

**SANTA ROSA COUNTY, FLORIDA**

**SINGLE AUDIT REPORT**

**SEPTEMBER 30, 2021**

**SANTA ROSA COUNTY, FLORIDA  
SINGLE AUDIT REPORT  
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SEPTEMBER 30, 2021**

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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, 2021. The County's major federal programs 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, 2021.

**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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 26, 2022, 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.

**Purpose of this Report**

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.

*Warren Averett, LLC*

Pensacola, Florida  
April 26, 2022

**SANTA ROSA COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Commerce</b>				
Passed Through Florida Department of Environmental Protection				
Office for Coastal Management	11.473	NA17NOS4730140	\$ 42,568	\$ -
Office for Coastal Management	11.473	0318.20.069548	11,396	-
			<u>53,964</u>	
<b>U.S. Department of Housing and Urban Development</b>				
Passed Through Escambia County Consortium				
Home Investment Partnerships Program	14.239	M-14-DC-12-0225	67,881	-
<b>U.S. Department of Agriculture</b>				
Passed Through Natural Resources Conservation Service Florida				
Natural Resource Damage Assessment and Restoration	15.658	N1220CPT0011021	22,625	-
<b>U.S. Department of Justice</b>				
Direct Program				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1208	13,986	-
Passed Through Florida Office of the Attorney General				
Crime Victim Assistance	16.575	VOCA-2020-SRCSO-00607	146,806	-
Passed Through Florida Department of Children and Families				
Violence Against Women Formula Grants FCADV	16.588	LN096	67,223	-
Direct Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0240	13,957	-
Passed Through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-SANT-1-3B-033	2,760	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-SANT-2-5R-007	21,827	-
			<u>38,544</u>	-
Support for Adam Walsh Act Implementation Grant Program	16.750	2020-AW-BX-0040	77,508	-
<b>U.S. Department of Transportation Federal Aviation Administration</b>				
Direct Program				
Airport Improvement Program	20.106	3-12-0052-014-2019	80,667	-
Airport Improvement Program	20.106	3-12-0052-017-2020	19,228	-
Airport Improvement Program	20.106	3-12-0052-018-2021	94,459	-
			<u>194,354</u>	-
<b>U.S. Department of Transportation</b>				
Passed Through Florida Dept. of Transportation				
Formula Grants for Rural Areas	20.509	G1M17	229,307	229,307
Passed Through Florida Dept. of Transportation				
State and Community Highway Safety	20.600	SC-2021-00024	124,929	-
Passed Through Florida Dept. of Transportation				
National Priority Safety Program	20.616	M5HVE-20-06-17/G1F00	1,274	-
<b>Total Highway Safety Cluster</b>			<u>126,203</u>	-
<b>U.S. Department of the Treasury</b>				
Direct Program				
RESTORE Act	21.015	1 RDCGR210076-01-00	10,314	10,314
RESTORE Act	21.015	1 RDCGR210100-01-00	39,579	39,579
RESTORE Act	21.015	1 RDCGR210104-01-00	33,778	33,778
RESTORE Act	21.015	1 RDCGR210112-01-00	75,985	75,985
			<u>159,656</u>	<u>159,656</u>
Passed Through Florida Division of Emergency Management				
COVID-19 Coronavirus Relief Fund	21.019	Y2279	10,872,833	-

(Continued)

