

RESOLUTION NO. 2019- 468

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, APPROVING THE TERMS, PROVISIONS, CONDITIONS, AND REQUIREMENTS OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FY19 HOUSING COUNSELING GRANT AGREEMENT BETWEEN ST. JOHNS COUNTY, FLORIDA AND THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AUTHORIZING THE COUNTY ADMINISTRATOR OR DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE COUNTY SUBSTANTIALLY IN THE SAME FORM AS ATTACHED; AMENDING THE FY2020 GENERAL FUND BUDGET TO RECEIVE UNANTICIPATED REVENUE AND AUTHORIZING THE APPROPRIATION TO THE HOUSING DEPARTMENT.

RECITALS

WHEREAS, On June 18, 2019 the Board of County Commissioners approved the Health and Human Services Housing and Community Development to apply for grant funding for Housing Counseling from the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, On October 8, 2019, St Johns County was notified by HUD of approval as a recipient of grant funds totaling \$25,610.00 for the purpose of housing counseling; and

WHEREAS, the additional funding was not anticipated when preparing the Fiscal Year 2019-2020 St Johns County Annual Budget; and

WHEREAS, the County has reviewed the terms, provisions, conditions, and requirements of the agreement; and

WHEREAS, the County has determined the accepting the terms of the Agreement, and entering into said Agreement will serve the interests of the County.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA:

Section 1. Incorporation of Recitals.

The above recitals are incorporated by reference into the body of this resolution and such recitals are adopted as findings of fact.

Section 2. Approval and Authority to Execute.

The Board of County Commissioners approves the terms, provisions, conditions, and requirements of the Agreement between the County and The Department of Housing and Urban Development for the FY 2019 NOFA for Housing Counseling and authorizes the County Administrator, or his designee, to execute an agreement substantially in the same form as the attached Agreement on behalf of the County and to recognize unanticipated revenue in the amount of \$ 25,610.00.

Section 3. Correction of Errors.

To the extent that there are typographical or administrative errors or omissions that do not change the tone, tenor, or context of this resolution, this resolution may be revised without subsequent approval of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County Florida this 17th day of December, 2019.

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: Jeb S. Smith
Jeb S. Smith, Chair

ATTEST: Brandon Patty, Clerk

By: Sam Halterman
Deputy Clerk

RENDITION DATE 12/19/19



**UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HOUSING COUNSELING PROGRAM
FISCAL YEAR 2019 GRANT AGREEMENT**

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THIS GRANT AGREEMENT (“Agreement”) is made between the United States Department of Housing and Urban Development (“HUD” or “Grantor”) and the organization specified in block seven of the attached Form HUD-1044 (“Grantee”).

ARTICLE I

GENERAL

This Agreement is authorized, governed, and controlled by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701x), as amended and the Consolidated Appropriations Act of 2019 (Pub. L. 116-9). The purpose of this Agreement is to set forth the terms and conditions under which HUD will provide federal financial assistance to Grantees to carry out a HUD-approved Housing Counseling Program under the Act.

This Agreement is governed and controlled by the following applicable Federal laws, regulations, and documents, which are incorporated by reference, as they may be amended from time to time:

1. Housing Counseling Program regulations contained in 24 C.F.R. Part 214;
2. All other applicable Federal Laws, Regulations, and Office of Management and Budget Circulars, including but not limited to the Grants Oversight and New Efficiency Act (GONE Act) (Pub. L. 114-117);
3. Notice of Funding Availability (NOFA) for the Department’s Fiscal Year 2019 Comprehensive Housing Counseling Grant Program (“Housing Counseling NOFA”);
4. HUD Handbook 7610.1 REV-5, Housing Counseling Program, as amended;
5. All applicable HUD Mortgagee Letters and Housing Notices;
6. Grantee's application submission, including the application, certifications, assurances, and documentation, to the extent consistent with applicable laws, the Housing Counseling NOFA, if applicable, this Agreement, and Handbook 7610.1 REV-5;
7. Applicable HUD forms, including but limited to Form HUD-1044, Assistance Award/Amendment, and Form HUD-50071, Certification of Payments to Influence Federal Transactions.
8. Grantee's current HUD-approved Housing Counseling Work Plan. A participating agency’s plan to provide specified housing counseling activities and services in a specified geographic area to resolve or mitigate identified community needs and problems as defined in 24 C.F.R. § 214.3 and Handbook 7610.1 REV-5;

9. Grantee's budget. The Grantee's budget for expending Grant Funds awarded pursuant to the Housing Counseling NOFA. Grantee agrees to carry out eligible activities under this Agreement;

ARTICLE II

DEFINITIONS

- A. **"Action Plan"** means the plan that outlines what the Housing Counseling Agency and the Client will do in order to meet the Client's housing goals and, when appropriate, addresses the Client's housing problem.
- B. **"Branch"** means an organizational and subordinate unit of a Local Housing Counseling Agency ("LHCA"), Multi-State Organization ("MSO"), Regional or National Intermediary or State Housing Finance Agency ("SHFA") (collectively "Parent Organization"), not separately incorporated or organized that participates in HUD's Housing Counseling Program. A Branch must be in good standing under the laws of the state where it proposes to provide housing counseling services. A Branch cannot be a Subgrantee or Affiliate.
- C. **"Client"** means an individual or household who seeks the assistance of an agency participating in HUD's Housing Counseling program to meet a housing need or resolve a housing problem.
- D. **"Client Counseling File"** means the individual file maintained by the housing counseling agency for each counseling Client that documents the Action Plan and the services provided to the Client. Grantees must maintain Client Counseling Files in accordance with HUD Handbook 7610.1 REV-5.
- E. **"Grant Agreement"** means this Agreement.
- F. **"Grantee"** means the HUD-approved counseling agency or SHFA that receives housing counseling funds from HUD pursuant to this Agreement. The term "Grantee" includes the Branches identified in the Grantee's Housing Counseling NOFA Application.
- G. **"Grant or Grant Funds"** mean the federal funds provided by HUD for the purposes outlined in this Agreement.
- H. **"Housing Counseling Work Plan"** means a Grantee's plan to provide housing counseling activities and services in a specified geographic area to resolve or mitigate identified community needs and problems as defined in 24 C.F.R. § 214.3 and Handbook 7610.1 REV-5.
- I. **"HUD Point of Contact" or "HUD POC"** means the HUD staff person that monitors the activities of housing counseling Grantees. This individual is responsible for technical and financial oversight and evaluation of the Grantee's performance under this Agreement. The HUD POC reviews and monitors the Grantee's work performance, payment requests, and reports.

- J. **“Local Housing Counseling Agency” or “LHCA”** means a housing counseling agency that directly provides housing counseling services. An LHCA may have a main office, and one or more branch offices, in no more than two contiguous states.
- K. **“Undisbursed Balance”** means the unliquidated obligation amount that remains available for expenditure on an expired award before it is closed out.

ARTICLE III

PERIOD OF PERFORMANCE

- A. **Period of Performance.** The Period of Performance shall begin on October 1, 2018 and expire at 11:59:59 p.m. Eastern Time on March 31, 2020.
- B. **Extensions.** The Grantee does not have the authority to extend the Period of Performance without the prior written approval of HUD. Grantee shall advise the HUD POC in writing as early as possible, but no later than thirty (30) calendar days prior to the scheduled expiration of the Period of Performance if an extension of the Period of Performance is requested. This request must justify and explain the necessity of the requested extension, the specific time frame of the proposed extension, and how the funds will be effectively spent within the proposed extension period. HUD may approve a one-time extension, for good cause, on a case-by-case basis. Only the HUD POC is authorized to approve an extension of the Period of Performance for up to twelve (12) months. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

ARTICLE IV

PROJECTED SERVICES AND BUDGET

- A. **Projected Services**
1. **Scope of Services.** The housing counseling services proposed in the Grantee’s HUD Housing Counseling Work Plan represents the scope of services under this Grant. Grantee shall furnish the necessary personnel, materials, services, facilities and otherwise do all things necessary for, or incidental to, the performance of the work set forth in their HUD Housing Counseling Work Plan.
 2. **Client Projections.** The Grantee will submit projections for the number of Clients to be served under the Grant at the time of Grant execution and submit the projections to the HUD POC for approval. Once approved, any modifications to the Client projections must be approved by the HUD POC via the HUD Housing Counseling System (HCS).
 3. **Change in Scope of Services.** A Grantee must receive approval from the HUD POC before implementing any changes in projected services and budget proposed in its application.

4. **Staff Changes.** When there is a change in staff or management responsible for the Grantee's housing counseling program, the Grantee must notify its HUD POC in writing within fifteen business days of the change.
 5. **Provision of Services.** To be reimbursed for one-on-one counseling, the Grantee must perform and document housing counseling activities in accordance with HUD Handbook 7610.1 Rev-5, Section 3-5. To be reimbursed for group education, Grantee, must provide formal classes (in person and remote) with established curriculum and instructional goals covering one or more of the eligible topics in 24 C.F.R. 214.3
- B. **Projected Budget.** Grantee must submit a projected budget listing all proposed expenses under the Grant and a budget narrative, if necessary. The budget may include salaries, fringe and other employment benefits, travel, training, marketing, outreach and indirect costs, as applicable to the Grantee. All expenses must be itemized, and all Grant Funds must be accounted for in this projected budget. This projected budget must demonstrate the actual cost of service provision.
- C. **Eligible Activities.** To be eligible for reimbursement as direct costs, costs must be incurred pursuant to one or more of the following activities: (1) housing counseling and group education; (2) oversight, compliance, and quality control; (3) supervision of housing counseling staff; (4) housing counselor training and certification; and (5) marketing and outreach of the housing counseling program to potential clients.

ARTICLE V

SUBCONTRACTS AND SUBGRANTS

General Prohibition Against Subcontracting. Grantees must deliver the housing counseling services set forth in the Applicant's HUD Housing Counseling Work Plan. It is not permissible to contract out housing counseling services, except as specified in 24 C.F.R. § 214.103(i). The general prohibition does not apply to web-based education services and/or the subgrant, transfer, or subcontract for the purchase of supplies, material, equipment, or general support services. If this exception to the general prohibition applies, Grantee shall comply with the applicable procurement standards in HUD regulations at 2 C.F.R. Part 200 and all other requirements.

ARTICLE VI

ADMINISTRATIVE REQUIREMENTS

- A. Grantees that are a non-profit organization, state, or unit of general local government shall be subject to the following administrative requirements as they may be amended:

ARTICLE VII

INSPECTION AND ACCEPTANCE

Inspection, review, correction, and acceptance of all products of work of this Agreement shall be the responsibility of the HUD POC.

