



City of Jacksonville, Florida

AUDIT PRESENTATION

September 30, 2021

Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2020

Part I – Summary of Auditors’ Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal and State Awards:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major programs/projects | Unmodified |
| 3. Internal control over major programs/projects: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a) and Chapter 10.557, Rules of the Auditor General? | Yes |

4. Identification of major programs/projects:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
CARES Act - Coronavirus Relief Fund	21.019
Temporary Assistance for Needy Families Cluster	93.558
HIV Emergency Relief Project Grants - (Ryan White HIV/AIDS Program Part A)	93.914
	State
<u>State Projects</u>	<u>CFSA Number</u>
Military Base Protection	31.044
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043
State Housing Initiatives Partnership Program (SHIP)	40.901
Local Transportation Projects	55.039

- | | |
|---|-------------|
| 5. Dollar threshold used to distinguish between type A and type B federal programs: | \$3,000,000 |
| 6. Dollar threshold used to distinguish between type A and type B state projects: | \$750,000 |
| 7. Auditee qualified as low risk auditee under 2 CFR 200.520? | No |

Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2020

Part II – Financial Statement Findings

2020-001 ACCOUNTING SYSTEM IMPLEMENTATION

Condition: During the audit we found that financial records for most classes of transactions and account balances were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made.

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The new accounting system was not designed and implemented effectively such that it was not functioning sufficiently to maintain up-to-date and accurate financial records for most classes of transactions and account balances.

Effect: Multiple material errors were found and the audit was not able to be completed by the state's initial deadline.

Recommendation: Enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Also, bring monthly close processes up to date and ensure that sub-ledgers reconcile accurately to the general ledger.

Management Response: The City's new enterprise-wide financial system **1Cloud** went "live" on February 29, 2020, after months of implementation planning and training. Even with best efforts in ideal circumstances, it is not uncommon for financial system implementations to experience challenges with data conversion, set up, and training (i.e., ensuring employees know how to perform their functions within the new system). These issues were expected. However, within weeks of implementation, the COVID-19 pandemic struck, forcing most City employees to work from home.

The added uncertainty about individual health and the inability for City employees (both on the implementation team and at-large) to work in close proximity to one another at a critical time during the implementation process, and also being diverted to designing, implementing, and reporting on COVID-19 relief programs, served to significantly complicate matters and delayed effective implementation and functioning of sub-ledgers, monthly close processing, and financial reporting.

We are now utilizing the consulting team within Oracle, the provider of 1Cloud, to continue to work through various functionalities that are not yet completely suited to our needs. Progress with Oracle is yielding positive results. We continue to enhance our understanding of and user abilities in the system through further training and consultation. We have already completed a deep dive into the monthly close process to ensure all sub-ledgers reconcile accurately to the general ledger. As we prepare for the FY '21 ACFR, we are committed to bringing new levels of efficiency, accuracy, timeliness, and transparency to local government financial reporting.

Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2020

2020-002 BANK RECONCILIATIONS

Condition: During the audit we found that the bank reconciliation was not accurately completed and there were transactions which had already cleared the bank but were not properly recorded in the general ledger or the bank reconciliation.

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The Treasury division was not able to complete the bank reconciliation in a timely and accurate manner due to general weaknesses in the system implementation and did not make appropriate entries or communicate errors to the Accounting division to account for transactions which had been processed and were identified when performing the bank reconciliation.

Effect: Material errors were identified between the bank reconciliation and related general ledger accounts.

Recommendation: The Treasury division, Accounting division, and finance managers throughout the City should collaborate better to ensure the bank balances are being reconciled accurately and in a timely manner to an amount that matches the general ledger to bank statements.

Management Response: As detailed above in our response to Finding 2020-001, the City faced unexpected challenges beyond the normal financial system implementation difficulties. Effective implementation of the Cash Management module and the bank reconciliation process were not immune to these challenges. As we experienced problems closing months in the accounting system in a timely manner following conversion, which were compounded by COVID-19 protective measures, the companion reconciliations of the bank statements were likewise negatively impacted. Treasury and Accounting will continue ramping up collaboration with each other and finance managers in other City departments to ensure the balances in Cash Management and the General Ledger and related sub-ledgers match and are properly reconciled. As we are now catching up on closing fiscal months to bring them current, we will be reconciling the bank statements to match the accounting statements in a more timely and accurate way. We have also reclassified two positions within the department to boost the Treasury division's staffing and capabilities in this area.

Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2020

Part III – Findings and Questioned Costs – Federal Programs

2020-003 – Temporary Assistance for Needy Families (previously reported as 2018-003 and 2019-001)

CFDA Number 93.558

Contract Number HF152002 2020

Passed Through State of Florida, Department of Children and Families

Passed Through Ounce of Prevention Fund of Florida and Healthy Families Florida

Questioned costs – none.

Criteria: 2 CFR 200.303 requires non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for beneficiary eligibility contained in 45 CFR Parts 260 through 265.

Condition: Eligibility controls were not being performed throughout the full year.

Cause: The program is rebuilding after turnover in providers and the necessary hiring and training of new Family Support Workers.

Effect: Individuals who are not eligible to receive the services funded by this grant may incorrectly be served.

Recommendation: We recommend that Healthy Families Jacksonville reintroduce the control which was partially in effect during the year and ensure that it is performed consistently each month.

Views of responsible officials: We agree with the recommendation and the controls are now in place and results are expected to be much improved in FY2020 reporting and compliance. The current monitoring process by the KHA Quality & Compliance Supervisor is an internal policy and is not required by the grant. This policy states that at least one file for each Family Support Worker will be reviewed quarterly to review compliance on items that include eligibility. Because of an insufficient level of performance by the sub-recipient, there was an emphasis last year on creating on conducting an Efficacy Study of the program and on creating an RFP. These tasks took priority during some time periods as they were necessary to ensure continued quality improvement for the program.

Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2020

2020-004 – Temporary Assistance for Needy Families (previously reported as 2018-004 and 2019-002)

CFDA Number 93.558

Contract Number HF152002 2019 and HF152002 2020

Passed Through State of Florida, Department of Children and Families

Passed Through Ounce of Prevention Fund of Florida and Healthy Families Florida

Questioned costs – none.

Criteria: 2 CFR 200.303 requires non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for Maintenance of Effort contained in 45 CFR Parts 260 through 265. Healthy Families Jacksonville is responsible for maintaining controls over the Level of Effort compliance requirement.

Condition: Maintenance of Effort monitoring controls over Healthy Families Jacksonville could not be evidenced.

Cause: The program is rebuilding after turnover in providers and the necessary hiring and training of new Family Support Workers.

Effect: Families may not be receiving the services that Healthy Families Florida has contracted with Healthy Families Jacksonville to provide.

Recommendation: We recommend that Healthy Families Jacksonville continue to work closely with the Healthy Families Florida Director to make decisions necessary to bring the level of program services into compliance.

Views of responsible officials: We agree with the recommendation continue to improve the monitoring and the implementation of improved processes. The current monitoring process by the KHA Quality & Compliance Supervisor is an internal policy and is not required by the grant. This policy states that at least one file for each Family Support Worker will be reviewed quarterly to review compliance on all contract and model related items. Because of an insufficient level of performance by the sub-recipient, there was an emphasis last year on creating on conducting an Efficacy Study of the program and on creating an RFP. These tasks took priority during some time periods as they were necessary to ensure continued quality improvement for the program.

Part IV – Findings and Questioned Costs – State Projects

There were no findings related to state projects.

**Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2020**

2019-001 – Temporary Assistance for Needy Families Controls Over Eligibility (initially occurred in 2018) – Not Corrected, repeated as 2020-003. At the beginning of 2019, the sub-recipient was placed on a corrective action plan regarding their contract with KHA. Because of this plan, the Quality and Compliance Supervisor was advised to focus on technical assistance specific to supporting the sub-recipient with program improvements. The improvements were monitored through data in the Healthy Families Florida Performance Management System and through ongoing meetings with the Program Manager. With this focus, the review of files as a control over eligibility and level of effort was not able to be completed in accordance with the original plan but was determined to be what was needed by the program for maximum performance.

2019-002 – Temporary Assistance for Needy Families Controls Over Level of Effort (initially occurred in 2018) – Not Corrected, repeated as 2020-004. At the beginning of 2019, the sub-recipient was placed on a corrective action plan regarding their contract with KHA. Because of this plan, the Quality and Compliance Supervisor was advised to focus on technical assistance specific to supporting the sub-recipient with program improvements. The improvements were monitored through data in the Healthy Families Florida Performance Management System and through ongoing meetings with the Program Manager. With this focus, the review of files as a control over eligibility and level of effort was not able to be completed in accordance with the original plan but was determined to be what was needed by the program for maximum performance.



City of Jacksonville, Florida

Required Communications

September 30, 2020

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December 30, 2021

To the Finance Committee,
City of Jacksonville, Florida

We are pleased to present the results of our audit of the 2020 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Jacksonville, Florida. We did not audit the financial statements of JEA, Jacksonville Transportation Authority, Jacksonville Port Authority or the Police and Fire Rescue Pension Plan Trust Fund. Those financial statements were audited by other auditors.

This communication summarizes our audit, the report issued and various analyses and observations related to the financial accounting and reporting practices followed. The document also contains the communications required by our professional standards.

The audit was designed, primarily, to express opinions on the 2020 financial statements. We considered an assessment of risks that could materially affect the financial statements and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of your personnel.

At Carr, Riggs & Ingram, LLC ("CRI"), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This information is intended solely for the information and use of the Finance Committee and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact us.

Very truly yours,

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

CARR, RIGGS & INGRAM, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Our audit plan represented an approach responsive to the assessment of risk. Specifically, we planned and performed our audit to:

- Perform audit services in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, in order to express an opinion on the financial statements as of and for the year ended September 30, 2020;
- Perform audit services in accordance with the Federal and State Single Audit Acts and Rules of the Florida Auditor General;
- Communicate directly with you and management regarding the results of our procedures;
- Address with you and management any accounting and financial reporting issues;
- Anticipate and respond to your concerns and those of management; and
- Address other audit-related projects as they arise and upon request.

Required Communications



We have audited the financial statements as of and for the year ended September 30, 2020, and have issued our report thereon dated December 30, 2021. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Auditor's responsibility under Generally Accepted Government Auditing Standards</p>	<p>Professional standards require that we provide you with information about our responsibilities, as well as certain information related to the planned scope and timing of our audit. We have previously communicated such information in our engagement letter.</p>
<p>Management's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation of the financial statements in conformity with GAAP. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management's judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the City and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> <i>The auditor should also discuss the auditor's judgment about the quality, not just the acceptability, of the accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied in the financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations.</i> <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i> 	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Certain financial statement disclosures are sometimes particularly sensitive because of their significance to financial statement users. The City's disclosure, in Note 3, is of particular interest because it describes various risks associated with the investment portfolio. Note 9 is also notable because it describes the assumptions used to determine pension-related amounts. Another sensitive disclosure affecting the financial statements is the disclosure of commitments and contingencies in Note 15, because of the uncertainty associated with contingent liabilities. The financial statement disclosures are neutral, consistent and clear.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in performing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None.</p>
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by management, that could individually or in the aggregate have a significant effect on the financial statements. We should also communicate uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.</i></p>	<p>Please see the following section titled "Summary of Audit Adjustments."</p>
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>None.</p>

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>We are not aware of any consultations with other accountants.</p>
<p>Written representations <i>A reference to the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	<p>See "Internal Control Findings" section.</p>
<p>Fraud and illegal acts <i>Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p>Required supplementary information</p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Supplementary information in relation to the financial statements as a whole</p>	<p>We were engaged to report on the supplementary information, which accompanies the financial statements but is not required supplementary information (RSI). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>
<p>Other information in documents containing audited financial statements</p>	<p>We were not engaged to report on the other information, which accompanies the financial statements. This information has not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on this information.</p>

