

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2017

Federal Agency	Federal CFDA Number	Contract Number	Expenditures	Program Totals	Expenditures to Subrecipients
Department of Housing & Urban Development					
Direct Assistance:					
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-12-0021	\$ 42,744		
Total CDBG - Entitlement Grants Cluster				\$ 42,744	
Passed through the Home Again St. Johns, Inc.:					
Emergency Solution Grant	14.231	NP266	15,000		
Department of Justice					
Direct Assistance:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAGC-STJO-3-H3-029	28,884		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JAGC-STJO-3-H3-029	34,592	63,476	
Passed through Florida Office of the Attorney General					
Victims of Crime Act - VOCA	16.575	V15124	69,757		
Department of Transportation					
Passed through North Florida Transportation Planning Organization:					
Highway Planning and Construction	20.205	433659-2-73-01	60,750		
Passed through Florida Department of Transportation:					
Highway Planning and Construction	20.205	432257-1-58-01	306,063		
Total Highway Planning and Construction Cluster				366,813	
Direct Assistance:					
Federal Transit Formula Grants	20.507	FL-90-X830-00	122,269		
Federal Transit Formula Grants	20.507	FL-90-X852-00	6,736		2,943
Federal Transit Formula Grants	20.507	FL-95-X083-00	9,216		
Federal Transit Formula Grants	20.507	FL-95-X094-00	57,192		
Federal Transit Formula Grants	20.507	FL-90-X905-00	443,342		304,904
Federal Transit Formula Grants	20.507	FL-90-X894-00	673,097		260,452
Total Federal Transit Cluster				1,311,852	
Environmental Protection Agency					
Passed through the Florida Department of Environmental Protection:					
Nonpoint Source Implementation Grants	66.460	G0393	467,158		
Election Assistance Commission					
Passed through the Florida Department of State, Division of Elections:					
Help America Vote Act	90.401	2016-2017-0001-SJC	24,360		
Department of Health & Human Services					
Passed through the Florida Department of Revenue:					
Child Support Enforcement - Title IV-D	93.563	COC55	172,906		
Passed through Home Again St. Johns, Inc.:					
Temporary Assistance for Needy Families	93.558	NP267	14,550		
Passed Through Florida Department of Children & Families:					
Temporary Assistance for Needy Families	93.558	NJ206	415,363		
Total TANF Cluster				429,913	
Promoting Safe and Stable Families	93.556	NJ206	317,555		
Chafee Educational and Training Vouchers Program	93.599	NJ206	12,590		
Adoption Incentive Payments	93.603	NJ206	10,093		
Child Welfare Services -- State Grants	93.645	NJ206	99,224		
Foster Care-Title IV-E	93.658	NJ206	1,188,896		
Adoption Assistance	93.659	NJ206	865,282		
Social Services Block Grant	93.667	NJ206	277,935		
Child Abuse and Neglect	93.669	NJ206	8,270		
Chafee Foster Care Independence	93.674	NJ206	30,992		
Medical Assistance Program					
Total Medicaid Cluster	93.778	NJ206	9,200	9,200	
Executive Office of The President					
Office of National Drug Control & Policy					
Direct Assistance:					
High Intensity Drug Trafficking	95.001	G15NF0001A	3,023,718		681,396
Department of Homeland Security					
Direct Assistance:					
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2014-FH-00196	1,132,009		

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2017

Federal Agency	Federal CFDA Number	Contract Number	Expenditures	Program Totals	Expenditures to Subrecipients
Port Security Grant	97.056	EMW-2015-PU-00044-S01	34,020		
Assistance to Firefighters Grant	97.044	EMW-2015-FO-05266	575,363		
Passed through Florida Division of Emergency Management: Emergency Management Performance Grant	97.042	17-FG-P9-04-65-01-129	80,017		
Total expenditures of federal awards			<u>\$ 10,629,143</u>		<u>\$ 1,249,695</u>

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2017

State Agency	State CSFA Number	Contract Number	Expenditures	Program Totals	Expenditures to Subrecipients
Executive Office of the Governor					
Emergency Management Programs	31.063	17-BF-83-04-65-01-062	\$ 101,990		
Emergency Management Programs	31.063	18-BG-XX	6,094	108,084	
Department of Environmental Protection					
Reclaimed Water Storage Tank	37.066	28419	19,229		
Sewer Improvements	37.066	28778	28,957	48,186	
Drinking Water Facility Construction	37.076	DW550110	437,126		
Florida Housing Finance Corporation					
State Housing Initiative Partnership Program	40.901	2016-17	570,586		539,733
State Housing Initiative Partnership Program	40.901	2015-16	677,067		428,089
State Housing Initiative Partnership Program	40.901	2014-15	59,868	1,307,521	40,590
Department of State					
State Aid to Libraries	45.030	16-ST-75	14,789		
State Aid to Libraries	45.030	17-ST-72	154,223	169,012	
Acquisition, Restoration of Historic Properties	45.032	SC722	6,967		
Department of Transportation					
Public Transit Block Grant Program	55.010	418441-1-84-16	365,030		365,030
Public Transit Block Grant Program	55.010	418441-1-84-15	145,104	510,134	145,105
Florida Shared-use Nonmotorized (Sun) Trail Network Program	55.038	439932-1-14-01	1,809		
Department of Children and Families					
Homeless Challenge Grant	60.014	NP269	12,786		
Out of Home Supports	60.074	NJ206	113,471		
In Home Supports	60.075	NJ206	7,856		
CBC-Adoption Services	60.076	NJ206	154		
Independent Living Program	60.112	NJ206	33,450		
CBC-Sexually Exploited Children	60.138	NJ206	16,587		
Extended Foster Care Program	60.141	NJ206	8,690		
Department of Health					
County Grant Awards	64.005	C5058	19,386		
Total expenditures of state financial assistance			\$ 2,801,219		\$ 1,518,547

**Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal and State award activity of St. Johns County, Florida for the year ended September 30, 2017. The information in this schedule is presented in accordance with the 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. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized when they become a demand on current available financial resources. Expenditures on contracts dated before or on December 26, 2014 are recognized following the cost principles in OMB Circular A-133, and expenditures on all subsequent contracts are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3– INDIRECT COST RATE

The County did not elect to charge the 10% de minimis indirect cost rate or any other indirect cost rate to any federal or state programs.

NOTE 4– SUBRECIPIENTS

The County provided federal awards to subrecipients as follows:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Federal Transit Formula Grants	20.507	\$ 568,299
High Intensity Drug Trafficking Areas Program	95.001	681,396
Total		\$ 1,249,695

**Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance**

NOTE 4– SUBRECIPIENTS (CONTINUED)

The County provided state awards to subrecipients as follows:

<u>State Project</u>	<u>CSFA Number</u>	<u>Amount</u>
State Housing Initiative Partnership Program	40.901	\$ 1,008,412
Public Transit Block Grant Program	55.010	510,135
Total		\$ 1,518,547

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL; AND REPORT ON THE SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

The Honorable County Commissioners
St. Johns County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited St. Johns County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state projects for the year ended ended September 30, 2017. 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.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of 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.

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, 2017.

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 the requirements that could have a direct and material effect on each major federal program and 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 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. *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 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 were not 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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 28, 2018, 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 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 basic 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.

Carri Riggs & Ingram, L.L.C.

St. Augustine, Florida
June 28, 2018

Schedule of Findings and Questioned Costs
Year ended September 30, 2017

SECTION I – SUMMARY OF AUDITOR’S RESULTS

- (i) The independent auditor’s report on the financial statements expressed unmodified opinions.
- (ii) The audit did not report significant deficiencies or disclose material weaknesses in internal control over financial reporting.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit did not report significant deficiencies or disclose material weaknesses in the internal control over the major federal programs and the major state projects.
- (v) The auditor’s report on compliance for the major federal award programs and major state projects expressed an unmodified opinion.
- (vi) The audit did not disclose findings relative to major federal programs or major state projects.
- (vii) The County’s major federal programs and state projects were:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>						
Federal Transit Cluster	20.507						
Adoption Assistance	93.659						
High Intensity Drug Trafficking	95.001						
Assistance to Firefighters Grant	97.044						
Staffing for Adequate Fire and Emergency Response	97.083						
<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: center;"><u>State Projects</u></th> <th style="text-align: center;"><u>CSFA Number</u></th> </tr> </thead> <tbody> <tr> <td>State Housing Initiative Partnership Program</td> <td style="text-align: right;">40.901</td> </tr> <tr> <td>Out of Home Supports</td> <td style="text-align: right;">60.074</td> </tr> </tbody> </table>		<u>State Projects</u>	<u>CSFA Number</u>	State Housing Initiative Partnership Program	40.901	Out of Home Supports	60.074
<u>State Projects</u>	<u>CSFA Number</u>						
State Housing Initiative Partnership Program	40.901						
Out of Home Supports	60.074						

- (viii) A threshold of \$750,000 was used to distinguish between Type A and Type B programs for federal programs, and \$300,000 was used for state projects.
- (ix) The County did not qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

**Schedule of Findings and Questioned Costs
Year ended September 30, 2017**

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings relative to the financial statements.