The HUD POC shall inspect and accept the services and deliverables provided under this Agreement.

ARTICLE VIII

CONDUCT OF WORK

The HUD POC shall be Grantee's primary point of contact with HUD on all matters of a technical nature. Grantee shall submit all reports or other materials to the HUD POC. The HUD POC may issue written or oral instructions to Grantee to supplement the work plan described in this Grant. Such instructions must be within the Scope of Work set forth in this Agreement and Grantee's NOFA Application, and may not be of such a nature as to affect price, Period of Performance, or any other provisions of this Agreement. The HUD POC may designate a financial management contractor to assist with grant management and the HUD POC shall notify Grantee in writing of the appointment of any financial management contractor.

ARTICLE IX

PRICE

- A. **Maximum Grant Amount.** Grantee shall be reimbursed according to the terms of this Agreement for all work required, performed, and accepted under the Agreement in an amount not to exceed the amount shown in block fourteen (14) of the attached Form HUD-1044 ("Maximum Grant Amount"). Grantee shall bear the burden of all costs in excess of the Maximum Grant Amount.
- B. **Designation of Assistance Arrangement.** Grantee shall be paid for its performance of this Agreement according to the type of assistance arrangement designated in block eleven (11) of Form HUD-1044.
- C. **Prior Approval Required for Revisions to Work Plan and Budget.** Grantee shall report and request prior approval from HUD for deviations from its projected services

and budget in accordance with the applicable HUD regulations 24 C.F.R. Part 214 and 2 C.F.R. Part 200 and other applicable requirements.

D. Cost Reimbursement. Grantee shall comply with the applicable regulations at 2 C.F.R. § 200.305.

1. **Allowable Costs.** HUD shall reimburse Grantee, up to the Maximum Grant Amount as stated in the Housing Counseling NOFA for Allowable Costs. Grantee is prohibited from using any part of this Grant to satisfy a delinquent federal debt.

To be reimbursed, costs must be determined by HUD to be allowable, allocable, and reasonable in accordance with the:

- (A) Provisions of this Agreement and conditions listed in the grant application and;
- (B) Section IV.F. of the Housing Counseling NOFA and;
- (C) Applicable Federal cost principles as outlined in 2 C.F.R. §200. Grantee must obtain prior written approval for certain costs as outlined in 2 C.F.R. §200.407. If these regulations are revised or clarified during the period of performance of this Agreement the most recent revision or clarification shall apply.

2. **Indirect Cost Rates.** HUD will respect cost classifications determined in a duly approved negotiated indirect cost rate agreement or cost allocation plan. HUD may require applicants to provide documentation supporting classification of direct and indirect costs. HUD will not reimburse as direct costs those items that are classified as indirect costs in cost rate calculations and applications (see 2 CFR §§ 200.403, 412, and 414). Applicants may choose to take a 10% de minimis indirect cost rate as provided in the Uniform Grant Guidance to cover indirect costs. Normal indirect cost rules apply. If Grantee intends to charge indirect costs to its award, Grantee's application must clearly state the rate and distribution base it intends to use. If Grantee has a Federally negotiated indirect cost rate, the application must also include a letter or other documentation from the cognizant agency showing the approved rate. Successful applicants whose rate changes after the application deadline must submit new rate and documentation.

If Grantee has a Federally negotiated indirect cost rate, the application must clearly state the approved rate and distribution base and must include a letter or other documentation from the cognizant agency showing the approved rate. If Grantee has never received a Federally negotiated indirect cost rate and elect to use the de minimis rate, the application must clearly state it intends to use the de minimis rate of 10% of Modified Total Direct Costs (MTDC). As described in 2 C.F.R. § 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once elected, the de minimis rate must be applied consistently for all Federal awards until Grantee chooses to negotiate for a rate, which Grantee may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

For state and local governments, if Grantee's department or agency unit has a Federally negotiated indirect cost rate, the application must include that rate, the applicable distribution base, and a letter or other documentation from the cognizant agency showing the negotiated rate. If Grantee's department or agency unit receives more than \$35 million in direct federal funding per year, it may not claim indirect costs until it receives a negotiated rate from its cognizant agency for indirect costs as provided in Appendix VII to 2 C.F.R. 200.

If the department or agency unit receives no more than \$35 million in direct federal funding per year and Grantee's department or agency unit has developed and maintains an indirect cost rate proposal and supporting documentation for audit in accordance with 2 C.F.R. part 200, Appendix VII, it may use the rate and distribution base specified in that indirect cost rate proposal. Alternatively, if Grantee's department or agency unit receives no more than \$35 million in direct federal funding per year and has never received a Federally negotiated indirect cost rate, it may elect to use the de minimis rate of 10% of MTDC. As described in 2 C.F.R. § 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once elected, the de minimis rate must be applied consistently for all Federal awards until Grantee chooses to negotiate for a rate, which it may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

3. **Period of Availability of Funds.** Grantee may charge to the Grant only Allowable Costs resulting from obligations incurred during the Period of Performance, unless HUD has approved a no-cost extension.
 4. **Profits.** No fee, profit, or other increment above allowable costs shall be paid to Grantee.
- E. **Grantees with Multiple Sources of Funding.** HUD will not reimburse the grantee under this Agreement for time spent providing services that are directly or indirectly reimbursed from any other source, including fees. Grantee shall include in its vouchers only the portion of those counseling services for which the Grantee does not receive reimbursement from any other funding source. HUD reserves the right to request from Grantee, and other stakeholders if applicable, Grant reporting data and other information related to non-HUD sources of funding to verify that HUD is not reimbursing Grantees for activities being billed to another source of funding.
- F. **Burden of Proof.** The burden of proof for services rendered rests with the Grantee. All supporting records are subject to inspection and audit by HUD at any time during and after the expiration of the Period of Performance.
- G. **Restrictions on Use of the Grant Award.** The Grant Funds awarded under this Agreement shall be used in accordance with the terms of this Agreement, the Grant application as approved by HUD, the Housing Counseling NOFA, Handbook 7610.1 REV-5, and applicable Federal laws and regulations. Grant funds may be further restricted in block sixteen (16) of the attached Form HUD-1044.

ARTICLE X

PAYMENT REQUESTS

- A. **General Payment Procedures.** The forms referred to in this paragraph are available from HUD's website under the forms section and, upon request, from HUD by contacting the HUD POC. The SF-1199A form is also available at local banking institutions.
1. A Grantee that is not currently signed-up to receive payments via direct deposit from HUD must submit a completed SF-1199A, Direct Deposit Sign-Up Form. Grantee must submit the SF-1199A to the HUD POC.
 2. To request funds under this Agreement, an individual in the Grantee's organization must request access authorization from HUD by submitting a Form HUD-27054E, eLOCCS Access Authorization Form. A new Form is not required for any individual who currently has access to LOCCS for prior year Grant Funds for the same Grantee. Grantees whose LOCCS access was suspended or terminated must also submit the Form to reset their password, reinstate a user, or establish a new user.
 3. Grantees are responsible for changing their LOCCS password once every sixty (60) days. Termination of access due to password expiration will require resubmission of Form HUD-27054E.
 4. It is Grantee's responsibility to immediately notify the HUD POC when any individual with current access to LOCCS is no longer employed by the Grantee and/or should be denied access to Grant funds for any reason.
 5. The HUD POC may provide additional instructions on accessing and using LOCCS.
 6. All vouchers for Grant payments must be submitted to HUD electronically through Form HUD-50080-CHC-a, eLOCCS payment voucher. Vouchers cannot be submitted until Grantees are notified to do so by the HUD POC after completing a review of the grantee quarterly performance report, and if applicable, the grantee final report required in accordance with Article XI of this agreement. A copy of the eLOCCS voucher must also be transmitted to the HUD POC by email at the time the request is made through eLOCCS. The Budget Line Item for this Grant is 9500 and the Program Area is CHC. A record of each payment request must be maintained in Grantee's files and be available for review by HUD upon request.
- B. **Payment Procedures for Cost Reimbursement Grants.** Grantee shall comply with the applicable standards for financial management and payment procedures in 2 C.F.R. 200, Subpart D.
- C. **Timing and Amount of Payment Requests.** HUD will process payment requests only upon receipt of an acceptable quarterly or final report.
- D. **Initial Draw Request:** Grantees may draw down funds on a one-time basis that does not coincide with the quarterly report if this Agreement is executed following the commencement of the period of performance. Grantee can request reimbursement for activities that occurred during prior quarters in the performance period. This draw

request must be submitted with a report that includes data items one through nine as outlined in Article XI "Reporting". Grantee should submit one report that reflects the applicable prior quarters cumulatively.

- E. Documentation of Expenses.** Grantee must maintain source documentation of direct costs, such as invoices, receipts, cancelled checks, documentation of personnel expenses, and indirect cost rate agreements to support all draw requests. In addition, Grantee must maintain a list of all Client Counseling File numbers and group education file numbers attributed to the Grant in alpha or numeric order. This list must indicate the activity attributed to the relevant quarter, the cumulative total for the entire Grant year and the relevant counseling or education type. Itemize for each Client and/or group education session on the list, the relevant counselor and/or other employee that provided service, the duration of service provided in hours and minutes and the total amount of funds charged to the HUD Grant. The Client Counseling File list must also identify the Branch or main office that served the Client.

All Grantees must be able to demonstrate and document the actual cost of service provision. The amount billed to the Grant cannot exceed the actual cost of providing the service. Where Grant Funds are utilized for counseling services, individual Client Counseling Files and group education files must support the duration of service billed to the Grant.

Grantees must also document the methodology used for charging costs to the HUD Grant, such as salaries, employee benefits, travel, training, marketing, outreach, and other expenses that are not classified as indirect costs.

All information required to document expenses charged to the Grant must be made available to HUD upon request and maintained for a period of at least three years after the expiration of the grant period or date of last payment, whichever occurs first.

Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to this Grant award. Records must reasonably reflect the total activity for which employees are compensated. Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and meet the standards required in 2 C.F.R. § 200.430(i). The records must support the distribution of employee's salaries and wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

- F. Standards for Financial Management Systems.** Grantee shall maintain and operate financial management systems that meet or exceed the federal requirements for funds control and accountability as established by the applicable regulations in 2 C.F.R. 200, Subpart D.