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



We are required to communicate our judgments about the quality, not just the acceptability, of the City's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Committee may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of Capital Assets	<p>Capital assets are depreciated over the expected remaining useful life of the individual asset unless they are inexhaustible or are intangible assets deemed to have indefinite useful lives.</p> <p>The City follows the provisions of Section 1400: <i>Reporting Capital Assets</i>, of the GASB Codification when reporting depreciation of its capital assets.</p>	X	Management's estimate of the useful lives of capital assets is based on the historical lives of similar assets and market prices.	We examined the key factors and assumptions used to develop the estimate and evaluated the estimate and found it to be reasonable in relation to the financial statements taken as a whole.
Fair Value of Investments	<p>The City categorizes its fair value measurements within fair value hierarchy based on the valuation inputs. Level 1 inputs are quoted prices in active markets for identical assets, level 2 inputs are significant other observable inputs, and level 3 inputs are significant unobservable inputs.</p> <p>The City follows the provisions of Section 150: <i>Investments</i>, of the GASB Codification when reporting investments.</p>	X	The City relies on investment valuation information from the City's investment manager and from information from investment pool sponsors based on financial market information.	We examined the key factors and assumptions used to develop the fair value estimates and found them to be reasonable in relation to the financial statements taken as a whole.

Accounting Policies, Judgments and Sensitive Estimates &
CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Pollution Remediation Liability	<p>The City recognizes a liability for pollution remediation once an obligating event has occurred. The components of the liability are recognized as they become reasonably estimable.</p> <p>The City follows the provisions of Section C40: <i>Pollution Remediation Obligations</i>, of the GASB Codification when reporting its liability related to pollution remediation.</p>	X	<p>The liability is the City's best estimate of the costs of clean up and remediation based on estimates from environmental engineers and does not result in an exact amount as it depends on many complex factors. Liabilities are reevaluated periodically to consider the effects of prior clean-up activity, site investigations, results of monitoring activity and other factors.</p>	<p>We evaluated the key factors and assumptions used in determining the liability and determined they are reasonable in relation to the financial statements taken as a whole.</p>
Self-Insurance Liability	<p>The City has an excess worker's compensation policy and a self-funded group health coverage policy with excess loss limits.</p> <p>The City follows the provisions of Section C50: <i>Claims and Judgments</i>, of the GASB Codification when reporting its claims liability related to its self-insurance activity.</p>	X	<p>The liability for self-insured losses is based on individual case estimates for reported claims, historical loss data and valuations performed by independent actuaries for incurred but not yet reported claims, claims development, and unallocated loss adjustment expenses. Claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends, and other economic and social factors.</p>	<p>We evaluated the key factors and assumptions used in determining the liability and determined they are reasonable in relation to the financial statements taken as a whole.</p>

Accounting Policies, Judgments and Sensitive Estimates &
CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Other Post-Employment Benefits (OPEB)	<p>The City administers a single employer defined benefit plan for post-employment benefits other than pension benefits.</p> <p>The City follows the provisions of Section P50: <i>Postemployment Benefits Other Than Pensions – Employer Reporting</i>, of the GASB Codification when reporting its OPEB liability and related costs.</p>	X	<p>Management utilizes an independent actuary to provide an actuarial valuation. To compute this valuation the actuary makes certain assumptions and estimates, these include, but are not limited to: the discount rate; annual medical trend; and, composite claim costs.</p>	<p>We evaluated the assumptions used by the actuary in estimating the City's total OPEB liability and found them to be in accordance with the provisions of applicable GASB standards and reasonable in relation to the financial statements taken as a whole.</p>
Municipal Solid Waste Landfill Obligations	<p>The City recognizes a liability for landfill closure and post-closure costs as required by state laws and regulations.</p> <p>The City follows the provisions of Section L10: <i>Landfill Closure and Postclosure Care Costs</i>, of the GASB Codification when reporting its liability for landfill closure costs.</p>	X	<p>The liability for landfill closure and postclosure costs is the City's best estimate based on annual engineering studies and does not result in an exact amount as it depends on many complex factors.</p>	<p>Based on the audit procedures we performed with respect to the City's liability for landfill closure and post-closure costs, we noted that the City estimates the liability in accordance with all applicable standards and guidelines of GASB.</p>
Compensated Absences / Accrued compensation	<p>Liabilities for compensated absences attributable to services already rendered are accrued as employees earn the rights to those benefits.</p> <p>The City follows the provisions of Section C60: <i>Compensated Absences</i>, of the GASB Codification when reporting these liabilities.</p>	X	<p>The City estimates the accrued liabilities for compensated absences using leave balances accrued at the end of the fiscal year multiplied by the pay rate in effect for each employee as of the end of the fiscal year.</p>	<p>The City's policies are in accordance with all applicable accounting guidelines and GASB.</p>

Accounting Policies, Judgments and Sensitive Estimates &
CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Net Pension Liability and Related Deferred Outflows and Deferred Inflows of Resources	<p>The City participates in two cost-sharing, multiple-employer defined benefit pension plans – the General Employee Retirement Plan and the Florida Retirement System (administered by the State of Florida). The City also sponsors two single-employer defined benefit pension plans – the Correction Officers’ Retirement Plan and the Police and Fire Pension Plan.</p> <p>The City follows the provisions of Section P20: <i>Reporting for Benefits Provided through Trusts That Meet Specified Criteria</i>, of the GASB Codification when reporting net pension liabilities.</p>	X	For the General Employee Retirement Plan, the Correction Officers’ Retirement Plan and for the Police and Fire Pension Plan, the City relies on valuations from the Pension Plan’s actuary for the estimated value of the City’s net pension liability. The actuarial valuation is based on financial information, utilizing assumptions developed by management. For the Florida Retirement System, the State of Florida utilizes an independent actuary to provide an actuarial valuation specific to each participating employer.	We evaluated the assumptions used by the actuary in estimating the City’s total pension liability, the fiduciary net position, and the related deferred outflows/inflows and found them to be in accordance with the provisions of GASB 68 and reasonable in relation to the financial statements taken as a whole.
Allowance for Doubtful Accounts	<p>The City estimates amounts of receivables recorded transactions for which it does not anticipate collection.</p> <p>The City follows the provisions of Section 1600: <i>Basis of Accounting</i> and Section P80: <i>Proprietary Fund Accounting and Financial Reporting</i>, of the GASB Codification when reporting allowances for uncollectible accounts.</p>	X	Management’s estimate of the allowance for doubtful accounts is based on historical collection data and aging analysis of outstanding receivables.	We examined the key factors and assumptions used to develop the estimate and evaluated the estimate as compared to subsequent collections determining that it is reasonable in relation to the financial statements taken as a whole.

