

# SINGLE AUDIT AND OTHER AUDIT REQUIREMENTS



ST. JOHNS COUNTY, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal Agency	Assistance Listing Number	Contract Number	Expenditures	Program/Cluster Totals	Expenditures to Subrecipients
Department of Housing and Urban Development					
Direct Assistance:					
Housing Counseling Assistance Program	14.169	HC200421042	19,310	\$ 19,310	-
Community Development Entitlement Grants Cluster	14.218	B-16-UC-12-0021	137,904		14
Community Development Entitlement Grants Cluster	14.218	B-17-UC-12-0021	7,304		7,304
Community Development Entitlement Grants Cluster	14.218	B-18-UC-12-0021	59,290		59,290
Community Development Entitlement Grants Cluster	14.218	B-19-UC-12-0021	847,766		111,794
Community Development Entitlement Grants Cluster	14.218	B-20-UW-12-0021	108,078	1,160,342	-
Continuum of Care Program	14.267	FL0637L4H121802	9,496	9,496	-
Passed through the Florida Department of Economic Opportunity:					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	17DB-OL-04-65-01-W01	13,700,077	13,700,077	-
Passed through the Florida Department of Children and Families and Flagler Hospital:					
Emergency Solutions Grant Program	14.231	NP006	12,650	12,650	-
Department of Justice					
Passed through Florida Department of Legal Affairs, Office of the Attorney General:					
Victim of Crimes Act	16.575	VOCA-2020-St. Johns County Sheriff-00706	120,028	120,028	-
Passed through Florida Department of Law Enforcement:					
Bulletproof Vest Partnership	16.607	20024006	7,446	7,446	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-3735	28,267		-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DI-BX-0556	20,993	49,260	-
Paul Coverdell Forensic Sciences Improvement	16.742	2020-CD-BX-0011	2,254	2,254	-
Department of Transportation					
Direct Assistance:					
Federal Transit Formula Grants/Federal Transit Cluster	20.507	FL-2018-039-01; 6410-2017-1	23,449		
Federal Transit Formula Grants/Federal Transit Cluster	20.507	FL-2018-015-01; 6410-2017-2	10,021		
Federal Transit Formula Grants/Federal Transit Cluster	20.507	FL-2019-077-01; 6410-2019-1	429,184		137,344
Federal Transit Formula Grants/Federal Transit Cluster	20.507	FL-2020-044-01; 6410-2020-2	1,062,846		892,434
Federal Transit Formula Grants/Federal Transit Cluster	20.507	FL-2016-036-00; 6410-2016-3	2,532		
Federal Transit Formula Grants/Federal Transit Cluster	20.507	FL-2018-106-00; 6410-2018-1	27,812		-
Federal Transit Formula Grants/Federal Transit Cluster	20.507	FL-2018-125-00; 6410-2017-3	92,424	1,648,268	-
Passed through the Florida Department of Transportation:					
Highway Planning and Construction Cluster	20.205	G1L77; 437628-1-58-01 & 68-02	116,762		-
Highway Planning and Construction Cluster	20.205	G1S1; 439470-1-58-01 & 68-02	527,632		-
Highway Planning and Construction Cluster	20.205	G1S50; 441220-1-58-01 & 68-02	2,266	646,660	-
Department of the Treasury					
Passed through the Florida Housing Finance Corporation					
