



**DONALD C. SPENCER**  
CLERK OF THE CIRCUIT COURT & COMPTROLLER  
SANTA ROSA COUNTY, FLORIDA

Clerk of the Circuit Court & Comptroller  
Recorder of Deeds  
Clerk and Accountant of the Board of County Commissioners  
Custodian of County Funds  
County Auditor

6495 Caroline Street  
Milton, Florida 32570  
P O BOX 472  
Milton, Florida 32572  
Telephone: (850) 983-1975  
Fax: (850) 983-1986  
[www.santarosaclerk.com](http://www.santarosaclerk.com)

MEMORANDUM

To: Don Spencer, Clerk of Courts

From: Samuel Scallan, Director, Internal Audit

Date: April 28, 2022

Subject: Report on Review of Management Fees-Juana's

We have conducted a review of management fee payments made by Juana's to Santa Rosa County. Our review was the result of inquiries made by the Board of County Commissioners in a meeting on October 26, 2021. The purpose of our review was to determine whether Juana's is paying the correct amount for the management fee. Our audit covered a three-year period from October 1, 2018, through September 30, 2021.

Background

Santa Rosa County entered into a Management Agreement with an individual to construct, manage and operate a public restaurant and public boat dock on certain property on Navarre Beach. The agreement was executed on May 23, 1990. The Board approved a subsequently assigned of the agreement to *Juana's Pagodas and Sailors' Grill, Inc.* (Juana's) on July 17, 1998. The original agreement was renewed in 2000.

Language in that agreement requires that Juana's pay a management fee equal to 5% of gross revenue each month. The agreement also requires Juana's to maintain certain books and records to support monthly sales amounts and that such shall be open and available at all reasonable times for inspection by persons designated by the County.

An integral part of Juana's business is the operations of Navarre Beach Ski & Sail, Inc., renting jet skis and sail boats on property covered by the lease agreement.

We contacted Juana's management and arranged to examine the books and records used to support the lease payments made to the county for the period under review. Management was helpful, providing us with requested reports.

Report on Review of Management Fees-Juana's  
April 28, 2022

Juana's uses an automated Point of Sale (POS) system to record sales at the location. We obtained various reports by day and by employee, configured in a variety of layouts. These reports enabled us to gain an understanding of how the business operates and to understand the daily and monthly revenue reporting process. We examined the various sales categories as well as those other income sources excluded from gross revenues. Similar reports were obtained from Navarre Beach Ski and Sail, Inc. Such information is deemed proprietary and does not appear in this report.

We traced revenues detailed on reports from the POS system to the totals reported to Santa Rosa County on the monthly report of management fee paid to the county. There were no exceptions. Similar results were found in examining sales and management fee data from Navarre Beach Ski & Sail, Inc. As additional verification, we traced the amount of gross revenues reported to Santa Rosa County to the amount reported on Juana's monthly Florida Sales and Use Report (Form DR-15).

Based on our review we conclude that Juana's is paying the correct management fee to Santa Rosa County.

We would be pleased to discuss the report at your convenience.

CC: Devann Cook, County Administrator  
Robert Miller, Finance Director  
Jason English, Chief Deputy Clerk for Administration  
Tim Weekly, Counsel to the Clerk