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the City and amounts that we believe are required to be recorded under GAAP reporting guidelines.

We did not identify any adjustments that were either recorded (corrected) by the City.

The following adjustments were passed (uncorrected):

Unadjusted audit differences:	Current Year impact	
Overstated depreciation expense in the Internal Services Funds in the aggregated remaining non-major fund opinion unit.	\$ 5,429,950	
Prior year revenues incorrectly recorded in the current period in the General Fund.	\$1,021,001	
The pooled cash balance recorded was greater than the amount supported by the bank reconciliation in the General Fund.	\$327,594	
The pooled cash balance recorded was greater than the amount supported by the bank reconciliation in the Storm Water Fund.	\$50,140	
Hosting fee revenue was understated due to being recorded on a cash basis rather than accrual basis in the Solid Waste Fund.	\$204,742	
		Statement(s) of Revenues and Expenditures/Expenses and Changes in Fund Balance/Equity
Reclassification adjustments:	Balance Sheet	
Cash received during FY20 that was not properly removed from AR balance and recorded in cash for the aggregated remaining non-major fund opinion unit.	\$ 6,469,721	\$ 0

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the City’s operating environment that has been identified as playing a significant role in the City’s operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management’s compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

December 30, 2021

To the Finance Committee,
City of Jacksonville, Florida

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Jacksonville, Florida (the "City") as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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. We consider the following deficiencies in internal control to be significant deficiencies.

We included in the accompanying chart control deficiencies and other internal control recommendations for management's consideration.

This communication is intended solely for the information and use of management, the finance committee, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2020-001	MW	IT structure and understanding.	During the audit we found that financial records for most classes of transactions and account balances were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made.	Enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Also, bring monthly close processes up to date and ensure that sub-ledgers reconcile accurately to the general ledger.
2020-002	MW	Controls over cash and deposits	During the audit we found that the bank reconciliation was not accurately completed and there were transactions which had already cleared the bank but were not properly recorded in the general ledger or the bank reconciliation.	The Treasury department and Accounting & Finance department should collaborate to ensure the bank balances are being reconciled accurately to an amount that matches in both departments.
2020-003	MW	Controls over eligibility for TANF grant	Eligibility controls were not in place for the TANF grant throughout FY20. The eligibility is the responsibility of the subrecipient but we were not able to evidence that the City is monitoring the subrecipients.	We recommend that Healthy Families Jacksonville reintroduce the control which was partially in effect during the year and ensure that it is performed consistently each month.
2020-004	MW	Controls over level of effort for TANF grant	Maintenance of Effort monitoring controls over Healthy Families Jacksonville could not be evidenced.	We recommend that Healthy Families Jacksonville continue to work closely with the Healthy Families Florida Director to make decisions necessary to implement controls to bring the level of program services into compliance.

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2020-005	IP	Controls over and compliance with subrecipient monitoring for SHIP grant	Control was not in place to ensure subrecipient monitoring was performed for SHIP in the form of review of audited financial statements of subrecipients and such subrecipient monitoring was not performed in all cases.	Review of audited f/s is one part of the overall subrecipient monitoring compliance; other categories were fully complied with. Considered appropriate to raise the matter to management verbally
2020-006	IP	SEFA/SESA is not complete and accurate	CRI assisted the City with the preparation of the SEFA and SESA as a non-attest service. We utilized the draft SEFA and SESA that management had prepared and performed completeness and accuracy procedures to it. We found that it was not complete and accurate with the primary errors being due to matching dollars incorrectly being included in the SEFA and SESA.	Because the City has hired an outside consultant to assist in the preparation of the SEFA and SESA they have put adequate procedures in place to ensure that they are complete and accurate. However, whilst working with the City we did note that not all members of the accounting team understand what is required to be included on the SEFA and SESA. The City does have some members of the team who have sufficient understanding of the process, including Joel Provenza, who performed a detailed review of the completed SEFA and SESA, but we would recommend that City train certain other people within accounting to enhance their proficiency.

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2020-007	IP	Compliance with level of effort for TANF grant	In Maintenance of Effort the City is supposed to provide 597 services but only provided 564.	We recommend that Healthy Families Jacksonville continue to work closely with the Healthy Families Florida Director to make decisions necessary to implement controls to bring the level of program services into compliance.
2020-008	IP	Terminated user retained access	Terminated users were noted as having access to the network because their user accounts were not deactivated upon termination of employment.	We recommend that the City complete reviews of user listings periodically and disable access for users who are terminated.



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

Finance and Administration Department
General Accounting Division
117 West Duval Street, Suite #375
Jacksonville, FL 32202
(904) 255-5261
www.coj.net

December 30, 2021

Carr, Riggs, & Ingram, LLC
7411 Fullerton Street, Suite 300
Jacksonville, Florida 32256

This representation letter is provided in connection with your audit(s) of the financial statements of City of Jacksonville (the "City"), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 30, 2021, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 18, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements

- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City Council, the Investment Committee and the TRUE Committee or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards..
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

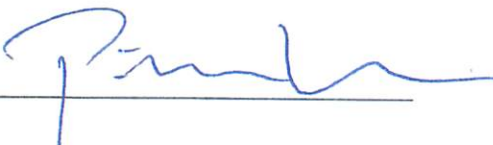
- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy prior audit findings.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.