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, 2021**

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Assistance Listing</b>	<b>Contract / Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of the Treasury - Continued</b>				
Passed Through Florida Housing Finance Corporation COVID-19 Coronavirus Relief Fund	21.019	#091-2020	\$ 528,201 11,401,034	\$ - -
Direct Program COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-1712	98,231	-
<b>Gulf Ecosystem Restoration Council</b>				
Passed Through Florida Department of Environmental Protection Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	GNTSP20FL0088	362,104	362,104
<b>U.S. Election Assistance Commission</b>				
Passed Through Florida Department of State COVID-19 Help America Vote Act Election Security Grants	90.404	MOA#2020-2019-01	92,876	-
COVID-19 Help America Vote Act Election Security Grants	90.404	MOA#2021-001-SAN	124,225	-
			217,101	-
<b>U.S. Department of Health and Human Services</b>				
Passed Through Florida Dept. of Revenue Child Support Enforcement Program	93.563	CSU57	12,950	-
<b>Executive Office of the President</b>				
Passed Through Office of National Drug Policy High Intensity Drug Trafficking Areas Program	95.001	G21GC0007A	96,244	78,651
<b>U.S. Department of Homeland Security</b>				
Passed Through Volunteer Florida Emergency Management Performance Grant	97.042	G0145	14,441	-
Emergency Management Performance Grant	97.042	G0173	79,201	-
Emergency Management Performance Grant	97.042	G0215	3,600	-
Emergency Management Performance Grant	97.042	G0225	20,206	-
			117,448	-
Passed Through Florida Division of Emergency Management Disaster Grants - Public Assistance SALLY	97.036	Z2563	9,101,301	-
Disaster Grants - Public Assistance IDA	97.036	EMAC-4611	58,543	-
Disaster Grants - Public Assistance SALLY	97.036	PA-4564	188,346	-
			9,348,190	-
Passed Through Florida Division of Emergency Management Homeland Security Grant Program	97.046	D0045	21,567	-
Passed Through Florida Division of Emergency Management Homeland Security Grant Program	97.067	R0170	46,247	-
Homeland Security Grant Program	97.067	R0038	37,765	-
Homeland Security Grant Program	97.067	R0063	36,261	-
Homeland Security Grant Program	97.067	R0203	36,161	-
			156,434	-
<b>Total Federal Awards</b>			<b>\$ 23,029,360</b>	<b>\$ 829,718</b>

(Continued)

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, 2021**

<u>State Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>Florida Division of Emergency Management</u>				
Emergency Management Programs	31.063	A0169	\$ 105,806	\$ -
Emergency Management Projects - Hazards Analysis	31.067	T0164	9,062	-
<u>Florida Department of Environmental Protection</u>				
Florida Recreation Development Assistance Program	37.017	P9042	250,000	-
Resilient Florida Programs	37.098	R2117	125,000	-
Florida Water Estuary Program Projects	37.111	FY2104	25,620	-
<u>Florida Department of Economic Opportunity</u>				
Economic Development Partnerships	40.014	DTF 21-103	64,800	-
Economic Development Partnerships	40.040	S0115	375,532	-
Economic Development Partnerships	40.040	S0138	366,667	-
Economic Development Partnerships	40.040	S0157	66,207	-
Economic Development Partnerships	40.040	S0145	60,200	-
			<u>868,606</u>	<u>-</u>
<u>Florida Housing Finance Corporation</u>				
State Housing Initiative Partnership Program	40.901	N/A	299,445	-
<u>Florida Department of Agriculture and Consumer Services</u>				
Mosquito Control	42.003	27451	36,498	-
<u>Florida Department of State</u>				
State Aid to Libraries	45.030	21-ST-74	37,461	-
Historic Preservation Grants	45.031	21.h.sm.100.112	49,744	-
<u>Florida Department of Transportation</u>				
Aviation Development Grants - Joint Participation Agreement	55.004	G1L01	600,000	-
<u>Florida Department of Health</u>				
County Grant Awards	64.005	C9055	20,554	-
<u>Florida Department of Management Services</u>				
E911 State Grant Program	72.002	S17-21-02-32	111,868	-
<u>Florida Fish and Wildlife Conservation Commission</u>				
Derelict Vessel Removal	77.005	20162	7,500	-
Artificial Reef Grants Program	77.007	19020	99,238	-
TOTAL STATE AWARDS			<u>\$ 2,711,202</u>	<u>\$ -</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 25,740,562</u>	<u>\$ 829,718</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, 2021**

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**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) 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, 2021. 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), Chapter 69I-5, State Financial Assistance, Rules of the Department of Financial Services, 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**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 69I-5, State Financial Assistance, Rules of the Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Santa Rosa County, Florida, elected to utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. EXPENDITURES INCURRED IN PRIOR FISCAL YEAR**

Total Federal Assistance Listing No. 97.036 expenditures of \$1,697,462 were incurred in a prior fiscal year and obligated by FEMA in the current fiscal year.