- G. Withholding of Funds.** HUD may withhold payment to a Grantee if any project objective, term or condition of this Agreement, or federal reporting requirement, is not

being satisfied, including, but not limited to, reporting requirements such as: (1) completing grant-specific quarterly, midterm and final reports; (2) updating agency HCS profile data in a timely manner when changes occur; (3) submitting quarterly client-level data; and (4) submitting HUD-9902 data reflecting counseling activities attributable to all sources of funding. See 2 C.F.R § 200.338. HUD may also withhold payment or partial payment to Grantee if Grantee is suspended or terminated from any other HUD Program, voluntarily or involuntarily placed on inactive status, or suspended or terminated from HUD's Housing Counseling Program.

- H. **Overdue Reports.** No payment requests will be approved for a Grantee who has an overdue or incomplete report.
- I. **Funds Recapture.** HUD may recapture any unspent funds. Grantees are required to cooperate with recapture requests.

ARTICLE XI

REPORTING

- A. **Quarterly Performance Reports** Until the Grant has been fully expended, all Quarterly Performance Reports are due according to the following schedule:

<u>Performance Period</u>	<u>Quarterly Performance Report Due Date</u>
10/1/2018 – 12/31/2018	Not later than December 31, 2019
1/1/2019 – 3/31/2019	Not later than December 31, 2019
4/1/2019– 6/30/2019	Not later than December 31, 2019
7/1/2019– 9/30/2019	Not later than December 31, 2019
10/1/2019– 12/31/2019	Not later than January 31, 2020
1/1/2020– 3/31/2020	Not later than June 30, 2020

The above schedule does not affect the due dates for HUD-9902 Housing Counseling Activity Reports. Unless otherwise notified by HUD, the HUD-9902 reports will be due according to the usual schedule.

Grantee must submit the HUD-9902 data in the “All Counseling and Education Activities” column according to the required schedule. In the event that the grant Quarterly Performance Report is due after the HUD-9902 due date (e.g. due to delay of grant award and execution), the Grantee must update the HUD-9902 report with the applicable “HUD Housing Counseling Grant Activity” column data as described in item 8 below at a later date when submitting the grant Quarterly Performance Report.

Grantees must submit a separate Quarterly Performance Report containing the following:

1. Grantee's name, address, and Grant number as they appear on the Grant document.
2. Start and end dates of the report period.
3. Hourly rate. Identify each counselor or other employee whose time/activity is being billed to the Grant, the individual's title, and the hourly billing rate used to calculate reimbursement from HUD or a Parent Organization for that individual's time/activity; or, in the event of fixed-price reimbursement, document actual expenses. Explain the method used for calculating hourly rates, e.g. whether benefits are included in the rate.
4. Staff hours. Indicate for each relevant counselor and other employee the total number of hours being billed to the Grant cumulatively and for the quarter. For each employee whose time will be reimbursed from the Grant, multiply the relevant hours by the relevant hourly rate (see item #3) and indicate the cumulative total and total for the quarter.
5. Fixed-Price Reimbursement. Grantee must document actual expenses, which must be reasonable and cannot exceed actual costs.
6. Itemized Accounting of Actual Costs. Submit an itemized accounting of actual costs for each quarter, and the Grant period to date. The accounting must include the following as applicable: salaries, fringe and other benefits, training, marketing, outreach, and indirect costs. The itemized accounting of actual expenses may be submitted on form HUD-424 CB, or in a format of the Grantee's choosing. Any deviation between the itemized accounting and the budget submitted at Grant execution must be approved by the HUD POC.
7. Required Certification. In accordance with 2 C.F.R. § 200.415(a), include a certification, signed by an individual who is authorized to execute the certification on behalf of the Grantee, which reads as follows: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729 – 3730 and 3801 – 3812)."
8. Form HUD-9902. Grantees must update the HUD-9902 electronically through HCS so that the appropriate "HUD Housing Counseling Grant Activity" column reflects activity funded through this agreement. HCS will list the relevant columns for each reporting agency. Grant activity must be reported in the appropriate column, according to the specific Grant under which the activity occurred. Grant activity should be transmitted through a CMS directly into HCS. If necessary, grant activity may be submitted manually by entering the data on the applicable Form HUD-9902 in HCS.

If HCS does not contain separate columns for multiple grants at any point during the Period of Performance, Grantees must report all activity attributable to HUD Housing Counseling Grants in the "All Counseling and Education Activities" column. The Grantee must update the HUD-9902 report in HCS with the applicable "HUD Housing Counseling Grant Activity" column data once it is available for entry. HUD will not consider retroactive updates to the "HUD Housing Counseling Grant Activity" data as late. For assistance with Form HUD-9902 reporting, the Housing Counseling 9902 Online Toolkit is available on HUD Exchange.

9. HECM Default Counseling Activities. Submit a report indicating the total number of default counselors providing default counseling for reverse mortgage (HECM) borrowers during each quarterly reporting period, as well as in the final report. The final report must also include details regarding the number of hours of training in reverse mortgages for each counselor and the number of Clients for which HECM default counseling was provided by each counselor.

B. Final Report

A final report is due ninety (90) calendar days after the Grantee has completed all Grant activities funded under the Grant. See 2 C.F.R § 200.328(b)(1). Grantees must also report items listed in section A above. Grantee must submit a narrative report of not more than five (5) single-spaced letter-sized pages using a font size of no smaller than twelve (12) or larger than fourteen (14). In the narrative report, Grantee must briefly summarize the outcomes of the activities that Grantee proposed in Housing Counseling HUD-9906 Chart C of the Grant Application to address impediments to fair housing choice. Additionally, Grantee should also include in this narrative report items such as problems encountered by the Grantee, items for which the Grantee needs additional guidance, unusual Client needs or problems for which the Grantee provided counseling, recommendations to HUD, and developments having a significant impact on the award supported activities, such as delays or adverse conditions which materially impair the ability to meet the objectives of the awards. The final report shall also describe any action taken or contemplated, and any assistance needed to resolve the situation.

In addition to the certification required in Section A (7) of this Article, the Grantee must also submit with the final report a certification, signed by an individual who is authorized to execute the certification behalf of the Grantee, which states that all applicable closeout activities required in 2 C.F.R. § 200.343 have been completed.

- C. Delinquent Reports. Submission of any reports required in this Article beyond the stated due dates will be considered delinquent unless HUD grants a written extension.
- D. Grants Oversight and New Efficiency (GONE) Act: Grantees with Expired Grants and Undisbursed Balances at the end of the period of performance must provide a narrative

description to the HUD POC explaining the challenges leading to delays in grant closeout.

ARTICLE XII

CONFLICTS OF INTEREST

- A. **General Requirements.** Grantee shall comply with all programmatic disclosure and conflict of interest requirements at 24 C.F.R. Part 214, 2 C.F.R. § 200.112, and HUD Handbook 7610.1 REV-5, and any other applicable HUD requirements. Grantee must provide to all Clients a disclosure statement that explicitly describes the various types of services provided by the agency and any financial relationships between Grantee and any other industry partners. The disclosure must clearly state that the Client is not obligated to receive any other services offered by the organization or its exclusive partners. Furthermore, the agency must provide information on alternative services, programs, and products.
- B. **HUD Reform Disclosures.** Grantee shall comply with the disclosure requirements of Section 102(b) of the HUD Reform Act of 1989 (42 U.S.C. § 3545(b)) and its implementing regulations, 24 C.F.R. Part 4. To satisfy this requirement, Grantee shall complete the Form HUD-2880, Applicant/Recipient Disclosure Update Report, and this completed Form is hereby incorporated into this Agreement. Grantee shall update the Form HUD-2880 as required by the HUD Reform Act of 1989 and 24 C.F.R. § 4.11.

ARTICLE XIII

SECURITY OF CONFIDENTIAL INFORMATION

- A. **Security.** Grantee shall secure all information regarding counseling of Clients in accordance with the requirements in HUD Handbook 7610.1 REV-5, Chapter 5 whether such information is generated by the agency itself or received from outside sources. This includes securing credit reports, information on current financial status, notes on counseling sessions, and any other information. Grantee shall not disclose such information to anyone other than HUD or other parties to whom the Client consents release of the information.
- B. **Confidentiality.** Grantee must protect the confidentiality of each Client's personal and financial information, including credit reports, regardless of whether the information is received from the Client or from another source, or is collected electronically or on paper. In accordance with HUD Handbook 7610.1 REV-5, Chapter 5-6, Grantee must ensure that neither they nor their CMS vendor discloses the information in the individual's Client Counseling File to anyone except for authorized agency personnel and HUD. Any disclosure of Client information requires the express written permission of the counseling recipient whose information is to be shared.

ARTICLE XIV

DEFAULTS AND REMEDIES

A. Special Conditions. In addition to the criteria provided in 24 C.F.R. 214, HUD may impose additional requirements or special conditions on a Grantee who demonstrates the characteristics or behaviors specified in 2 C.F.R. § 200.207.

B. Events of Default. Each of the following shall be deemed an Event of Default:

- (1) any material failure by Grantee to comply with the terms and conditions of this Grant Agreement, whether stated in a Federal statute, regulation, the Housing Counseling NOFA, HUD Handbook 7610.1 REV-5, assurance, certifications, application, or notice of award;
- (2) Grantee is determined to have used Grant Funds provided through the Housing Counseling program in a manner that constitutes a material violation of applicable statutes and regulations, or any requirements or conditions under which these Grant Funds were provided;
- (3) Grantee's failure to expend Grant Funds in a timely manner;
- (4) where applicable, Grantee's failure to maintain HUD-approved status during the term of this Agreement; and
- (5) any misrepresentation in the Grantee's NOFA Application that, if known by HUD, would have resulted in this Grant not being awarded.

C. Notice of Default.

1. If Event of Default occurs under sections B. (1), (3) - (5), the HUD POC shall give Grantee written notice of the occurrence of the Event of Default and a reasonable opportunity to take corrective action.

The Notice shall identify:

- (1) the Event of Default;
- (2) the required corrective action to be taken by the Grantee;
- (3) the date by which the corrective action must be taken; and

- (4) the consequences for failing to take corrective action. Grantee must comply with the corrective action specified in the Notice of Default by the date specified.
2. If Event of Default occurs under section B. (2), the HUD POC shall give Grantee written notice of the occurrence of the Event of Default. The Notice shall identify the Event of Default. The Notice shall advise Grantee there is no opportunity to cure and any attempted or completed corrective action, if any, by the Grantee will not remove or mitigate the Event of Default.