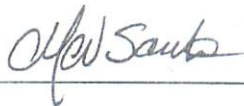
- 27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements and disclosures of ASM, the Community Redevelopment Agencies, and the Landfill Escrow Report. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 31) As part of your audit, you assisted with preparation of the Schedule of Federal Awards and State Financial Assistance. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 32) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 33) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 34) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 35) The financial statements include all fiduciary activities required by GASBS No. 84.
- 36) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended, and GASBS No. 84.
- 37) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 38) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 39) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 40) Provisions for uncollectible receivables have been properly identified and recorded.
- 41) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 42) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 43) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 44) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

- 46) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 47) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 48) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 49) With respect to the supplementary information listed in the table of contents of the financial statements, including the statement of federal awards and state financial assistance:
 - a) We acknowledge our responsibility for presenting the Supplementary Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplementary Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 50) Interest rate swap agreements are properly valued and reported.
- 51) Tax-exempt bonds issued have retained their tax-exempt status.
- 52) The arbitrage debt is properly valued and reported.
- 53) We believe that the information and method used to measure the arbitrage liabilities is appropriate in the circumstances.
- 54) Estimates used in the determination of the landfill and pollution liabilities have been completely and accurately reported based on appropriate calculations made by professional engineers.
- 55) We are in compliance with Sections 218.415, 61.181, 365.172(10) and 365.173(2)(d), Florida Statutes (for the Investments, E911 and alimony examination engagements).
- 56) We have complied with the requirements of the Florida Statutes.
- 57) With respect to federal and state award programs:
 - a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the state single audit act, including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
 - b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA), schedule of expenditures of state financial assistance (SESA) and related notes in accordance with the requirements of the Uniform Guidance and the state single audit act, and we believe the SEFA and SESA, including its form and content, is fairly presented in accordance with the Uniform Guidance and state single audit act. The methods of measurement or presentation of the SEFA and SESA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA and SESA.
 - a) If the SEFA and/or SESA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and/or SESA no later than the date we issue the SEFA and/or SESA and the auditor's report thereon.
 - b) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and state single audit act compliance audits, and have included in the SEFA and SESA, expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal awards, state financial assistance, federal or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- c) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, the state single audit act, regulations, and the terms and conditions of federal and state awards related to each of our federal programs and state projects and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major program.
- d) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs and state projects that provides reasonable assurance that we are managing our federal and state awards in compliance with federal statutes, the state single audit act, regulations, and the terms and conditions of federal and state awards that could have a material effect on our federal programs or state projects. We believe the internal control system is adequate and is functioning as intended.
- e) We have made available to you all federal and state awards (including amendments, if any) and any other correspondence with federal or state agencies or pass-through entities relevant to federal programs or state projects and related activities.
- f) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- g) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including, when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal and state awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal or state awards.
- h) We have disclosed any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- i) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- j) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and the state single audit act.
- k) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- l) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program and state project financial reports and claims for advances and reimbursements.
- m) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- n) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- o) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- p) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- q) The copies of federal program and state project financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- r) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal and/or state statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance and single audit act.
- s) We have issued management decisions for audit findings that relate to federal or state awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal or state award provided to the subrecipient.

- t) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- u) We have charged costs to federal and state awards in accordance with applicable cost principles.
- v) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and state single audit act, and we have provided you with all information on the status of the follow-up on prior audit findings by federal or state awarding agencies and pass-through entities, including all management decisions.
- w) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- x) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- y) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance and state single audit act.
- z) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: 

Signature: 

Title: CFO

Title: City Comptroller

STORMWATER FIXED

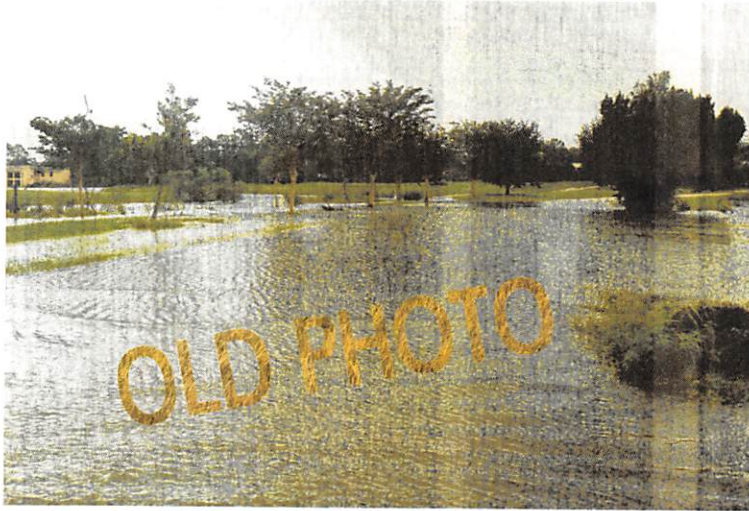


Photo 1: Decade-old photo as used on marketing postcard showing conditions prior to 2021. Now repaired.