**SANTA ROSA COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**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)?  
reported  yes  none  
  
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 PROGRAMS**

**Federal Programs**

Federal Assistance Listing No. 21.019 Coronavirus Relief Fund  
Federal Assistance Listing No. 97.036 Disaster Grant – Public Assistance

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 – CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**A. SUMMARY OF AUDITOR RESULTS (CONTINUED)**

**State Projects**

State Assistance Listing No. 40.040 Economic Development Partnerships  
State Assistance Listing No. 55.004 Aviation Development Grants

Dollar threshold used to distinguish  
between type A and type B programs: \$750,000

**B. FINANCIAL STATEMENT FINDING**

Findings required to be reported in accordance with *Government Auditing Standards*:

**FINDING 2021-001 GRANT REVENUE RECOGNITION**

*Criteria*

The County's internal control over financial reporting is designed to allow for management and employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, a material misstatement on a timely basis. Pursuant to GASB Statement No. 33, recipients of expenditure-driven grants should recognize revenue as qualifying expenditures are incurred.

*Condition*

During current year audit procedures, it was determined the grant receivables in the County's Road and Bridge Fund were overstated by \$2.6 million and revenue was overstated by \$1.5 million for the year ended September 30, 2021. The revenue and related receivable were initially overstated by \$1.1 million in the year ended September 30, 2020 financial statements and a prior period adjustment of \$1.1 million was recorded to reflect the correction of overstatement during the year ended September 30, 2021.

*Cause*

During fiscal year 2019 through 2021, there was significant turnover in the grants reporting division of the County. A journal entry provided to the financial reporting division of the County from the grants reporting division included cumulative total costs of a cost reimbursement grant to be accrued as revenue at September 30, 2020. However, the majority of the costs were incurred and the revenue recognized during the fiscal year ended September 30, 2019 causing an overstatement of grant receivables and revenue in the year ended September 30, 2020.

*Effect*

The County's Road and Bridge Fund grant receivables and revenues were materially overstated in fiscal year 2021 and 2020 requiring audit adjustments and a prior period audit adjustment.

**SANTA ROSA COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**B. FINANCIAL STATEMENT FINDING - CONTINUED**

**FINDING 2021-001 GRANT REVENUE RECOGNITION - CONTINUED**

*Recommendation*

Management should review grant policies and procedures with key personnel to ensure the process for estimating the year-end grant accrual balance allows for matching grant revenues with related qualifying expenditures. Further grant receivables should be monitored for collectability and investigated when grant funds are not received in accordance with the terms of the grant.

*Views of Responsible Officials*

We agree with the finding and the recommended procedures have been implemented.

**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*.



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

Clerk of the County 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)

**SANTA ROSA COUNTY, FLORIDA  
SCHEDULE OF PRIOR YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**SCHEDULE OF PRIOR YEAR FINDINGS**

There were no findings reported in the prior year which require Management's response.

**CORRECTIVE ACTION PLAN**

The finding from the April 26, 2022 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Name of Contact Person for Completing Corrective Action Plan:  
Robert Miller, Director of Finance  
(850) 983-1963  
[millerr@santarosaclerks.com](mailto:millerr@santarosaclerks.com)

**FINDING 2021-001 GRANT REVENUE RECOGNITION**

During current year audit procedures, it was determined grant receivables in the County's Road and Bridge Fund were overstated by \$2.6 million and revenue was overstated by \$1.5 million for the year ended September 30, 2021. The revenue and related receivable were initially overstated by \$1.1 million in the year ended September 30, 2020 financial statements and a prior period adjustment of \$1.1 million was recorded to reflect the correction of overstatement during the year ended September 30, 2021.

**Management's Response**

In order to prevent this from happening in the future, policies and procedures surrounding the grant revenue accrual process will be reviewed by all grant and accounting personnel. In addition, there will be additional focus on recording and monitoring year end grant accruals as well as redesigning the process to make it easier to reconcile accruals and detect any errors on a more timely basis. This will be completed by fiscal year end 2022.