D. HUD's Remedies.

1. If Grantee fails to comply with the corrective action specified in the Notice of Default with respect to defaults under section B. (1), (3) - (5), HUD may take one or more of the following actions: recover misspent funds, withhold Grant Funds, suspend the Grant, terminate the Grant for cause, or take other remedies that may be legally available such as, but not limited to remedies described in 24 C.F.R Part 214, 2 C.F.R. 200.338, the NOFA, and any other applicable HUD requirements.
2. For Notice of Default with respect to default under section B. (2) HUD's remedies include:
- (1) requiring that, within twelve (12) months after the date of the determination of such misuse, the Grantee shall reimburse HUD for such misused amounts and return to HUD any such amounts that remain unused or unobligated for use; and
- (2) notifying the Grantee that they shall be ineligible to apply for or receive further funds under the Housing Counseling Program; and
- (3) imposing any other remedies that may be available under the law.

ARTICLE XV

AMENDMENTS

This Agreement may be amended at any time by a written amendment. Grantee shall submit requests for amendments to the HUD POC. Amendments that affect the rights and obligations of either party shall be executed by both the Grant Officer or its designee and the Grantee. Notwithstanding the foregoing, the Grant Officer may unilaterally execute administrative amendments, such as changes in the HUD POC or appropriation data, or amendments that result from signed requests from the Grantee where the Department adopts the requested amendment without any changes. HUD POCs are not authorized to unilaterally amend any provision of this Agreement.

ARTICLE XVI

RECORD KEEPING AND AUDITING

- A. **Record Keeping Requirements.** Grantee shall comply with the requirements for record retention and access to records specified in the applicable regulations at 24 C.F.R. § 214.315, 2 C.F.R. §§ 200.333- 200.337. Grantee may be required to retain certain records for a longer period. Grantee may also be subject to record retention requirements under other applicable laws and regulations, including but not limited to, the nondiscrimination regulations cited in Article XXII.
- B. **Type of Record Keeping System.** Grantees may use any record keeping system provided that the system chosen interfaces with HCS for reporting and lends itself to easy monitoring by HUD when conducting a performance review.
- C. **Maintenance of Client Counseling Files.** Client Counseling Files (including files on group education Clients) must be maintained in accordance with HUD Handbook 7610.1 REV-5.

ARTICLE XVII

DISPUTES

- A. **Disputes.** During performance of this Agreement, disagreements may arise between the Grantee and HUD on various issues. If a dispute concerning a question of fact arises and cannot be resolved through negotiation, the HUD POC shall prepare a written decision, considering all facts and documentation presented. The decision shall be mailed by return receipt requested to the Grantee. Grantee may appeal the decision within thirty (30) calendar days of receipt of HUD's decision by submitting a written appeal. Grantee shall submit their appeal to their HUD POC.
- B. **False Statements.** A false statement in the Grantee's NOFA Application or Grant-related documents and reports, may be grounds for denial or termination of the Grant and punishable as provided in 18 U.S.C. §1001.

ARTICLE XVIII

AUDIT REQUIREMENTS

Grantee shall comply with the audit requirements of the Single Audit Act (31 U.S.C. §§ 7501-07) and 2 C.F.R Part 200, Subpart F Audit Requirements, including the associated Compliance Supplement, as amended. The requirements of the Single Audit Act and 2 C.F.R Part 200, Subpart F shall supersede the requirements in HUD Handbook 7610.1 REV-5 for an audit every two years. All Grantees not required to complete a single or program-specific audit under 2 C.F.R., Part 200, Subpart F, must submit their most recent independent financial audit.

ARTICLE XIX

DEBARMENT AND SUSPENSION

Grantee shall comply with HUD's requirements for participants at 2 C.F.R. Part 2424, which include prohibiting Grantee from doing business to undertake the activities under this Grant Agreement with persons who are excluded or disqualified from federal programs.

ARTICLE XX

DRUG-FREE WORK PLACE REQUIREMENTS

Grantee shall comply with HUD's requirements for recipients of financial assistance at 2 C.F.R. Part 2429 which requires Grantee to maintain a drug-free workplace and to take such actions as publishing a drug-free workplace statement, establishing a drug-free awareness program, and taking actions concerning employees convicted of violating drug statutes in the workplace.

ARTICLE XXI

LOBBYING RESTRICTIONS

- A. **Prohibition Against Lobbying Activities.** Grantees are subject to the provisions of Section 319 of Public Law 101-121, 31 U.S.C. 1352 (Byrd Amendment), 24 C.F.R. part 87 and 2 C.F.R. 200.450, which prohibit recipients of federal awards and their contractors, subcontractors, at any tier, and subgrantees at any tier from using appropriated funds for lobbying the executive or legislative branches of the Federal government in connection with a Federal award. In addition, Grant Funds under this NOFA shall not be utilized to advocate or influence the outcome of any Federal, state or local election, referendum, initiative or similar procedure or policy position through contributions, endorsements, publicity or similar activity.
- B. **Certifications.** As a precondition to receiving Grant Funds exceeding \$100,000, a Grantee shall certify using the Form HUD-50071, Certification of Payments to Influence Federal Transactions, that it will comply with 24 C.F.R. Part 87. A Grantee shall submit its certification to the HUD POC.
- C. **Disclosures.** As required by 24 C.F.R. § 87.110, a Grantee that receives Grant Funds exceeding \$100,000 shall disclose using SF-LLL, Disclosure of Lobbying Activities, any payments made or any agreement to make any payment from non-appropriated funds that would be prohibited under 24 C.F.R. § 87.100(a) if paid for with appropriated funds. These disclosures shall be updated as required by section 87.110(c). Grantee shall submit its disclosures to the HUD POC if not submitted at time of application. These disclosures and updates are hereby incorporated into this Agreement.

- D. **Lobbyist Registration and Reporting.** Grantee shall comply with the Lobbying Disclosure Act of 1995 (2 U.S.C. § 1601 et seq.), which requires all persons and entities who lobby covered Executive or Legislative Branch officials to register with the Secretary of the Senate and the Clerk of the House of Representatives and file reports concerning their lobbying activities.

ARTICLE XXII

NONDISCRIMINATION REQUIREMENTS

- A. **General.** Notwithstanding the permissibility of applications that serve target areas or populations, Grantee shall comply with these requirements for nondiscrimination based on race, color, religion, sex, national origin, age, familial status, and disability. The SF-424B, Assurances for Non-Construction Programs, is hereby incorporated into this Agreement.
- B. **Nondiscrimination Requirements.** Grantee shall comply with nondiscrimination requirements enumerated in certification six in the SF-424B, Assurances for Non-Construction Programs and;
1. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency and implementing Federal Register Notice 72 FR 2732, Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons; and
 2. Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity (77 FR 5562).
- C. **Requirements Applicable to Religious Organizations.** Where Grantee is, or Grantee proposes to make subgrants or an allocation of funds to, a primarily religious organization, or a wholly secular organization established by a primarily religious organization, to provide, manage, or operate a housing counseling program, Grantee must undertake their responsibilities in accordance with the following principles:
1. Grantee shall not discriminate on behalf of or against any segment of the population in the provision of services or in outreach, including those of other religious affiliations.
 2. Grantee shall not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this Grant. If an organization conducts such activities, these activities must be offered separately, in time or location, from the activities funded under this Grant Agreement. Participation must be voluntary for the Clients receiving services covered, either completely or in part, by HUD funds.

ARTICLE XXIII

MISCELLANEOUS

- A. **Order of Precedence.** In the event of any inconsistency among any provisions of this Agreement, the following order of precedence shall apply:
1. Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701x) as amended and other applicable Federal Laws;
 2. Applicable Federal regulations, including but not limited to 24 C.F.R. Part 214;
 3. The Housing Counseling Program Comprehensive NOFA;
 4. HUD Handbook 7610.1 REV-5; and
 5. This Grant Agreement.
- B. **No waiver.** No delay or omission by HUD to exercise any right or remedy available to it under this Agreement or applicable law, or to insist upon strict compliance by the Grantee with its obligations hereunder shall impair any such right or remedy or constitute a waiver of HUD's right to demand exact compliance with the terms of this Agreement.
- C. **Applicable Law.** This Agreement shall be construed, and the rights and obligations of the parties determined, in accordance with Federal law.
- D. **Relationship of the Parties.** No party to this Agreement is an agent of the other party, and neither party has the authority to represent or bind the other party to anyone else as to any matter.
- E. **Disclose Investigations.** Grantees are required to report to HUD within fifteen days if Grantee is subject to unresolved findings as a result of HUD or other government audit or investigations. See 24 C.F.R. Part 214.
- F. **HUD Oversight.** Grantee must cooperate with all HUD oversight activities, requests for access to facilities, requests for access to agency's CMS, and requests for information, including, but not limited to, complete Client Counseling Files and Client-level data. Oversight may include, but is not limited to, remote inspection of Client Counseling Files, on-site performance reviews by HUD staff or designee, and mystery shopping. If Grantee, including those agencies that provide legal services, has other obligations that require Client information to be kept confidential, Grantee must take measures to ensure that HUD has access to Client Counseling Files and information for audit and oversight purposes that demonstrates to the satisfaction of HUD that the Grantee is in compliance with 24 C.F.R. Part 214, HUD Handbook 7610.1 REV-5, and the requirements of this Grant Agreement and the Housing Counseling Program NOFA.
- G. **Payment to Grantee from Lender.** 24 C.F.R. § 214.313 permits Grantees to receive payments from a lender for housing counseling services (except for reverse mortgage counseling services) provided that the level of payment received is commensurate with the services provided and does not otherwise violate Real Estate Settlement Procedures

Act. These transactions and relationships must be disclosed to the client as required in § 214.303 (g) and HUD Handbook 7610.1 REV-5, Chapter 6.