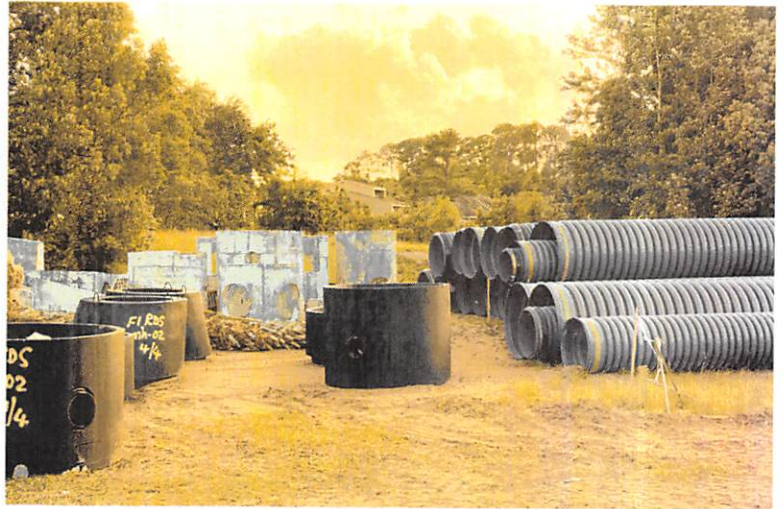


Photo 2: Same location as Photo 1. Massive work resolves issues with Zone 1 on the map.



Photo 3: Stormwater measures to protect D.R. Horton new community, Meadow Walk (note red circle). Resolves issue with Zone 2 (map).



Photo 4. More stormwater measures for Meadow Walk. Addresses situation with Zone 2.



BAYMEADOWS CIRCLES East & West

- Road Improvement complete S
- Road Improvement requested
- Primary Stormwater Work Requested
- Primary Stormwater Work Completed

Base maps from Council office and Google
 Modified to demonstrate complete vs planned work
 Graphics by Studio G Rev Jan 11, 2022

Zone of primary stormwater concerns: in Abbey West



ZONE 3

BCC board
 BCC board
 BCC Board

ZONE 2

BCID seat
 BCC board
 BCID seat

ZONE 1

BCID seat
 BCID seat
 BCID seat

Yellow: Roads completed late 2021

BAYMEADOWS ROAD

Passed Dr E

Southbrook Dr

Abbey West

Star Dr

Group 1

Legacy Trl

Meadow Vista Way

The Avenue & Park Avenue

Group 3

Abbey Way

Group 2

Group 1

Group 1-A

Group 4-B

Group 3-D

Park At Baymeadows

BCID: A Seed That'd Grow Into A Weed

Don't go on record as having approved a 31% hike in my residential tax bill.

\$500 added on top of \$1,600 current tax bill = 31% increase

Make the decision based on **evidence**.

TABLE "Composition of Proposed Bill"

- 16%--3 communities--are pushing for the BCID (yellow)
- The same 16% stand to gain extensively (yellow)
- Allocation is broken (orange)
 - homes, ~60% of residential, pay 88% of the whole tax
 - apartments, ~40% of residential, pay 3% of the whole tax

MAP

Much of the work is already completed

Road work done: see yellow lines

Stormwater: Two of three Zones are now OK.

PHOTOS

The old news: Road under water

The new stormwater work resolves 2 of 3 zones

COMMERCIAL INTERESTS ARE FAVORED; ALLOCATIONS ARE FAULTY

1st project? a road for commercial interest (ref: the bill itself.)

Park at Baymeadows

restaurants, retail, Starbucks, hotel

will generating substantial traffic

tax bill for all of them = \$2,500?

while next-door 26 homes would pay \$13,000!

BCID is A Seed That'd Grow Into A Weed

Supporters are speculating and setting false expectations: "This is how it will work and what it will do for us," but they also say that there is much that won't be known until it is approved. Catch-22.

If approved, BCID would be a mini-municipality.

It could be expanded whether or not it is working to help the people paying taxes.

Requires a skill set beyond what neighbors and property managers can handle.

NO CREDIBLE EVIDENCE AVAILABLE for claims from supporters...

"it is the only option available:" no evidence to support that.

"property values protected:" no evidence.

"safety and security would increase:" no evidence to support that.

"individual HOA dues would decline:" no evidence.

"quality of life improvements:" no evidence to support that.

"area-wide deterioration due to a small mismanaged HOA:" no evidence to support that.

"future community-wide engagement:" no evidence; in fact, evidence is to the contrary.

"HOAs will all work together with commercial interests:" no evidence.

"I did not know what I was buying." no evidence.

"neighbors should be willing to take some responsibility for our problems."

**REVISED Composition of Proposed BCID With Tax Bill Increases ref Jacksonville City Council 2021-838
Showing that reduction in annual tax to homes (col "PCT") also reduces max income: percentages still apply**

Data: 2021-838 with exhibits and Rizzetta Study

PCT

BCID is pushed by 16% of 2,154 residential units.

A	B	C	D	E	50%	F	G	H	I	J	K	L
Homes & Townhomes	TYPE	FOUNDED	TAX MAX	% of MAX	MAX 1 YR	road work	stormwater	lighting	sidewalks	BCC (4)	Supervisors	
Los Lagos	166	townhomes	1970s	400	33,200	66,400	yes	yes	yes	yes	VP, Treas	seat 6
Village Green I	109	townhomes	1970s	400	21,800	43,600	yes	yes	yes	yes		
Village Green II	54	townhomes	1970s	400	10,800	21,600	yes	yes	yes	yes		seat 1
Village Green III	12	townhomes	1970s	400	2,400	4,800	yes	yes	yes	yes	Sec Pres	seat 7
Putters Cove	17	single family	1970s	500	4,250	8,500	yes	yes	yes	yes		
Lakeside	26	single family	1970s	500	6,500	13,000	no	no	no	no		
Las Casas	48	single family	1970s	500	12,000	24,000	no	no	no	no		
Linkside	81	single family	1970s	500	20,250	40,500	vague	vague	no	no		
Las Prados	125	townhomes	1970s	400	25,000	50,000						
Meadow Walk	143	single family	DR Horton	500	35,750	71,500	no	no	no	no		seat 2
Bay Pointe South	199	townhomes	DR Horton	400	39,800	79,600	no	no	no	no		seat 5
Bay Pointe North	218	townhomes	DR Horton	400	43,600	87,200	no	no	no	no		
Terrance Pines	46	townhomes	DR Horton	400	9,200	18,400	no	no	no	no		
Mallard Creek	16	townhomes	DR Horton	400	3,200	6,400	no	no	no	no		
Golfside	52	townhomes	DR Horton	400	10,400	20,800	no	no	no	no		
Total	1312	61% of residential				556,300	87.59% Of Annual Max Assessment to the tax bill (L20F/L36F)					
					278,150		87.59% Of Annual Max Assessment to the tax bill					
Multi Family												
Villages	592			20	5,920	11,840	yes	yes	yes	yes		seat 3
Village Del Mar	147			20	1,470	2,940	yes	yes	yes	yes		
The Lofts	103			20	1,030	2,060	yes	yes	yes	yes		
Subtotal, multi-fam	842	39% of residential			8,420	16,840	3% Of Annual Max Assessment onto the tax bill L26F/L36F					
Total, Residential	2154	units				573,140	90% Of Annual Max Assessment onto the tax bill					
Businesses												
business suites	81			500	20,250	40,500	yes	yes	yes	yes		
business condos	10			750	3,750	7,500	yes	yes	yes	yes		
business, small	9			1000	4,500	9,000	yes	yes	yes	yes		seat 4
business large	2			2500	2,500	5,000	yes	yes	yes	yes		
subtotala, business	102				31,000	62,000	10% Of Annual Max Assessment onto the tax bill (L34F/L36F)					
Apt + Buss	944				39,420	78,840						
TOTAL	2256	units			317,570	635,140	Annual Max Assessment onto the tax bill					