Coronavirus Relief Fund	21.019	089-2020	95,712	95,712	95,712
Direct Assistance:					
Emergency Rental Assistance Program	21.023		194,797		
Coronavirus State and Local Fiscal Recovery Funds	21.027		1,589,136	1,783,933	
Small Business Administration					
Shuttered Venue Operators Grants	59.075	5BAHQ21SV003539	5,984,568	5,984,568	
Election Assistance Commission					
Passed through the Florida Department of State, Division of Elections:					
Help America Vote Act	90.404	2021-001	62,794	62,794	-
Department of Health and Human Services					
Direct Assistance:					
Provider Relief Fund and American Rescue Plan	93.498		136,775	136,775	
Passed through the Florida Department of Children and Families:					
Guardianship Assistance	93.090	NJ206	11,044		
Promoting Safe and Stable Families	93.556	NJ206	261,200		-
Temporary Assistance for Needy Families Block Grant (477 Cluster)	93.558	NJ206	352,867		-
Chafee Education and Training Vouchers	93.599	NJ206	1,128		-
Adoption and Legal Guardianship Incentive Payments	93.603	NJ206	15,281		-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	NJ206	278,963		-
Foster Care-Title IV-E	93.658	NJ206	1,474,669		-
Adoption Assistance	93.659	NJ206	1,595,169		-
Social Services Block Grant	93.667	NJ206	495,825		-
Child Abuse and Neglect State Grants	93.669	NJ206	112,151		-
Chafee Foster Care Independence Program	93.674	NJ206	112,016		-
Medical Assistance Program (Medicaid Cluster)	93.778	NJ206	6,774	4,717,087	-
Passed through the Florida Department of Revenue:					
Child Support Enforcement - Title IV-D	93.563	COC55	112,618	112,618	-
Executive Office of the President					
Direct Assistance:					
High Intensity Drug Trafficking Areas Program	95.001	G19NF0001A	33,074		-
High Intensity Drug Trafficking Areas Program	95.001	G20NF0001A	2,929,692		-
High Intensity Drug Trafficking Areas Program	95.001	G21NF0001A	528,847	3,491,613	-
Department of Homeland Security					
Direct Assistance:					
Cooperating Technical Partners	97.045	FEMA-2018-CA-0035-501	51,600	51,600	
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00045	809,319	809,319	-
Passed through the Florida Division of Emergency Management:					
Disaster Grants - Public Assistance	97.036	17-PA-US-04-65-02-125	3,184,439		-
Disaster Grants - Public Assistance	97.036	20276	109,575		-
Disaster Grants - Public Assistance	97.036	Z2493	24,162		-
Disaster Grants - Public Assistance	97.036	Z1636	248,638	3,566,814	-
Hazard Mitigation Grant	97.039	H0012	23,111		-
Hazard Mitigation Grant	97.039	H0013	11,298		-
Hazard Mitigation Grant	97.039	H0014	11,054		-
Hazard Mitigation Grant	97.039	H0525	254,959		-
Hazard Mitigation Grant	97.039	H0093	43,870		-
Hazard Mitigation Grant	97.039	H0494	3,721	348,013	-
Emergency Management Performance Grants	97.042	G0133	17,302		-
Emergency Management Performance Grants	97.042	G0116	88,840	106,142	-
Homeland Security Grant Program	97.067	EMW-2020-SS-0035-501; #R0360	5,766	5,766	
Total Expenditures of Federal Awards			\$ 38,648,545	\$ 38,648,545	\$ 1,303,892