- H. **Assurances and Certifications.** By signing form HUD-1044, the Grantee renews the assurances and certifications made with its application for HUD-approval (form HUD-9900).
- I. **Survival.** Any provisions of this Agreement that expressly or by their operation should reasonably continue to apply to a party after the termination or suspension (in whole or in part) of this Agreement shall continue in full force and effect for such time as is necessary to fully carry out the intent of such provisions. The applicable regulations at 2 C.F.R. §§ 200.16, 200.343, and 200.344 describe Grantee's closeout requirements and continuing responsibilities after the closeout of this Grant.
- J. **Organizational Changes.** Mergers, acquisitions, or other changes in form or organizational structure should be reported to the HUD POC no later than sixty days prior to the implementation of such changes. In the case of a simple name change, HUD may make the award in the name of the newly named entity. In the case of a merger, the new or merged entity may be eligible to receive Grant Funds made to the original Grantee, provided they meet certain conditions, including but not necessarily limited to:
- The new or merged entity receives HUD approval as a housing counseling agency, with HUD having the ability to waive the experience approval criteria for good cause, as defined in 24 C.F.R. § 214.103(b);
 - The new or merged entity demonstrates that its application, Housing Counseling Work Plan, target community, and personnel are substantially similar to that of the original Grantee.
- K. **Succession Plans.** Grantee shall make available to HUD upon request a succession plan. Grantee will cooperate and make all reasonable efforts to facilitate the continuation of housing counseling services to the communities served either directly by Grantee or through Grantee's Branches.
- L. **Leveraged Resources.** A Grant awarded under the Housing Counseling NOFA is not intended to cover the total cost of carrying out a Grantee's counseling program, and Grantee shall obtain funds from sources other than HUD to cover that portion of the program not funded by HUD. Grantee shall maintain, and make available to HUD upon request, evidence that non-federal leveraged resources cited in Grantee's NOFA application were actually provided to Grantee.
- M. **HECM Default Counseling.** Contact information for Grantees who committed to provide HECM default counseling will appear on the HUD Housing Counseling Exchange.

IN WITNESS WHEREOF, each of the Parties has caused the following Housing Counseling Program 2019 Grant Agreement to be executed by its duly authorized officer or agent. No alterations of the official version of the Housing Counseling Program 2019 Grant Agreement delivered by HUD to Grantee have been accepted unless such change is acknowledged by HUD through a signature on the page of the Grant Agreement containing such change.

GRANTEE:

[INSERT FULL LEGAL NAME]

HUD:

UNITED STATES DEPARTMENT
OF HOUSING AND URBAN
DEVELOPMENT

By: _____

Name:

Title:

Date:

By: _____

Name:

Title:

Date:

Assistance Award/Amendment

**U.S. Department of Housing
and Urban Development
Office of Administration**

1. Assistance Instrument <input type="checkbox"/> Cooperative Agreement <input checked="" type="checkbox"/> Grant		2. Type of Action <input checked="" type="checkbox"/> Award <input type="checkbox"/> Amendment	
3. Instrument Number HC190421010	4. Amendment Number	5. Effective Date of this Action October 1, 2018	6. Control Number HC190421010
7. Name and Address of Recipient ST. JOHNS COUNTY BOARD OF COUNTY COMMISSIONERS 500 San Sebastian View, Ste 2300 St Augustine, FL 32084 TIN NUMBER: 59-6000825 DUNS NUMBER: 073236739		8. HUD Administering Office U.S. Department of Housing and Urban Development Office of Housing Counseling 451 7 th Street SW, Room 9224 Washington, DC 20410	
10. Recipient Project Manager Virginia Campbell 904-209-6146		8a. Name of Administrator Brian Siebenlist	8b. Telephone Number 202-402-5415
11. Assistance Arrangement <input checked="" type="checkbox"/> Cost Reimbursement <input type="checkbox"/> Cost Sharing <input type="checkbox"/> Fixed Price		9. HUD Government Technical Representative Benjamin Yanetta 904-208-6022	
12. Payment Method <input type="checkbox"/> Treasury Check Reimbursement <input type="checkbox"/> Advance Check <input checked="" type="checkbox"/> Automated Clearinghouse		13. HUD Payment Office CFO Accounting Center/HUD PO Box 901013 Fort Worth, TX 76101	
14. Assistance Amount		15. HUD Accounting and Appropriation Data	
Previous HUD Amount	\$	15a. Appropriation Number 8619/200156	15b. Reservation number HC190421010
HUD Amount this action	\$25,610.00	Amount Previously Obligated	\$
Total HUD Amount	\$25,610.00	Obligation by this action	\$25,610.00
Recipient Amount	\$	Total Obligation	\$25,610.00
Total Instrument Amount	\$25,610.00		

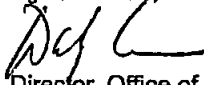
16. Description

FY 2019 - HOUSING COUNSELING GRANT VOUCHER UNDER LOCCS BUDGET LINE ITEM 9500.

GRANT TYPE: COMPREHENSIVE COUNSELING

LOCCS Draw Down Expiration Date: June 30,2020

Period of Performance: 10/1/2018 to 3/31/2020

17. <input checked="" type="checkbox"/> Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. <input type="checkbox"/> Recipient is not required to sign this document.	
19. Recipient (By Name) ST. JOHNS COUNTY BOARD OF COUNTY COMMISSIONERS		20. HUD (By Name) Brian Siebenlist	
Signature & Title	Date (mm/dd/yyyy)	Signature & Title,  Director, Office of Policy and Grant Administration (OHC)	Date (mm/dd/yyyy) 10/8/2019

IN WITNESS WHEREOF, each of the Parties has caused the following Housing Counseling Program 2019 Grant Agreement to be executed by its duly authorized officer or agent. No alterations of the official version of the Housing Counseling Program 2019 Grant Agreement delivered by HUD to Grantee have been accepted unless such change is acknowledged by HUD through a signature on the page of the Grant Agreement containing such change.

GRANTEE:

ST. JOHNS COUNTY BOARD OF COUNTY
COMMISSIONERS

By: _____

Name:

Title:

Date:

HUD:

UNITED STATES DEPARTMENT
OF HOUSING AND URBAN
DEVELOPMENT

By:  _____

Name: Brian Siebenlist

Title: Director, Office of Policy and
Grant Administration (OHC)

Date: October 8, 2019



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Housing Counseling
451 7th Street S.W.
Washington, DC 20410
www.hud.gov & espanol.hud.gov

October 8, 2019

Virginia Campbell
St. Johns County Board of County Commissioners
200 San Sebastian Vw Ste 2300
St Augustine, FL 32084

**SUBJECT: FY 2019 Housing Counseling Program Grant Award for FY 2019 Grantees
Grant Number: HC190421010**

Dear Virginia Campbell:

I am pleased to inform you that ST. JOHNS COUNTY BOARD OF COUNTY COMMISSIONERS (Grantee) has been conditionally awarded a grant of **\$25,610.00** to conduct a housing counseling program on behalf of the Department of Housing and Urban Development. This award is in accordance with HUD's FY2019 Comprehensive Housing Counseling Grant Program Notice of Funding Availability (FY19 NOFA) posted on grants.gov on May 24, 2019, and with the eligible activities in the projected performance work plan submitted in your grant application. Funds will be obligated and made available upon execution of the Grant Agreement and the timely submission of all the documents and information requested in this letter.

Funds for this grant award shall be used as follows:

Grant Type: **COMPREHENSIVE COUNSELING**
Grant Award: **\$25,610.00**

Enclosed, you will find one copy of the Grant Agreement, Grant Agreement signature page, the Grant Award Package Checklist, and Form HUD-1044 "Assistance Award/Amendment", for the category of funding approved under the FY19-NOFA. Sign and date all copies of the documents including the signature on the last page of the Grant Agreement. Return one signed copy of the Form HUD-1044, the signed signature page only of the Grant Agreement, and the required documentation listed below by emailing scanned documents to your HUD Point of Contact (POC) listed below within 15 business days of the date of this letter. Retain the signed Grant Agreement and one copy of the original, signed Form HUD-1044, for your records.

NOFA Requirements

Grantees that are required to complete a single or program-specific audit under 2 C.F.R. 200.501 must be in compliance with the audit filing requirements at 2 C.F.R. 200.501, and must have addressed all previous significant audit findings, if any, prior to signing the Grant Agreement and Form HUD-1044 and returning the documents to HUD.

HUD will not fund services that are not within the scope of eligible services listed in the Grantee's most current approved housing counseling work plan. To be eligible for reimbursement as direct costs, costs must be incurred pursuant to one or more of the activities outlined in Article IV(F) of the FY 2019 NOFA and Article IV(C) of the attached grant agreement.

Points of Contact

Verify that HUD's Housing Counseling System (HCS) contains the correct name, telephone number, and email address of the individual in your organization who will be the daily contact person for HUD regarding your housing counseling program. Enter this information under "Agency Contact for HUD Use" on the personnel screen of your agency's HCS profile.

Required Documentation

In addition to the signed HUD-1044 and the signed signature page of the grant agreement, as a condition of award, the following documents and/or information, if applicable, must be submitted within fifteen (15) business days of the date of this letter:

1. **Indirect Cost Rate Documentation.** See 2 C.F.R. § 200.414 for a detailed explanation of this requirement. If your organization has a Negotiated Indirect Cost Rate Agreement (NICRA) and will apply indirect costs to this grant, submit a copy of the NICRA. Alternatively, if your organization has never received a negotiated indirect cost rate (except for those non-Federal entities described in Appendix VII to 2 C.F.R. Part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph D.1.b) and elects to charge a de minimis rate of 10% of modified total direct costs (MTDC) in accordance with 2 C.F.R. § 200.414, state so in writing in your response to this letter. If your organization does not incur indirect costs, or will not apply them to this grant, state so in writing in your response to this letter.
2. **Financial Management Systems.** Grantees must submit a certification from the executive director, or other qualified professional, demonstrating that the organization's financial management systems satisfy the requirements in the applicable regulations at 2 C.F.R. § 200.302.
3. **Audit.** Grantees must provide the most recent audit of financial activities (e.g. a single or program-specific audit required under 2 C.F.R. 200.501) with completed audit no earlier than its fiscal year 2016. All grantees not required to complete a single or program specific audit under 2 C.F.R. 200.501 must submit their most recent independent financial audit. HUD will review individual circumstances upon request.
4. **Code of Conduct.** If not submitted as part of the relevant grant application, Grantees must submit a written Code of Conduct that prohibits real and apparent conflicts of interest that may arise among officers, employees, or agents; prohibits the solicitation and acceptance of gifts or gratuities by officers, employees and agents for their personal benefit in excess of minimal value; and outlines administrative and

disciplinary actions available to remedy violations of such standards. Also, describe the methods used to ensure that all officers, employees, and agents of the organization are aware of the Code of Conduct. See 24 C.F.R. Part 214 for information about the Applicant's Code of Conduct and the prohibition against real and apparent conflicts of interest that may arise among officers, employees, agents or other parties.

An applicant who has previously submitted a copy of its code of conduct is not required to submit another copy if the information has not been revised and the applicant is listed on HUD's Web site at https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/conductgrants

An agency not listed on the above website must submit a copy of its code of conduct as a condition for award.

