

RYBOVICH BOAT COMPANY, LLC
REPORT ON SCHEDULE OF
EXPENDITURES OF STATE AWARD
FOR THE YEAR ENDED DECEMBER 31, 2011

RYBOVICH BOAT COMPANY, LLC

Table of Contents

	<u>Page</u>
Independent auditor's report	1
Schedule of expenditures of state award	2
Notes to schedule of expenditures of state award	3
Report on compliance with requirements applicable to each major state program and on internal control over compliance in accordance with the Florida Single Audit Act	4-5
Schedule of findings and questioned costs	6

Independent Auditor's Report

To the Member
Rybovich Boat Company, LLC

We have audited the consolidated financial statements of Rybovich Boat Company, LLC and affiliates as of and for the year ended December 31, 2011 and have issued our report thereon dated March 5, 2012. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The accompanying schedule of expenditures of state award for the year ended December 31, 2011 is presented for purposes of additional analysis as required by the Florida Single Audit Act, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Templeton & Company, LLP

West Palm Beach, Florida
March 5, 2012



RYBOVICH BOAT COMPANY, LLC
SCHEDULE OF EXPENDITURES OF STATE AWARD
For the Year Ended December 31, 2011

<u>State Project</u>	<u>CSFA Number</u>	<u>Expenditures</u>
State of Florida Department of Fish and Wildlife:		
Boating Infrastructure and Grant Program (BIGP)	15.622	<u>\$ 1,247,705</u>

See notes to schedule of expenditures of state award.

RYBOVICH BOAT COMPANY, LLC

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARD

Note 1 – Basis of presentation

The accompanying schedule of expenditures of state award (the Schedule) includes the state program activity of Rybovich Boat Company, LLC (the Company) for the year ended December 31, 2011 and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of the Florida Single Audit Act and the related rules as set forth by the Auditor General of the State of Florida.

Note 2 – Summary of State of Florida Programs

The state award in the Schedule presents in summary form the grant activity provided to the Company for year ended December 31, 2011 by the State of Florida Department of Fish and Wildlife.

Note 3 – Subrecipients

None of the expenditures presented in the accompanying schedule of expenditures of state award was provided to subrecipients.

**Report on Compliance With Requirements Applicable to Each
Major State Program and on Internal Control Over Compliance
in Accordance with the Florida Single Audit Act**

To the Member
Rybovich Boat Company, LLC

Compliance

We have audited the compliance of Rybovich Boat Company, LLC (the Company) with the types of compliance requirements described in the Florida Single Audit Act and the related rules as set forth by the Auditor General of the State of Florida that could have a direct and material effect on each of the Company's major state programs for the year ended December 31, 2011. The Company's major state program is 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 state programs is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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. Those standards and the Florida Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about the Company'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 Company's compliance with those requirements.

In our opinion, the Company complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of the Company's major state programs for the year ended December 31, 2011.

Internal Control over Compliance

Management of the Company is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the Company's internal control over compliance with the requirements that could have a direct and material effect on a major state program 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 the Florida Single Audit Act, 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 Company'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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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.

This report is intended solely for the information and use of management, 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.

Templeton & Company, LLP

West Palm Beach, Florida
March 5, 2012

RYBOVICH BOAT COMPANY, LLC

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2011**

Part I – Summary of Auditor's Results:

Financial statement section:
Type of auditor's report issued Unqualified

Internal control over financial reporting:
Material weakness(es) identified? No
Reportable condition(s) identified not considered to be material weaknesses? No
Noncompliance material to financial statements noted? No

State awards section:
Dollar threshold used to distinguish Type A and Type B Program \$500,000
Auditee qualified as low-risk auditee? Yes
Type of auditor's report on compliance for major programs Unqualified

Internal control over compliance for major programs:
Material weaknesses identified? No
Reportable condition(s) identified not considered to be material weaknesses? No
Any audit findings disclosed that are required to be reported in accordance with Florida Single Audit Act? No

Identification of major programs:

<u>State CSFA Number</u>	<u>Name of State Project</u>
15.622	Boating Infrastructure Grant Program (BIGP)

Part II – Financial Statement Findings and Questioned Costs

This section identifies reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

We noted no material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Part III - Management Letter

A separate management letter was not issued in connection with this engagement.