(continued)

ST. JOHNS COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

State Agency	State CSFA Number	Contract Number	Expenditures	Program Totals	Expenditures to Subrecipients
Executive Office of the Governor:					
Emergency Management Programs	31.063	A0133	96,372		-
Emergency Management Programs	31.063	A0228	9,304	\$ 105,676	
Department of Environmental Protection:					
Beach Management Funding Assistance Program	37.003	17S1	22,462		
Beach Management Funding Assistance Program	37.003	20S1	65,340		-
Beach Management Funding Assistance Program	37.003	21S1	3,918		
Beach Management Funding Assistance Program	37.003	21S2	8,216	99,936	
Drinking Water Facility Construction	37.076	DW550130	5,170,676		-
Drinking Water Facility Construction	37.076	DW550140	1,239,492	6,410,168	-
Wastewater Treatment Facility Construction	37.077	WW550120	410,483		-
Wastewater Treatment Facility Construction	37.077	WW550150	83,084		
Wastewater Treatment Facility Construction	37.077	WW550160	159,217		
Wastewater Treatment Facility Construction	37.077	WW550170	16,356	669,140	
Resilient Florida Programs	37.098	R2104	70,000	70,000	
Statewide Water Restoration Projects	37.101	20S1	284,815	284,815	-
Florida Housing Finance Corporation:					
State Housing Initiatives Partnership Program	40.901	2019-2020	141,683	141,683	141,683
Department of Financial Services					
Fire Decontamination Equipment Grant Program	43.013	FM593	14,599	14,599	
Department of State and Secretary of State:					
State Aid to Libraries	45.030	21-ST-72	100,043	100,043	-
Historic Preservation Grants	45.031	21.h.sm.200.085	50,000		
Historic Preservation Grants	45.031	22.h.sm.300.109	16,666	66,666	
Department of Education and Commissioner of Education					
Coach Aaron Feis Guardian Program	48.140	TAPS No. 21A096	1,155	1,155	
Department of Transportation:					
County Incentive Grant Program	55.008	G1156; 442785-1-54-01	28,890	28,890	
Public Transit Block Grant Program	55.010	418441-1-84-20	231,176	231,176	
Transportation Regional Incentive Program	55.026	G1156; 442785-1-54-01	28,890	28,890	
Local Transportation Projects	55.039	G1H43; 445799-1-54-01	3,077,056		
Local Transportation Projects	55.039	G1155; 445798-1-54-01	85,214	3,162,270	
Department of Children and Families:					
Homeless Grants-in-Aid	60.021	NP006	43,241	43,241	
Out-of-Home Supports	60.074	NJ206	604,166	604,166	-
CBC - Adoption Services	60.076	NJ206	1,037	1,037	
The Independent Living and Road to Independence Program	60.112	NJ206	10,043	10,043	-
CBC-Sexually Exploited Children	60.138	NJ206	2,952	2,952	-
Extended Foster Care Program	60.141	NJ206	2,231	2,231	-
CBC - Purchase of Therapeutic Services for Children	60.183	NJ206	71,265	71,265	-
Department of Health					
County Grant Awards	64.005	C9058	18,691	18,691	-
Department of Law Enforcement					
Florida Incident Based Reporting System	71.043	2020-FBSFA-F2-036	16,495	16,495	
Department of Management Services					
Prepaid Next Generation 911 (NG911)State Grant Program	72.003	S15-20-06-24	679,894	679,894	
Total expenditures of state financial assistance			<u>\$ 12,865,122</u>	<u>\$ 12,865,122</u>	<u>\$ 141,683</u> (concluded)

ST. JOHNS COUNTY, FLORIDA  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

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**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, 2021. 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 minimus indirect cost rate as outlined in the Uniform Guidance or any other indirect cost rate to any federal or state programs.

**NOTE 4 – SUBRECIPIENTS**

The County provided federal awards to subrecipients as follows:

Federal Program	Federal CFDA Number	Amount
Community Development Entitlement Grants Cluster	14.218	\$ 178,402
Federal Transit Formula Grants	20.507	1,029,778
Coronavirus Relief Fund	21.019	95,712
Total		\$ 1,303,892

The County provided state awards to subrecipients as follows:

State Project	State CSFA Number	Amount
State Housing Initiatives Partnership Program	40.901	\$ 141,683

ST. JOHNS COUNTY, FLORIDA  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

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ST. JOHNS COUNTY, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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**NOTE 5 – OTHER**

The County does not participate in any loan or loan guarantee programs, nor did the County receive any non-cash federal or state assistance in fiscal year 2021.



Certified Public Accountants

**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***

Honorable Board of 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Johns County, Florida (the "County") 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, and have issued our report thereon dated June 30, 2022.

**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) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, 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 financial statements. 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*.

Honorable Board of County Commissioners  
St. Johns County, Florida

We have also issued a management letter to the Board of County Commissioners, St. Johns County, Florida dated June 30, 2022 presenting certain required disclosures and comments pursuant to the Chapter 10.550, *Rules of the Auditor General*.

### **Management's Response to Findings**

County management's response to the findings identified in our audit are outlined as listed in the table of contents. County management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
June 30, 2022





Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND 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***

Honorable Board of County Commissioners  
St. Johns County, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the compliance of St. Johns County, Florida (the "County") 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 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's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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.