By resident Michael Glinski Rev 1 Jan 19, 2021

Strategic Planning Initiatives

One Year Goals (2022-2023)


1. Provide \$200,000 for workforce industrial training.
2. Improve neighborhood small business corridors.
3. Implement meaningful, placemaking public art for each of the 14 Council Districts.
4. Support streamlining and increase funding, fair practices, and funding floor for the Public Service Grant Council, expanding criteria for diversity initiatives and community grants accountability.
5. Resume recycling collections.
6. Facilitate a community conversation to develop a roadmap and funding plan to be completed by July 2022 for removal, relocation, remaining, or renaming of all confederate monuments on city property.

3 Year Goals (2022-2025)

1. Increase grants for roadway/neighborhood beautification, blight reduction, and tree corridors.
2. Work with the Administration to review and establish policies and procedures within Public Works Department and the Solid Waste Division that address:
 - a. workforce lessons,
 - b. distance to landfill,
 - c. recycling program, and
 - d. population growth.
3. Appropriate \$1,000,000 to safety and crime reduction/neighborhood pilot project in New Town, Eastside, Durkeeville, Arlington, and Justina.
4. Create spaces within our parks that improve quality of life throughout the city, including state of the art equipment.
5. Appropriate dedicated funding to development of downtown riverfront parks.
6. Focus efforts on after school and summer programming.


Five Year Goals (2022-2027)

1. Continue the septic tank phase out initiative.
2. Reduce the infant mortality rate.
3. Continue the effort to provide primary healthcare to the working poor.
4. Work with the appropriate entities to keep trains from blocking entryways to businesses and essential roadways for lengths of time.
5. Work with local and national organizations to reduce the homeless populations by 50% over the next five years.



City of Jacksonville


Emergency Rental Assistance Program and Mortgage Relief Program Updates 1/19/2022



1

ERAP Program Changes

- Effective Immediately, the following prioritization of applications will be utilized:
 - Court ordered eviction
 - Three day notice of eviction
 - 50% AMI or below (first time applicant)
 - Late on rent (first time applicant)
 - 50% AMI or below (additional funding request)
 - Additional funding request
- Applications for rental assistance only will be prioritized over applications for utility assistance (utility assistance requests will be referred to other agencies)
- Prospective rent payments will be limited to one month
- Application portal will be closed at 5 pm this Friday, January 21, 2022




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2

ERAP 1 and 2

	ERAP 1	ERAP 2
Number of Households Paid for Rent as of 1/18/22	3,811	2,850
Total Amount Paid for Rent as of 1/18/22	\$23,954,585.04	\$15,693,210.56
Number of Households Paid for JEA/Utilities as of 1/18/22	2,139	725
Total Amount Paid for JEA/Utilities as of 1/18/22	\$1,490,683.50	\$455,712.36
Total Disbursed	\$25,445,268.54	\$16,148,922.92
Total Remaining	0	Approx \$8,879,044




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3

Mortgage Relief Program


Number of Households Paid for Mortgage as of 1/18/22	749
Total Amount Paid for Mortgage as of 1/18/22	\$2,975,377
Remaining Funds Available for Mortgage payments	Approx. \$1,000,000



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4

ERAP Nonresponsive/Denied Applications	
Nonresponsive/Inactive applications	14,316
Duplicates	3,676
Potential Fraud	80
Over Income	216
No Past Due Rent/Utilities	1,120
Living Situation (i.e., homeowner, not in Duval, homeless, hotel, etc.)	711
No longer living in rental unit	874
No COVID financial impact	123
No denial reason	120
Total Nonresponsive/Inactive/Denied Applications	21,236



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Putters Cove

Village Green Apartments

Village Green

Los Prados Condominiums
Los Prados

BayPointe N

Los Lagos

Meadowwalk

Las Casas Avenues
The Avenues & Park Avenue

Linkside

Meadowwalk

Avenues

Avenues

Lofts at Baymeadows

Lakeside

BayPointe S

Jersey College Nursing School...

Baytree On Baymeadows Apartments

Office

Starbucks

Patel Brothers



OFFICE OF THE CITY COUNCIL

DANNY BECTON
COUNCIL MEMBER, DISTRICT 11
OFFICE (904) 255-5211
FAX (904) 255-5230

SUITE 425, CITY HALL
117 WEST DUVAL STREET
JACKSONVILLE, FLORIDA 32202
E-MAIL: DBECTON@COJ.NET

Bill 2021-838 – White Paper

In 2004, the mixed-use Golf Course Community of Baymeadows was affected by the closure and sale of its integrated Private Golf Course for the ultimate benefits of infill development of 600+ new residential homes which included a combination of single family and multi-family units.