**SECTION III – FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS**

-None-

**SECTION IV – FINDINGS AND QUESTIONED COSTS –
STATE PROJECTS**

-None-

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable County Commissioners
St. Johns County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of St. Johns County, Florida (the "County"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

St. Augustine, Florida
June 28, 2018



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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable County Commissioners
St. Johns County, Florida

We have examined St. Johns County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

St. Augustine, Florida
June 28, 2018

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES

The Honorable County Commissioners
St. Johns County, Florida

We have examined St. Johns County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2017. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

St. Augustine, Florida
June 28, 2018

Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
Year ended September 30, 2017

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

Department of Transportation, Federal Transit Cluster- CFDA No. 20.507 Federal Transit Formula Grants, Grant No. FL-90-X830-00, FL-90-X852-00, FL-95-X083-00, FL-90-X894-00, FL-90-X894-00, and CFDA 20.526 Bus and Bus Facilities Formula Program, Grant No. 437585-1-94-15;
Executive Office of The President, Office of National Drug Control & Policy, CFDA 95.001 High Intensity Drug Trafficking, Grant No. G15NF0001A; Department of Homeland Security, CFDA 97.083 Staffing for Adequate Fire and Emergency Response, Grant No. EMW-2014-FH-00196; and
Department of Homeland Security, CFDA No. 97.056 Port Security Grant Program, Grant No. EMW-2015-PU-00044-S01.

2016-001 *Criteria* - The Uniform Guidance and the Florida Single Audit Act require the preparation of a complete and accurate Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA).

Condition – The SEFA did not properly report all awards received by the County during the current fiscal year. CFDA 20.507, Grant No. FL-90-X894-00, and CFDA 95.001 were not included on the original schedule. CFDA 97.056 was overstated by \$82,500 on the original schedule. After SEFA corrections and evaluation, the resulting Major programs are those listed above in this Section.

Effect - The current year's SEFA did not include all grants required to be on the SEFA, or, in some cases, the information included on the SEFA was not correct.

Questioned Costs – None.

Cause – Procedures established by the County to assure the completeness and accuracy were not followed by all departments. The main cause appears to be inadequate communication from various departments to a central SEFA preparer when grants are awarded.

Recommendation – We recommend that management review current procedures and make revisions if necessary, so that communications, including providing a copy of the grant contract and subsequent communications from departments at key reporting intervals, between County departments receiving the grants and the finance department is required and followed every time a grant is awarded to the County, in order to facilitate the completeness and accuracy of the SEFA at year end.

**Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
Year ended September 30, 2017**

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS (CONTINUED)

Corrective Action Plan – The County’s Office of Management and Budget (OMB) will serve as the centralized department to ascertain, collect, and distribute necessary documentation to the County’s Finance Department. OMB will establish a checklist criteria (incorporating necessary documentation including the grant contract, federal/state sources, match requirements) that all County departments must submit to receive a grant project.

Status 2017 – Corrected.

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

Florida Department of Environmental Protection, CSFA No. 37.022 Water Policy/Ecosystem Restoration Master Tract, Grant No. 27440;
Florida Department of Environmental Protection, CSFA No. 37.066 Reclaimed Water Storage Tank, Grant No. 28419;
Department of State, CSFA No. 45.030 State Aid to Libraries, Grant No. 15-ST-76 and 16-ST-75;
and
Florida Housing Finance Corporation, CSFA No. 40.901 State Housing Initiative Partnership Program, Grant 2015-2016 .

Same finding as item 2016-001 above, with the following state project expenditure differences: CSFA 37.022, Grant No. 27415 originally reported expenditures of \$118,963. However, no expenditures were incurred for this grant during the current fiscal year. CSFA 37.022, Grant No. 27440 was understated by \$557,330. CSFA 37.066 was overstated by \$119,573. After SEFA corrections and evaluation, the resulting Major state projects are those listed above in this Section.

Questioned Costs – None.

Corrective Action Plan – The County’s Office of Management and Budget (OMB) will serve as the centralized department to ascertain, collect, and distribute necessary documentation to the County’s Finance Department. OMB will establish a checklist criteria (incorporating necessary documentation including the grant contract, federal/state sources, match requirements) that all County departments must submit to receive a grant project.

Status 2017 – Corrected.

MANAGEMENT LETTER

The Honorable County Commissioners
St. Johns County, Florida

We have audited the financial statements of St. Johns County, Florida (the "County"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 28, 2018. We have also issued reports on internal control and on compliance and other matters, and single audit reports. Those reports should be considered in conjunction with this management letter.

We conducted our audit 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; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The County has no uncorrected prior audit findings.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes, that are indicative of a state of financial emergency.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the fiscal year ended September 30, 2017, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2017.

Other Matters

As required by the Rules of the Auditor General, we performed separate audits of each of the County's constitutional officers. The comments, if any, included in those separately-issued reports should be considered in conjunction with this management letter.

This management letter is intended solely for the information and use of the Board of County Commissioners and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Carr, Riggs & Ingram, L.L.C.

St. Augustine, Florida
June 28, 2018



Hunter S. Conrad, Esq.
St. Johns County Clerk of the Circuit Court and Comptroller
Dedicated to Excellence. Committed to Improvement. Serving with Kindness
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June 28, 2018

Sherrill F. Norman, CPA
Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman:

I agree with the contents of the auditor report, and I am pleased to note that there are no current year findings. Should you have any questions or concerns, please feel free to contact us.

Very respectfully,

Hunter S. Conrad

Hunter S. Conrad, Esq.
Clerk of Courts & Comptroller