***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 in the first paragraph. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project as a basis for designing 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 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 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.

Honorable Board of County Commissioners  
St. Johns County, Florida

**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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County 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 June 30, 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 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 basic 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 taken as a whole.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
June 30, 2022

**ST. JOHNS COUNTY, FLORIDA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2021**

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report Issued:

**Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified?   X   Yes      No
- Significant deficiency(ies) identified?   X   Yes      None reported

Noncompliance material to financial statements noted?      Yes   X   No

**Federal Awards and State Financial Assistance**

Internal control over major programs/projects:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(ies) identified?      Yes   X   None reported

Type of report issued on compliance for major federal programs and major state projects:

**Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance or Chapter 10.557, *Rules of the Auditor General*?      Yes   X   No

**Identification of Major Federal Programs and Major State Projects:**

**Assistance Listing**

<b><u>Numbers</u></b>	<b><u>Name of Federal Programs</u></b>
14.218	CDBG Entitlement Grants Cluster
20.507	Federal Transit Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
59.075	Shuttered Venue Operators Grant
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance – Title IV-E
95.001	High Intensity Drug Traffic Area (HIDTA)

**CSFA Numbers**

**Name of State Projects**

37.076	Drinking Water Facility Construction
55.039	Local Transportation Projects

Dollar threshold used to distinguish between Type A and Type B programs/projects:

Federal \$1,159,456  
 State \$750,000

Auditee qualified as low-risk auditee?      Yes   X   No

**ST. JOHNS COUNTY, FLORIDA**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended September 30, 2021**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2020-001 - Timeliness of Bank Reconciliations**

**Financial Statement Finding Type: Material Weakness**

**Criteria:**

Bank accounts should be reconciled on a timely and regular basis to help prevent misappropriation and ensure the proper recording of all cash transactions.

**Condition:**

Significant unreconciled variances on the September 30, 2021 bank reconciliation remained as of the start of audit fieldwork.

**Cause:**

The County's year end bank reconciliation was not completed on a timely basis.

**Effect:**

Assets could potentially be misappropriated or accounting records could be misstated, with such issues not being identified on a timely basis, if at all.

**Recommendation:**

We recommend that the County's finance department perform all bank reconciliations on a timely basis after the end of the month and ensure all reconciled balances per the bank reconciliations agree to the general ledger.

**2021-001 - Unbilled Water and Sewer Receivables**

**Financial Statement Finding Type: Significant Deficiency**

**Criteria:**

The County's financial statements should include receivables and corresponding revenues for water and sewer services provided by the County, whether billed or unbilled, as of the end of the fiscal year.

**Condition:**

The County had not recorded a receivable or revenue for unbilled water and sewer services at the start of our audit fieldwork. Once identified, the County recorded an adjusting entry to record a receivable at September 30, 2021 and a restatement of net position for the receivable at the beginning of the fiscal year.

**Cause:**

The County's year end closing procedures did not include performing a calculation for unbilled water and sewer receivables.

**Effect:**

Receivables and revenue for the County Utilities Fund could be misstated if unbilled water and sewer services were not included.

**Recommendation:**

We recommend that the County's finance department calculate and record an amount for unbilled water and sewer receivables at the close of each fiscal period.

**ST. JOHNS COUNTY, FLORIDA**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended September 30, 2021**

**SECTION III - FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION**

**Federal**

None reported.

**State**

None reported.

**SECTION IV - PRIOR-YEAR AUDIT FINDINGS**

*Financial Statement Finding 2020-001 Timeliness of Bank Reconciliations*

Status: Repeated (see Section II above)

**SECTION V - CORRECTIVE ACTION PLAN**

See Management's Response as listed in the table of contents.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Board of County Commissioners  
St. Johns County, Florida

### Report on the Financial Statements

We have audited the basic financial statements of St. Johns County, Florida (the "County") as of and for the year ended September 30, 2021, and have issued our report thereon dated June 30, 2022.

### Auditor's Responsibility

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; 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*.