5. **Projected Budget.** Grantee must submit a comprehensive projected budget listing all proposed expenses under the Grant and any budget attachments necessary to itemize expenses. At a minimum, the budget must include salaries, fringe and other benefits, training, marketing, outreach, and indirect costs, as applicable to Grantee. The budget must account for how every dollar being billed to the Grant will be spent, all expenses must be itemized, and all Grant Funds must be accounted for in this projected budget. This projected budget must also demonstrate the actual cost of service provision:

The budget may be submitted on form HUD-424 CB, or in the format of the Grantee's choosing, if the form HUD-424 CB does not provide enough detail. If using form HUD-424 CB, entries relevant to the Grant must be made in column 1, "HUD Share." If there are "other direct costs" on line item h, grantee must provide a breakdown of those costs on a separate page. The budget must be signed and dated by an official who is authorized to legally bind the Grantee.

Unless the HUD POC states otherwise, once the grant is executed the budget submitted in response to this letter will be considered the approved budget, and payment requests under the grant must be in accordance with the approved budgetary line items. Any deviation between a payment request and the approved budget must be explained in detail and approved by the HUD POC.

Intermediaries, Multi-State Organizations (MSOs), and State Housing Finance Agencies (SHFAs) reimbursing sub-grantees and/or branches at a fixed rate per counseling/education activity and type are not exempt from this requirement to provide an itemized budget for expenses.

Intermediaries, MSOs, and SHFAs must clearly explain the billing methodology that will be employed to reimburse sub-grantees or branches (e.g., include the formula for calculating a counselor's hourly rate attributed to the grant, or how each cost is calculated for fixed-cost counseling/education activity). Intermediaries, MSOs, and SHFAs must also indicate the process that will be used to ensure that the fixed cost

reimbursement rate does not exceed the actual cost of providing the housing counseling services for which sub-grantees and branches request reimbursement.

Intermediaries, MSOs, and SHFAs must also submit a detailed budget accounting for the costs associated of managing a network; oversight, compliance, quality control, training, indirect costs etc. Such funds are not passed through to Subgrantees or allocated to Branches, but spent by the Intermediary, MSO, or SHFA.

6. Projections for Housing Counseling Grant Activities. Enter your counseling projections in HCS under the "HUD-9902" menu item and select Projections for NOFA-2019-1. Enter the number of housing counseling activities that the grantee anticipates conducting with the FY2019 grant for each line in Section 8 – Households Receiving Group Education by Purpose, if applicable, and Section 9 Households Receiving One-On One Counseling by Purpose. The screen will display the total values for each line item for the entire funding period. Then click on the "Save as Draft" button.

Once you have saved your projections as a draft, submit the total number of households to be served with the grant (i.e. the Section 8 and 9 Total from your draft projections) to your HUD POC via email. If approved, your HUD POC will enter the "Total Negotiated Projections" in HCS and will contact your agency's Point of Contact with further instructions.

Grantees will be required to submit actual achievements in the activities identified above with each quarterly and final report in accordance with the reporting requirements of the enclosed Grant Agreement. The information in the reports provides the primary means through which HUD will monitor the ongoing performance of its grantees.

7. Sub-allocation List. Intermediaries, MSOs, and SHFAs must provide an updated list of sub-grantees and funded branches and their corresponding sub-grants on the budget allocation screen in HCS. Such Grantees must also provide a brief written explanation of how sub-award amounts for sub-grantees and branches were determined. Grantees may request to amend their sub-grant list after awards are made by submitting a written request and detailed justification to HUD as prescribed by Article V, Part A (2) of the FY 2019 Housing Counseling Grant Agreement. Such amendments will be approved at HUD's sole discretion.
8. Client Management System. Grantee must certify that they, and all sub-grantees and funded branches, if applicable, utilize a client management system (CMS) that meets HUD's requirements and interfaces with HUD's databases for the collection and submission of client-level data, form HUD-9902, and agency profile information.

Intermediaries, MSOs, and SHFAs must also list all relevant sub-grantees and the CMS they utilize.

9. Return one signed copy of the Form HUD-1044, the signed signature page only of the Grant Agreement (signature required on the last page of agreement), and the additional requests information in this Grant Award Letter within 15 business days of the date of this letter.

Documents, projections, and required information must be scanned and emailed to your assigned HUD POC:

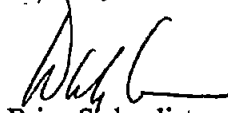
Benjamin Yanetta
benjamin.t.yanetta@hud.gov
Department of HUD
Office of Housing Counseling

Once all information has been reviewed and approved by my staff, we will process the award and establish an account for your organization. Information about procedures for submitting an initial voucher can be found in the Grant Agreement.

If you have any questions or concerns, please contact Benjamin Yanetta, 904-208-6022.

We look forward to a productive partnership with your organization in helping to expand affordable housing opportunities.

Sincerely,



Brian Stebenlist
Director, Office of Policy and Grant Administration (OHC)
Office of Housing Counseling



St. Johns County Board of County Commissioners

Housing & Community Development

Benjamin Yanetta
Department of Housing and Urban Development
Office of Housing Counseling

SUBJECT: Certification of Financial Management System Compliance with 2 CFR 200.302
and Certification of Client Management System in Compliance with HUD Requirements.

Dear Mr. Yanetta,

The St. Johns County Board of County Commissioners, division of Housing & Community Development Department is a recipient of funds from the U.S. Department of Housing and Urban Development.

As Chairperson for the Board of County Commissioners of St. Johns County, I hereby delegate the County Administrator or his designee, the authority to carry out the responsibilities of certifying officer.

I hereby attest to the fact that St. Johns County's financial management system is fully compliant with all applicable regulations stated at 2 CFR 200.302.

Additionally, I attest to the fact that St Johns County utilizes the client management system (CMS) CounselorMax through contract with NeighborWorks Reinvestment Corp.

Jeb Smith
Chair
St Johns County Board of County Commissioners

Signed on this _____ of December, 2019

NAME AND CONTACT INFORMATION FOR CERTIFYING OFFICER:

Office of the County Administrator
500 San Sebastian View, St Augustine, FL 32084

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018

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	\$ 47,247		\$ 39,420
Community Development Block Grants/Entitlement Grants	14.218	B-17-UC-12-0021	384,103		308,581
Total CDBG - Entitlement Grants Cluster				\$ 431,350	
Continuum of Care Program	14.267	FL0637L4H121600	17,836		
Passed through Florida Department of Children and Families and Flagler Hospital:					
Emergency Solutions Grant Program	14.231	NP0004	15,000		
Department of Justice					
Passed through Florida Office of the Attorney General					
Victims of Crime Act - VOCA	16.575	VOCA-2018-St. Johns County Sheriff-00059	72,723		
Department of Transportation					
Passed through Florida Department of Transportation:					
Highway Planning and Construction Cluster	20.205	GOT66; 439470-1-38-02	1,049		
Total Highway Planning and Construction Cluster				1,049	
Direct Assistance:					
Federal Transit Formula Grants	20.507	FL-90-X852	24,639		184
Federal Transit Formula Grants	20.507	FL-90-X894	51,808		
Federal Transit Formula Grants	20.507	FL-2017-034-00	23,228		
Federal Transit Formula Grants	20.507	FL-6410-2017-2	621,592		499,259
Federal Transit Formula Grants	20.507	FL-2018-106-00	78,305		78,305
Passed through Florida Department of Transportation:					
Federal Transit Formula Grants	20.507	FL-2016-036-00	474,476		194,143
Bus and Bus Facilities Formula Program	20.526	G0024; 437585-1-94-17	194,524		
Total Federal Transit Cluster				1,468,572	
Election Assistance Commission					
Passed through the Florida Department of State, Division of Elections:					
Help America Vote Act	90.401	2016-2017-0001-SJC	16,561		
Help America Vote Act	90.401	2017-2018-0001-SJC	27,542		
Help America Vote Act	90.401	2018-2019-0001-SJC	127,324		
Help America Vote Act	90.401	2018-2019-0002-SJC	14,010		
Total Help America Vote Act				185,437	
Department of Health & Human Services					
Passed through the Florida Department of Revenue:					
Child Support Enforcement - Title IV-D	93.563	2016 Incentive	1,794		
Child Support Enforcement - Title IV-D	93.563	COC	116,939	118,733	
Passed Through Florida Department of Children & Families:					
Temporary Assistance for Needy Families	93.558	NJ206	395,202		
Total TANF Cluster				395,202	
Promoting Safe and Stable Families	93.556	NJ206	259,230		
Chafee Education and Training Vouchers Program	93.599	NJ206	11,773		
Stephanie Tubbs Jones Child Welfare Services	93.645	NJ206	153,606		
Foster Care-Title IV-E	93.658	NJ206	1,249,480		
Adoption Assistance	93.659	NJ206	945,517		
Social Services Block Grant	93.667	NJ206	218,233		
Child Abuse and Neglect State Grants	93.669	NJ206	9,941		
Chafee Foster Care Program for Successful Transition to Adulthood	93.674	NJ206	27,800		
Medical Assistance Program	93.778	NJ206	10,095		
Total Medicaid Cluster				10,095	

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018**

Executive Office of The President				
Office of National Drug Control & Policy				
Direct Assistance:				
High Intensity Drug Trafficking Areas Program	95.001	G16NF0001A/G17NF0001A/G 18NF0001A	3,095,861	
Department of Homeland Security				
Direct Assistance:				
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2014-FH-00196	360,998	
Passed through Florida Division of Emergency Management:				
Disaster Grants - Public Assistance	97.036	17-PA-U5-04-65-02-125	13,321,646	
Disaster Grants - Public Assistance	97.036	20276	10,477,935	
Total Disaster Grants - Public Assistance				23,799,581
Emergency Management Performance Grants	97.042	18-FG-7A-04-05-01-122	84,676	
Emergency Management Performance Grants	97.042	19-FG-AF-04-65-01-068	24,476	
Total Emergency Management Performance Grants				109,152
Assistance to Firefighters Grant	97.044	EMW-2015-FO-05266	108,036	
Assistance to Firefighters Grant	97.044	EMW-2016-FP-00311	10,477	
Total Assistance to Firefighters Grant				118,513
Port Security Grant Program	97.056	EMW-2015-PU-00044-S01	172,500	
Homeland Security Grant Program	97.067	17-DS-V4-04-65-01-357	14,700	
Homeland Security Grant Program	97.067	EMW-2017-SS-00061-501	2,366	
Total Homeland Security Grant Program				17,066
Total expenditures of federal awards			<u>\$ 33,265,248</u>	<u>\$ 1,119,892</u>

