<hr/> 160,300
Emergency Management Performance Grants	97.042	10-BG-25-01-67-01-129	54,484
<hr/> <b>U.S. Department of Housing and Urban Development</b>			
Passed Through Florida Dept. of Community Affairs			
Community Development Block Grants	14.228	09DB-T3-01-67-01-E03	15,000
CDBG - Neighborhood Stabilization Program	14.228	10DB-4X-01-67-01-F21	1,533,004
			<hr/> 1,548,004
<hr/> <b>U.S. Department of Justice</b>			
Passed Through Florida Dept. of Children and Families			
Violence Against Women Formula Grants	16.588	LN928	65,141
Passed Through Office of Justice Programs			
Crime Victim Assistance	16.575	V09233	36,015
Internet Crimes against Children Task Force Program	16.800	2009-MC-CX-K059	5,667
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.804	2009-SB-B9-2726	26,753
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.803	2010-ARRC-SANT-1-W7-276	239,083
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.803	2010-ARRC-SANT-2-W7-101	18,750
			<hr/> 257,833
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-JAGC-SANT-14X-031	90,837
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJIBX-0550	28,987
			<hr/> 119,824
<hr/> <b>U.S. Department of Health and Human Services</b>			
Passed Through Florida Dept. of Revenue			
Child Support Enforcement Program	93.563	CD357	114,779
Child Support Enforcement Program	93.563	CSP57	48,132
			<hr/> 162,911
<hr/> <b>U.S. Department of Agriculture</b>			
Emergency Watershed Protection Program	10.923	69-4209-10-1744	195,880
<hr/> <b>U.S. Department of Transportation</b>			
Passed Through Florida Dept. of Transportation			
Formula Grants for Other Than Urbanized Areas	20.509	AO184	114,935
ARRA - Formula Grants for Other Than Urbanized Areas	20.509	FL86X001	166,000
			<hr/> 280,935
Airport Improvement Grant	20.106	3-12-0052-010-2010	40,887
Highway Planning & Construction	20.205	APF34	570,044
Highway Planning & Construction	20.205	AOM48	12,998
			<hr/> 583,042
<hr/> <b>U.S. Election Assistance Commission</b>			
Help America Vote Act Requirements Payments	90.401	N/A	11,720
			<hr/>
Total Federal Awards			<hr/> <b>\$ 8,405,060</b>

**Santa Rosa County Florida**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**Year ended September 30, 2010**

<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 Agriculture and Consumer Services</u> Mosquito Control	42.003	014977	\$ 37,682
<u>Florida Department of Community Affairs</u> Emergency Management Programs	52.008	10-BG-25-01-67-01-129	105,524
Emergency Management Projects	52.023	10-CP-04-01-67-01-169	8,833
<u>Florida Housing Finance Corporation</u> State Housing Initiative Partnership Program	52.901	N/A	141,578
<u>Florida Department of Transportation</u> State Highway Project Reimbursement	55.023	AP518	162,493
State Highway Project Reimbursement	55.023	APE95	197,858
State Highway Project Reimbursement	55.023	AP559	692,685
			<u>1,053,036</u>
Small County Outreach Program	55.009	APP33	822,562
Small County Outreach Program	55.009	APP34	438,046
Small County Outreach Program	55.009	APP32	507,940
			<u>1,768,548</u>
Aviation Development Grants	55.004	AP879	111,498
Transportation Regional Incentive Program	55.026	AOM90	38,208
<u>Florida Fish &amp; Wildlife Conservation Commission</u> Florida Boating Improvement Program	77.006	08063	65,157
<u>Florida Department of Elder Affairs</u> Senior Center Fixed Capital Outlay	65.013	XQ895	103,081
<u>Florida Department of Health</u> County Grant Awards	64.005	C9055	31,425
<u>Florida Department of Management Services</u> Wireless 911 Emergency Telephone System	72.001	N/A	326,771
<u>Florida Department of State</u> State Aid to Libraries	45.030	10-ST-75	328,576
<u>Florida Executive Office of the Governor</u> Enterprise Florida Inc.	31.003	DIG 09-05	14,181
<u>Florida Department of Environmental Protection</u> Beach Erosion Control Program	37.003	07SR1	18,913
Statewide Surface Water Restoration & Wastewater Projects	37.039	LP8970	32,991
Total State Financial Assistance			<u>\$ 4,186,002</u>

**Santa Rosa County, Florida**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**For the year ended September 30, 2010**

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**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, 2010**

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**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  
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**

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

**STATE FINANCIAL ASSISTANCE**

Internal control over major projects:  
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 projects: Unqualified Opinion  
  
Any audit findings disclosed that are required  
to be reported in accordance with Chapter 10.550,  
Rules of the Auditor General? \_\_\_\_\_ yes  no

**Santa Rosa County, Florida**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended September 30, 2010**

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**IDENTIFICATION OF MAJOR PROGRAMS**

**Federal Programs**

CFDA No. 14.228 Community Development Block Grant  
CFDA No. 20.205 Highway Planning and Construction Program  
CFDA No. 16.803 Edward Byrnes Memorial Justice Assistance Grant Program

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

Auditee qualified as low-risk auditee?  yes  no

**State Projects**

CSFA No. 55.004 Aviation Development Program  
CSFA No. 55.009 Small County Outreach Program  
CSFA No. 55.023 State Highway Project Reimbursement Program

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

**B. FINANCIAL STATEMENT FINDINGS**

There were no findings 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 PROGRAMS**

There were no findings which were required to be reported in accordance with section 510(a) of OMB Circular A-133.

**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**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the year ended September 30, 2010**

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**A. Prior-Year Findings and Questioned Costs – Major Federal Programs**

None reported.

**B. Prior-Year Findings and Questioned Costs – Major State Projects**

None reported.