### Other Reporting Requirements

We have issued our 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*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance and 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*, Schedule of Findings and Questioned Costs, and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 30, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to partially address findings and recommendations made in the preceding financial audit report as noted below:

<u>Current Year Finding #</u>	<u>2019-20 Fiscal Year Finding #</u>
2020-001	2020-001
MLC 2020-002	2020-002

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

#### **MLC 2020-002 - Unexpended Fund Balance – Building Permits**

##### **Criteria:**

Section 553.80(7)(a), Florida Statutes, has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the County's average operating budget for enforcing the Florida Building Code for the previous four fiscal years. A local government must use any fund in excess of this limitation to rebate or reduce fees.

##### **Condition:**

The County's unexpended building permit funds in the Building Services Fund at September 30, 2020, exceeded the County's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by substantial amounts.

##### **Recommendation:**

We recommend that the County identify how it intends to reduce the amount of unexpended building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes.



**Financial Condition and Management (Continued)**

**MLC 2021-002 - Approval of P-Card Purchases**

**Criteria:**

For proper segregation of duties, all P-Card purchases should be reviewed by an individual other than the person making the purchase.

**Condition:**

During our audit, we noted five P-card transactions where the reviewer signature was the same person who made the purchase.

**Cause:**

The County does not currently have a policy that requires department heads to obtain a reviewer signature for their P-Card purchases.

**Effect:**

If a review of P-Card purchases is not performed, there is opportunity for a P-Card to be misused due to a perceived lack of oversight.

**Recommendation:**

We recommend that all P-Card purchases be reviewed by an individual other than the person making the purchase.

**MLC 2021-003 - Compensated Absences Liability**

**Criteria:**

Proper reporting of compensated absences should include a detail review to ensure that calculations for each employee are accurate.

**Condition:**

During our audit, we noted that several Utility employees were included twice in the compensated absences calculation.

**Cause:**

The County's procedure for deriving the employee details for performing the compensated absences liability calculation does not currently include a procedure to remove duplicate employee information.

**Effect:**

Errors in the compensated absences liability calculation, if not caught, can cause a misstatement in the County's financial statements.

**Recommendation:**

We recommend that the County include a procedure to remove duplicate employee information when performing its compensated absences liability calculation.

## Financial Condition and Management *(Continued)*

### MLC 2021-004 - Capital Asset Additions

**Criteria:**

Proper reporting of capital asset additions should include a detail review to ensure that amounts entered are accurate.

**Condition:**

During our audit, we noted a data entry error in the County's recording of capital asset additions that was not caught prior to the start of our audit fieldwork.

**Cause:**

The County's procedure for entering capital asset additions was a manual process for fiscal year 2021 and was only performed at the close of the fiscal year making it more difficult to perform a thorough review of transactions.

**Effect:**

Errors in reporting capital asset additions, if not caught, can lead to a misstatement in the County's financial statements.

**Recommendation:**

We recommend that the County improve its procedures over capital asset recording through more detailed review of capital asset additions.

### Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.319(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Anastasia Sanitary District (the "Sanitary District"), a dependent special district of the County, reported:

- a) The total number of Sanitary District employees compensated in the last pay period of the Sanitary District's fiscal year as 0.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Sanitary District's fiscal year as 0.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e) Each construction project with a total cost of at least \$65,000 approved by the Sanitary District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
  - i. N/A.
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Sanitary District amends a final adopted budget under Section 189.016(6), Florida Statutes as N/A.

**Special District Component Units (Continued)**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Elkton Drainage District (the "Drainage District"), a dependent special district of the County, reported:

- a) The total number of Drainage District employees compensated in the last pay period of the Drainage District's fiscal year as 0.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Drainage District's fiscal year as 0.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e) Each construction project with a total cost of at least \$65,000 approved by the Drainage District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
  - i. N/A.
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Drainage District amends a final adopted budget under Section 189.016(6), Florida Statutes as N/A.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Ponte Vedra Zoning and Adjustment Board (the "Zoning Board"), a dependent special district of the County, reported:

- a) The total number of Zoning Board employees compensated in the last pay period of the Zoning Board's fiscal year as 1.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Zoning Board's fiscal year as 0.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$8,241.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e) Each construction project with a total cost of at least \$65,000 approved by the Zoning Board that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
  - i. N/A.
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Zoning Board amends a final adopted budget under Section 189.016(6), Florida Statutes as N/A.