St. Johns County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018

State Agency	State CSFA Number	Contract Number	Expenditures	Program Totals	Expenditures to Subrecipients
Executive Office of the Governor					
Emergency Management Programs	31.063	18-BG-W9-04-05-01-124	\$ 105,799		
Emergency Management Programs	31.063	19-BG-21-04-65-01	26,747	\$ 132,546	
Department of Environmental Protection					
Beach Management Funding Assistance Program	37.003	16SJ2	275,850		
Beach Management Funding Assistance Program	37.003	17SJ2	1,193,689	1,469,539	
Sewer Improvements	37.066	28778	55,364		
Passed through Florida Department of Children and Families and Flagler Hospital:	37.077	WW550120	10,442,180		
Statewide Surface Water Restoration and Wastewater Projects	37.039	30339	322,245		
Department of Economic Opportunity:					
Division of Community Development	40.038	P0292	6,750		
Florida Housing Finance Corporation					
State Housing Initiative Partnership Program	40.901	2016-17	1,307,655		\$ 1,047,526
State Housing Initiative Partnership Program	40.901	2015-16	271,808	1,579,463	232,050
Department of State and Secretary of State					
State Aid to Libraries	45.030	18-ST-72	156,162		
Specific Cultural Projects	45.062	18.c.pr.180.283	25,000		
Department of Transportation					
County Incentive Grant Program	55.008	G0C97; 439278-1-54-01	250,000		
Public Transit Block Grant Program	55.010	418441-1-84-18	318,183		318,183
Public Transit Block Grant Program	55.010	418441-1-84-17	395,000		395,000
Public Transit Block Grant Program	55.010	418441-1-84-16	31,311	744,494	31,311
Florida Shared-use Nonmotorized (Sun) Trail Network Program	55.038	G0M37; 439932-1-14-01	2,318		
Department of Children and Families					
Homeless Grants in Aid	60.021	NP004	27,336		
Out-of-Home Supports	60.074	NJ206	170,704		
In-Home Supports	60.075	NJ206	15,559		
Independent Living and Road-to-Independence Program	60.112	NJ206	33,975		
CBC-Sexually Exploited Children	60.138	NJ206	29,153		
Extended Foster Care Program	60.141	NJ206	77,048		
CBC-Purchase of Therapeutic Services for Children	60.183	NJ206	15,875		
Department of Health					
County Grant Awards	64.005	C6058	23,306		
Total expenditures of state financial assistance			<u>\$ 15,579,017</u>		<u>\$ 2,024,070</u>

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, 2018. 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>
Community Development Block Grants/Entitlement Grants	14.218	\$ 348,001
Federal Transit Formula Grants	20.507	771,891
Total		\$ 1,119,892

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	\$ 1,279,576
Public Transit Block Grant Program	55.010	744,494
Total		\$ 2,024,070

NOTE 5– FEMA EXPENDITURES

Expenditures for CFDA No. 97.036, Disaster Grant – Public Assistance, include \$17,742,139 for Hurricane Matthew and expenditures of \$3,763,373 for Hurricane Irma that were incurred in the prior fiscal year that had not yet been obligated (approved) by the Federal Emergency Management Agency as of September 30, 2017.

NOTE 6– 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 2018.



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INDEPENDENT AUDITORS' 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 September 30, 2018. The County's major federal programs and state projects are identified in the summary of auditors' 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.

Auditors' 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, 2018.

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, 2018, 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, 2019, 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, 2019

Schedule of Findings and Questioned Costs
Year ended September 30, 2018

SECTION I – SUMMARY OF AUDITORS’ RESULTS

- (i) The independent auditors’ report on the financial statements expressed unmodified opinions.
- (ii) The audit disclosed a significant deficiency in the internal control over financial reporting that was considered to be a material weakness.
- (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 auditors’ 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>
Foster Care Title IV-E	93.658
High Intensity Drug Trafficking Areas Program	95.001
Disaster Grants-Public Assistance	97.036

<u>State Projects</u>	<u>CSFA Number</u>
Beach Management Funding Assistance Program	37.003
Wastewater Treatment Facility Construction	37.077
Public Transit Block Grant Program	55.010

- (viii) A threshold of \$997,957 was used to distinguish between Type A and Type B programs for federal programs, and \$467,371 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, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

2018-001 **Material Weakness in Maintaining Effective Internal Controls**

Criteria – The County and each individual Constitutional Officer is responsible for maintaining effective internal controls over financial transactions and reporting.

Condition – Several instances of internal control deficiencies were noted at the Sheriff's Office.

Cause – County governance, in fulfilling its responsibilities, includes overseeing the County's efforts to prevent fraud and effectively manage risks. In dealing with these issues, the need for oversight is critical. At the Sheriff's Office, internal control deficiencies were largely attributable, but not limited to management override of controls and a lack of segregation of duties.

Effect – Misappropriation of assets and the risk of misstatements of financial information is elevated.

Recommendation – Whenever possible, the County and each individual Constitutional Officer should provide oversight in its efforts to manage risks and prevent fraud within the County and each individual Constitutional Officer. Further, duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Views of responsible officials – See County's response letter on page 253.

SECTION III – FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS

-None-

SECTION IV – FINDINGS AND QUESTIONED COSTS –
STATE PROJECTS

-None-

St. Johns County, Florida

**Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
Year ended September 30, 2018**

There were no audit findings contained in the 2017 audit report.



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INDEPENDENT AUDITORS' 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, 2018, 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, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control over financial reporting, as described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a material weakness.

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*.

We also noted certain matters that we have reported in separately-issued reports for the County's constitutional officers.

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.

Carly Rigger & Ingram, L.L.C.

St. Augustine, Florida
June 28, 2019



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INDEPENDENT ACCOUNTANTS' 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, 2018. 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, 2018.

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, LLC

St. Augustine, Florida
June 28, 2019



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INDEPENDENT ACCOUNTANTS' 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, 2018. 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, 2018.

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, LLC

St. Augustine, Florida
June 28, 2019



MANAGEMENT LETTER

The Honorable County Commissioners
St. Johns County, Florida

Report on the Financial Statements

We have audited the financial statements of St. Johns County, Florida (the "County"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 28, 2019.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and 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; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on examinations 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 28, 2019, 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 financial audit report. There were no findings and recommendations made in the preceding financial audit report.

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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the

specific condition(s) 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 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 did not have any such recommendations.

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, the Board of County Commissioners of St. Johns County, Florida, and applicable management, 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, LLC

St. Augustine, Florida
June 28, 2019



St. Johns County Board of County Commissioners

Office of the County Administrator
Michael D. Wanchick, County Administrator

June 28, 2019


Sherrill F. Norman, CPA
Florida Auditor General
111 W Madison Street
Tallahassee, FL 32399

Dear Ms. Norman:

We respectfully submit our response to audit finding 2018-001 from our independent auditors, Carr, Riggs and Ingram, LLC, which is included in this report for the fiscal year ended September 30, 2018.

The matter noted pertains to the St. Johns County Sheriff's Office. It should be noted that internal control deficiencies were identified by St. Johns County Sheriff's Office staff and actions were immediately taken by the St. Johns County Sheriff's Office to ensure those deficiencies were remedied. In addition, these events were communicated by the St. Johns County Sheriff's Office to the St. Johns County Board of County Commissioners and the St. Johns County Clerk of the Circuit Court and Comptroller. The St. Johns County Sheriff's Office has retained professional financial and legal assistance to investigate and complete a forensic audit to identify recommended procedures. Once identified, those recommended procedures will be implemented by the St. Johns County Sheriff's Office.

Sincerely,


Michael D. Wanchick
County Administrator

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018**

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	\$ 47,247		\$ 39,420
Community Development Block Grants/Entitlement Grants	14.218	B-17-UC-12-0021	384,103		308,581
Total CDBG - Entitlement Grants Cluster				\$ 431,350	
Continuum of Care Program	14.267	FL0637L4H121600	17,836		
Passed through Florida Department of Children and Families and Flagler Hospital:					
Emergency Solutions Grant Program	14.231	NP0004	15,000		
Department of Justice					
Passed through Florida Office of the Attorney General					
Victims of Crime Act - VOCA	16.575	VOCA-2018-St. Johns County Sheriff-00059	72,723		
Department of Transportation					
Passed through Florida Department of Transportation:					
Highway Planning and Construction Cluster	20.205	GOT66; 439470-1-38-02	1,049		
Total Highway Planning and Construction Cluster				1,049	
Direct Assistance:					
Federal Transit Formula Grants	20.507	FL-90-X852	24,639		184
Federal Transit Formula Grants	20.507	FL-90-X894	51,808		
Federal Transit Formula Grants	20.507	FL-2017-034-00	23,228		
Federal Transit Formula Grants	20.507	FL-6410-2017-2	621,592		499,259
Federal Transit Formula Grants	20.507	FL-2018-106-00	78,305		78,305
Passed through Florida Department of Transportation:					
Federal Transit Formula Grants	20.507	FL-2016-036-00	474,476		194,143
Bus and Bus Facilities Formula Program	20.526	G0024; 437585-1-94-17	194,524		
Total Federal Transit Cluster				1,468,572	
Election Assistance Commission					
Passed through the Florida Department of State, Division of Elections:					
Help America Vote Act	90.401	2016-2017-0001-SIC	16,561		
Help America Vote Act	90.401	2017-2018-0001-SIC	27,542		
Help America Vote Act	90.401	2018-2019-0001-SIC	127,324		
Help America Vote Act	90.401	2018-2019-0002-SIC	14,010		
Total Help America Vote Act				185,437	
Department of Health & Human Services					
Passed through the Florida Department of Revenue:					
Child Support Enforcement - Title IV-D	93.563	2016 Incentive	1,794		
Child Support Enforcement - Title IV-D	93.563	COC	116,939	118,733	
Passed Through Florida Department of Children & Families:					
Temporary Assistance for Needy Families	93.558	NJ206	395,202		
Total TANF Cluster				395,202	
Promoting Safe and Stable Families	93.556	NJ206	259,230		
Chafee Education and Training Vouchers Program	93.599	NJ206	11,773		
Stephanie Tubbs Jones Child Welfare Services	93.645	NJ206	153,606		
Foster Care-Title IV-E	93.658	NJ206	1,249,480		
Adoption Assistance	93.659	NJ206	945,517		
Social Services Block Grant	93.667	NJ206	218,233		
Child Abuse and Neglect State Grants	93.669	NJ206	9,941		
Chafee Foster Care Program for Successful Transition to Adulthood	93.674	NJ206	27,800		
Medical Assistance Program	93.778	NJ206	10,095		
Total Medical Cluster				10,095	

