

SINGLE AUDIT REPORT
SANTA ROSA COUNTY, FLORIDA
SEPTEMBER 30, 2012

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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**

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, 2012. 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, 2012.

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 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.

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, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 22, 2013 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.

Warren Averett, LLC

March 22, 2013
Pensacola, Florida

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2012

<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 Agriculture, Forest Service</u>			
Cooperative Forestry Assistance	10.664	VFA573	34,667
<u>U.S. Department of Health and Human Services</u>			
Passed Through Florida Dept. of Revenue			
Child Support Enforcement Program	93.563	CD357	176,261
Child Support Enforcement Program	93.563	CSS57	11,431
			<u>187,692</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through Florida Dept. of Community Affairs			
Hazard Mitigation Grant - Harrison Phase II	97.039	10HM-17-01-67-01-010	733,183
Hazard Mitigation Grant - Villa Venyce Phase II	97.039	10HM-17-01-67-01-002	73,585
Hazard Mitigation Grant - Orion Lake Phase II	97.039	10HM-17-01-67-01-006	56,850
Hazard Mitigation Grant - Sabertooth Phase II	97.039	10HM-17-01-67-01-007	1,116
Hazard Mitigation Grant - Ganges/Madura Phase II	97.039	10HM-17-01-67-01-008	288,885
			<u>1,153,619</u>
Disaster Grants - Public Assistance	97.036	13-DB-73-01-67-02-618	1,416
Passed Through Florida Dept. of Community Affairs (Division of Emergency Management)			
Homeland Security Grant Program	97.067	11-DS-29-01-67-01-480	9,012
Homeland Security Grant Program	97.067	12-DS-9Z-01-67-01-499	13,799
Homeland Security Grant Program	97.067	13-DS-20-01-67-01-149	1,294
Homeland Security Grant Program (CERT)	97.067	11-CI-A6-01-67-01-408	6,053
Homeland Security Grant Program (CERT)	97.067	13-CI-46-01-67-01-141	9,949
Homeland Security Grant Program (Citizen Corps Component)	97.067	11-CC-A6-01-67-01-432	4,072
Homeland Security Grant Program (CERT Academy Training)	97.067	12-CI-58-04-20-01-263	2,549
Passed Through the Florida Dept. of Law Enforcement			
Homeland Security Grant Program	97.067	2011-DJ-BX-3051	9,874
Homeland Security Grant Program	97.067	2009-SHSP-SANT-1-V3-072	33,990
Homeland Security Grant Program	97.067	12-DS-9Z-01-67-01-313	15,100
			<u>105,692</u>
Passed through the Florida Division of Emergency Management			
Emergency Management Performance Grants	97.042	12-FG-R3-01-67-01-124	50,239
Emergency Management Performance Grants	97.042	13-FG-86-01-67-01-124	18,014
			<u>68,253</u>
Severe Repetitive Loss Program - Acquisitions	97.110	11SL-48-01-67-02-102	454,246
Severe Repetitive Loss Program - Elevations	97.110	12SL-04-01-67-01-434	569,901
			<u>1,024,147</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed Through Florida Dept. of Community Affairs			
Community Development Block Grants	14.228	09DB-T3-01-67-01-E03	33,000
Neighborhood Stabilization Program	14.228	10DB-4X-01-67-01-F21	78,602
Disaster Recovery Grant	14.228	10DB-K4-01-67-01-K31	26,470
Community Development Block Grants	14.228	11DB-CS-01-67-01-N22	17,500
Disaster Recovery Grant (DREF)	14.228	12DB-P5-01-67-01-K57	22,930
			<u>178,502</u>
Passed Through Escambia County Consortium			
HOME Investment Partnerships Program	14.239	M-11-DC-12-0225	550,671
<u>U.S. Department of Justice</u>			
Passed Through Florida Coalition Against Domestic Violence			
Violence Against Women Formula Grants	16.588	12-8027-SAO	58,820
Violence Against Women Formula Grants	16.588	13-8027-SAO	18,662
			<u>77,482</u>
Passed Through Office of Justice Program			
Crime Victim Assistance	16.575	V11233	45,130
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-JAGC-SANT-1C4-050	69,168
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.804	2009-SB-B9-2726	40,691
<u>U.S. Department of Transportation</u>			
Passed Through Florida Dept. of Transportation			
Formula Grants for Other Than Urbanized Areas	20.509	AO184	82,765
Federal Aviation Administration	20.106	3-12-0052-010-2010	10,501
Federal Aviation Administration	20.106	42229419401 (AQG11)	123,728
			<u>134,229</u>
Local Agency Program Agreement	20.205	AQ207	2,587
Local Agency Program Agreement	20.205	AQ787	8,733
Local Agency Program Agreement	20.205	AOM48	994,082
			<u>1,005,402</u>
Passed Through Florida-Alabama TPO			
Job Access and Reverse Commute	20.516	N/A	137,419
<u>U.S. Election Assistance Commission</u>			
Passed through Florida Department of State			
Help America Vote Act Requirement Payments	90.401	N/A	33,291
<u>U.S. Environmental Protection Agency</u>			
Environmental Justice Small Grants Program	66.604	EQ-95458210-0	11,599
Total Federal Awards			<u>\$ 4,941,835</u>

Santa Rosa County Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2012

Federal and State Grantor/Pass-through Grantor/Program Title	CFDA/ CSFA Number	Contract / Grant Number	Expenditures
<u>Florida Department of Agriculture and Consumer Services</u> Mosquito Control	42.003	017250	18,334
<u>Florida Department of Community Affairs</u> Emergency Management Projects	52.023	12-CP-03-01-67-01-213	4,749
<u>Florida Department of Health</u> County Grant Awards	64.005	C0055	7,475
<u>Florida Department of Law Enforcement</u> Drug Control/Money Laundering Investigations - Matching Funds	71.005	DC-06/07-024	2,588
<u>Florida Department of State</u> State Aid to Libraries	45.030	12-ST-75	269,569
<u>Florida Department of Transportation</u>			
FDOT Landscape Program	55.023	416533-8-58-05	50,000
Transportation Regional Incentive Program	55.026	421994-1-5801	165,817
Joint Participation Agreement	55.004	42040519401 - Airport Master Plan	188,457
Joint Participation Agreement	55.004	42229419401 (AQG11)	6,874
			<u>195,331</u>
Small County Outreach Program	55.009	AQF92	447,302
Small County Outreach Program	55.009	AQF38	301,033
Small County Outreach Program	55.009	AQF88	639,628
			<u>1,387,963</u>
<u>Florida Division of Emergency Management</u>			
Emergency Management Programs	31.063	13-BG-83-01-67-01-057	26,337
Emergency Management Programs	31.067	13-CP-11-01-67-01-206	6,253
Emergency Management Programs	52.008	12-BG-05-01-67-01-057	70,015
<u>Florida Executive Office of the Governor</u>			
Enterprise Florida Inc.	31.003	DIG 11-08	71,000
Enterprise Florida Inc.	31.044	DRG 12-01	3,696
<u>Florida Housing Finance Corporation</u>			
State Housing Initiative Partnership Program	52.901	N/A	307,674
Total State Financial Assistance			<u><u>\$ 2,586,801</u></u>

Santa Rosa County, Florida
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2012

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, 2012

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, 2012

IDENTIFICATION OF MAJOR PROGRAMS

Federal Programs

CFDA No. 14.239 HOME Investment Partnerships Program
CFDA No. 20.205 Highway Planning and Construction

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. 52.901 State Housing Initiatives Partnership Program
CSFA No. 55.009 Small County Outreach 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, 2012

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

None reported.

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

None reported.