**Special District Component Units (Continued)**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Vilano Beach Street Lighting District (the "Lighting District"), a dependent special district of the County, reported:

- a) The total number of Lighting District employees compensated in the last pay period of the Lighting District's fiscal year as 0.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Lighting District's fiscal year as 0.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e) Each construction project with a total cost of at least \$65,000 approved by the Lighting District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
  - i. N/A.
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Lighting District amends a final adopted budget under Section 189.016(6), Florida Statutes as N/A.

Specific information of the St. Johns County Community Redevelopment Agency, the Housing Finance Authority of St. Johns County, and the St. Johns County Industrial Development Authority, dependent districts of the County, that are required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, are reported in the respective dependent district's management letters for the fiscal year ended September 30, 2021.

**Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, County Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
June 30, 2022



## INDEPENDENT ACCOUNTANT'S REPORT

Honorable Board of County Commissioners  
St. Johns County, Florida

We have examined St. Johns County, Florida's (the "County") compliance with the requirements of Sections 218.415, 365.172(10) and 365.173(2)(d), Florida Statutes, during the year ended September 30, 2021. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance 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 is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the County's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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, 2021.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
June 30, 2022

**Brandon J. Patty**

Clerk of the Circuit Court and  
Comptroller



**Mark P. Miner**

Chief Deputy Clerk

**Clerk of the Circuit Court  
and County Comptroller  
St. Johns County, Florida**

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June 30, 2022

Ms. Sherrill F. Norman, C.P.A.  
Auditor General Office  
Local Government Audits  
Claude Pepper Building  
111 West Madison Street  
Tallahassee FL 32399-1450

Dear Ms. Norman

This letter is in response to the findings related to the St. Johns County's financial statements audit for the year ended September 30, 2021.

Schedule of Findings and Questioned Costs, Finding 2020-001

The Comptroller's Office is aware of the variances noted, has and is actively resolving the differences, and has implemented new procedures to review transactions more frequently, resulting in daily reconciliations of all cash transactions. Moving forward, bank reconciliations will be performed timely with no anticipated unreconciled variances.

In addition, a consistent unreconciled variance amount was determined to be "unrecorded accounting adjustments" from prior years. The Comptroller's Office will be recommending to management an accounting adjustment to eliminate this variance.

Schedule of Findings and Questioned Costs, Finding 2021-001

The Comptroller's Office has implemented year-end closing procedures to perform estimated unbilled revenue calculations related to the water and sewer utility billings. These procedures will be completed each year.

Independent Auditor's Management Letter, MLC 2020-002

The County's Building Department continues to monitor permit activities and is again recommending, for a second year, to impose fees at a reduced rate. In addition, the County is planning to expand the Building Department facility footprint in Fiscal Year 2023, utilizing accumulated eligible permit fees, to improve and integrate services for the community and building community.

Independent Auditor's Management Letter, MLC 2021-002

The current purchasing policy will be revised to require independent secondary review of all purchasing card transactions, including for department heads. As part of the review process, the Comptroller's office will cease processing procedures of purchasing card transactions and obtain independent secondary approval, if one is not provided.

Independent Auditor's Management Letter, MLC 2021-003

The Comptroller's Office acknowledges the error in the report provided and will implement procedures to review for any duplicate employee information and remove that data from the estimated compensated absences calculations.

Independent Auditor's Management Letter, MLC 2021-004

Procedures are being developed to create training guides and more frequent entry of capital assets. Additionally, an upgraded database for utility assets is being implemented and will allow for more automated data quality review.

Should you need further comment or have any questions or concerns, please feel free to contact us.

Sincerely,

A handwritten signature in dark ink, consisting of a large, sweeping arch on the left and a more complex, multi-stroke signature on the right.

Brandon J. Patty  
Clerk of the Circuit Court and Comptroller