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018

Executive Office of The President			
Office of National Drug Control & Policy			
Direct Assistance:			
High Intensity Drug Trafficking Areas Program	95.001	G16NF0001A/G17NF0001A/G 18NF0001A	3,095,861
Department of Homeland Security			
Direct Assistance:			
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2014-FH-00196	360,998
Passed through Florida Division of Emergency Management:			
Disaster Grants - Public Assistance	97.036	17-PA-US-04-65-02-125	13,321,646
Disaster Grants - Public Assistance	97.036	20276	10,477,935
Total Disaster Grants - Public Assistance			23,799,581
Emergency Management Performance Grants	97.042	18-FG-7A-04-05-01-122	84,676
Emergency Management Performance Grants	97.042	19-FG-AF-04-65-01-068	24,476
Total Emergency Management Performance Grants			109,152
Assistance to Firefighters Grant	97.044	EMW-2015-FO-05266	108,036
Assistance to Firefighters Grant	97.044	EMW-2016-FP-00311	10,477
Total Assistance to Firefighters Grant			118,513
Port Security Grant Program	97.056	EMW-2015-PU-00044-501	172,500
Homeland Security Grant Program	97.067	17-DS-V4-04-65-01-357	14,700
Homeland Security Grant Program	97.067	EMW-2017-SS-00061-501	2,366
Total Homeland Security Grant Program			17,066
Total expenditures of federal awards			<u>\$ 33,265,248</u>
			<u>\$ 1,119,892</u>

St. Johns County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018

State Agency	State CSFA Number	Contract Number	Expenditures	Program Totals	Expenditures to Subrecipients
Executive Office of the Governor					
Emergency Management Programs	31.063	18-BG-W9-04-05-01-124	\$ 105,799		
Emergency Management Programs	31.063	19-BG-21-04-65-01	26,747	\$ 132,546	
Department of Environmental Protection					
Beach Management Funding Assistance Program	37.003	16SJ2	275,850		
Beach Management Funding Assistance Program	37.003	17SJ2	1,193,689	1,469,539	
Sewer Improvements	37.066	28778	55,364		
Passed through Florida Department of Children and Families and Flagler Hospital:	37.077	WW550120	10,442,180		
Statewide Surface Water Restoration and Wastewater Projects	37.039	30339	322,245		
Department of Economic Opportunity:					
Division of Community Development	40.038	P0292	6,750		
Florida Housing Finance Corporation					
State Housing Initiative Partnership Program	40.901	2016-17	1,307,655		\$ 1,047,526
State Housing Initiative Partnership Program	40.901	2015-16	271,808	1,579,463	232,050
Department of State and Secretary of State					
State Aid to Libraries	45.030	18-ST-72	156,162		
Specific Cultural Projects	45.062	18.c.pr.180.283	25,000		
Department of Transportation					
County Incentive Grant Program	55.008	G0C97; 439278-1-54-01	250,000		
Public Transit Block Grant Program	55.010	418441-1-84-18	318,183		318,183
Public Transit Block Grant Program	55.010	418441-1-84-17	395,000		395,000
Public Transit Block Grant Program	55.010	418441-1-84-16	31,311	744,494	31,311
Florida Shared-use Nonmotorized (Sun) Trail Network Program	55.038	G0M37; 439932-1-14-01	2,318		
Department of Children and Families					
Homeless Grants In Aid	60.021	NP004	27,336		
Out-of-Home Supports	60.074	NJ206	170,704		
In-Home Supports	60.075	NJ206	15,559		
Independent Living and Road-to-Independence Program	60.112	NJ206	33,975		
CBC-Sexually Exploited Children	60.138	NJ206	29,153		
Extended Foster Care Program	60.141	NJ206	77,048		
CBC-Purchase of Therapeutic Services for Children	60.183	NJ206	15,875		
Department of Health					
County Grant Awards	64.005	C6058	23,306		
Total expenditures of state financial assistance			<u>\$ 15,579,017</u>		<u>\$ 2,024,070</u>

**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, 2018. 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>
Community Development Block Grants/Entitlement Grants	14.218	\$ 348,001
Federal Transit Formula Grants	20.507	771,891
Total		\$ 1,119,892

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	\$ 1,279,576
Public Transit Block Grant Program	55.010	744,494
Total		\$ 2,024,070

NOTE 5– FEMA EXPENDITURES

Expenditures for CFDA No. 97.036, Disaster Grant – Public Assistance, include \$17,742,139 for Hurricane Matthew and expenditures of \$3,763,373 for Hurricane Irma that were incurred in the prior fiscal year that had not yet been obligated (approved) by the Federal Emergency Management Agency as of September 30, 2017.

NOTE 6– 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 2018.



INDEPENDENT AUDITORS' 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, 2018. The County's major federal programs and state projects are identified in the summary of auditors' 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.

Auditors' 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, 2018.

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, 2018, 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, 2019, 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.

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

St. Augustine, Florida
June 28, 2019

Schedule of Findings and Questioned Costs
Year ended September 30, 2018

SECTION I – SUMMARY OF AUDITORS’ RESULTS

- (i) The independent auditors’ report on the financial statements expressed unmodified opinions.
- (ii) The audit disclosed a significant deficiency in the internal control over financial reporting that was considered to be a material weakness.
- (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 auditors’ 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>
Foster Care Title IV-E	93.658
High Intensity Drug Trafficking Areas Program	95.001
Disaster Grants-Public Assistance	97.036

<u>State Projects</u>	<u>CSFA Number</u>
Beach Management Funding Assistance Program	37.003
Wastewater Treatment Facility Construction	37.077
Public Transit Block Grant Program	55.010

- (viii) A threshold of \$997,957 was used to distinguish between Type A and Type B programs for federal programs, and \$467,371 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, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

2018-001 **Material Weakness in Maintaining Effective Internal Controls**

Criteria – The County and each individual Constitutional Officer is responsible for maintaining effective internal controls over financial transactions and reporting.

Condition – Several instances of internal control deficiencies were noted at the Sheriff’s Office.

Cause – County governance, in fulfilling its responsibilities, includes overseeing the County’s efforts to prevent fraud and effectively manage risks. In dealing with these issues, the need for oversight is critical. At the Sheriff’s Office, internal control deficiencies were largely attributable, but not limited to management override of controls and a lack of segregation of duties.

Effect – Misappropriation of assets and the risk of misstatements of financial information is elevated.

Recommendation – Whenever possible, the County and each individual Constitutional Officer should provide oversight in its efforts to manage risks and prevent fraud within the County and each individual Constitutional Officer. Further, duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Views of responsible officials – See County’s response letter on page 253.

SECTION III – FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS

-None-

SECTION IV – FINDINGS AND QUESTIONED COSTS –
STATE PROJECTS

-None-

St. Johns County, Florida

**Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
Year ended September 30, 2018**

There were no audit findings contained in the 2017 audit report.

INDEPENDENT AUDITORS' 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, 2018, 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, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control over financial reporting, as described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a material weakness.

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*.

We also noted certain matters that we have reported in separately-issued reports for the County's constitutional officers.

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.

Carly Riggs & Ingram, L.L.C.

St. Augustine, Florida
June 28, 2019



Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANTS' 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, 2018. 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, 2018.

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, LLC

St. Augustine, Florida
June 28, 2019



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INDEPENDENT ACCOUNTANTS' 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, 2018. 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, 2018.

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, LLC

St. Augustine, Florida
June 28, 2019



MANAGEMENT LETTER

The Honorable County Commissioners
St. Johns County, Florida

Report on the Financial Statements

We have audited the financial statements of St. Johns County, Florida (the "County"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 28, 2019.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and 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; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on examinations 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 28, 2019, 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 financial audit report. There were no findings and recommendations made in the preceding financial audit report.

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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the

specific condition(s) 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 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 did not have any such recommendations.

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, the Board of County Commissioners of St. Johns County, Florida, and applicable management, 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, 2019



St. Johns County Board of County Commissioners

Office of the County Administrator
Michael D. Wanchick, County Administrator

June 28, 2019

Sherrill F. Norman, CPA
Florida Auditor General
111 W Madison Street
Tallahassee, FL 32399

Dear Ms. Norman:

We respectfully submit our response to audit finding 2018-001 from our independent auditors, Carr, Riggs and Ingram, LLC, which is included in this report for the fiscal year ended September 30, 2018.

The matter noted pertains to the St. Johns County Sheriff's Office. It should be noted that internal control deficiencies were identified by St. Johns County Sheriff's Office staff and actions were immediately taken by the St. Johns County Sheriff's Office to ensure those deficiencies were remedied. In addition, these events were communicated by the St. Johns County Sheriff's Office to the St. Johns County Board of County Commissioners and the St. Johns County Clerk of the Circuit Court and Comptroller. The St. Johns County Sheriff's Office has retained professional financial and legal assistance to investigate and complete a forensic audit to identify recommended procedures. Once identified, those recommended procedures will be implemented by the St. Johns County Sheriff's Office.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Wanchick", with a long, sweeping underline.

Michael D. Wanchick
County Administrator

Capital Projects & Grants Initiation and/or Amendment Form

Department Housing

Contact Raechel Meeks

Project Title HUD Housing Counseling

Date: _____	Project Grand Total \$25,610
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Signatures	Department Director	Budget Officer	Finance
Revenues		Initial Budget	Amendments
			New Budget
			\$0
33100	Federal Grant Revenue	\$25,610	\$25,610
			\$0
	Total Capital Budget Revenue	\$25,610	\$0
			\$25,610
Expenditures			
51200	Regular Salaries	\$14,388	\$14,388
52100	FICA & Medicare	\$1,013	\$1,013
52101	Medicare		\$0
52200	Retirement	\$1,219	\$1,219
52202	OPEB	\$284	\$284
52300	Life & Health	\$4,006	\$4,006
52400	Workers Comp	\$32	\$32
52900	Vehicle Labor Credits		\$0
53100	Professional Services		\$0
53120	Contract Services		\$0
53150	Consulting Services		\$0
53180	Engineering		\$0
53190	Architectural		\$0
53191	Surveying		\$0
54000	Travel and Per Diem	\$1,700	\$1,700
54401	Lease/Rental		\$0
54500	Insurance		\$0
54600	Bldg Maintenance		\$0
55100	Office Supplies	\$548	\$548
55200	Operating Supplies	\$1,375	\$1,375
55401	Training	\$1,045	\$1,045
55206	State Grant Expenditure		\$0
56100	Land		\$0
			\$0
			\$0
	Total Capital Budget Expense	\$25,610	\$0
			\$25,610

G/L # _____
Project # _____

Set up date _____
by _____