The infrastructure within this community is all “Privately Owned and Maintained”. Therefore, there are no city-owned or city-maintained roadways or storm-water and drainage systems. The private owners of these assets are entities including Homeowner Associations (“HOAs”), private owners, non-profit organizations and commercial businesses. All without any formal agreements into the maintenance and upkeep, all of which are inter-connected assets.

The community’s responsibility and the condition of their infrastructure would never be allowed to exist today in this independent fashion based on today’s Neighborhood Development Standards (“NDS”). The City’s NDS would require an oversight HOA or a Community Development District (“CDD”) or have the infrastructure developed to City-Standards and require that they officially be turned-over to the city for future maintenance. None of these conditions exist within the Old Baymeadows Golf Course Community as it was developed 40 - 50 years ago when NDS standards were quite different.

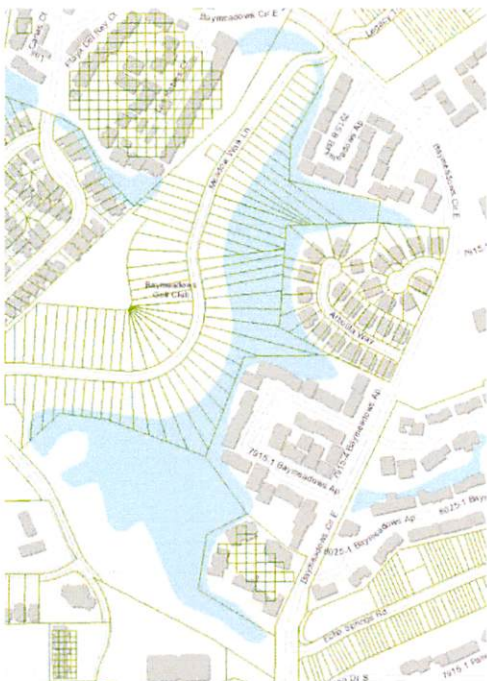
As a result of its history and this independent development, these infrastructure assets are setup to fail and to become a maintenance nightmare within a dysfunctional coordination of private parties. It is the analysis of a professional engineering report, commissioned by the non-profit neighborhood organization, the Baymeadows Community Council (“BCC”), that the storm-water and drainage system specially is a ticking time-bomb for failure that will potentially affect everyone.

As a result of these conditions, the State of Florida, through Florida Statutes 189.02 provides a tool for local governments to create “Dependent Special Districts” (“DSD”) to solve such issues. The DSD Statute is the foundation of the Baymeadows Community Improvement District (“BCID”), a government body with the purpose, powers, functions and duties to create an elected leadership and governance Board of Commissioners (the “Board”). This government body will assume the control, obligations, and financial responsibilities of these common infrastructure assets.

As a government body, the DSD is subject to Florida Sunshine Laws which will provide the community the much-desired transparency. The Board must prepare an annual budget that City Council must approve each year as an additional over-sight elected body.

Other important points of valuable information:

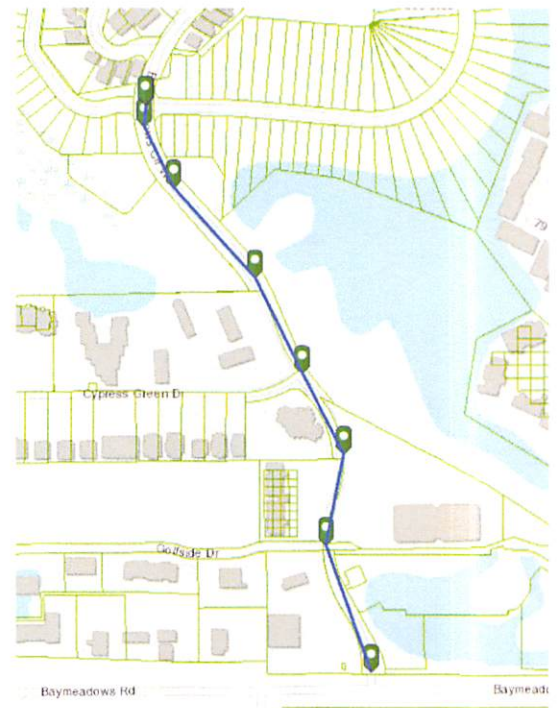
- The City of Jacksonville is familiar with DSD's. Several dependent districts already exist including: 2010-725-E Harbour Waterways (2021-209-E Budget Bill); 2011-734-E Isle of Palms (2021-208-E Budget Bill); 2014-700-E Millers Creek (2021-206-E Budget Bill); 2017-154-E Tarpon Cove (2021-207-E Budget Bill).
- Property Values are partially determined by the ownership and maintenance of the community infrastructure including: roads that access the property, storm water and drainage systems, streetlights, sidewalks and the condition of common property.
- Blight and decline will affect the community's quality of life, public safety and health and welfare if these assets are not properly managed.
- The Jacksonville City Council passed Ordinance 2012-192-E, the Baymeadows Community Plan of March 2011 on October 5th, 2012. This legislation was designed to guide the development and redevelopment of the Old Golf Course Baymeadows Community. This document commissioned by the COJ Planning and Development Department, facilitated and constructed by Chris Flagg allowed residents within the Baymeadows Community to envision what a cohesive community redevelopment might entail.
- The roadway segment (.37 miles) of Baymeadows Circle West, owned by the BCC, an entity with no revenue generating capabilities is among one of many great concerns. The BCC will dissolve regardless of the BCID's formation status. If City Council does not pass the BCID, there is a high probability that this section of roadway will become a "Tax Reverted" roadway and blight on the neighborhood for years to come. If the BCID is approved, the ownership and maintenance of the roadway will be turned over to the BCID.
- As this illustration shows to the left, multiple entities of private homeowners are stakeholders of major storm-water ponds. Debate over who has to solve an issue is usually contentious because of private



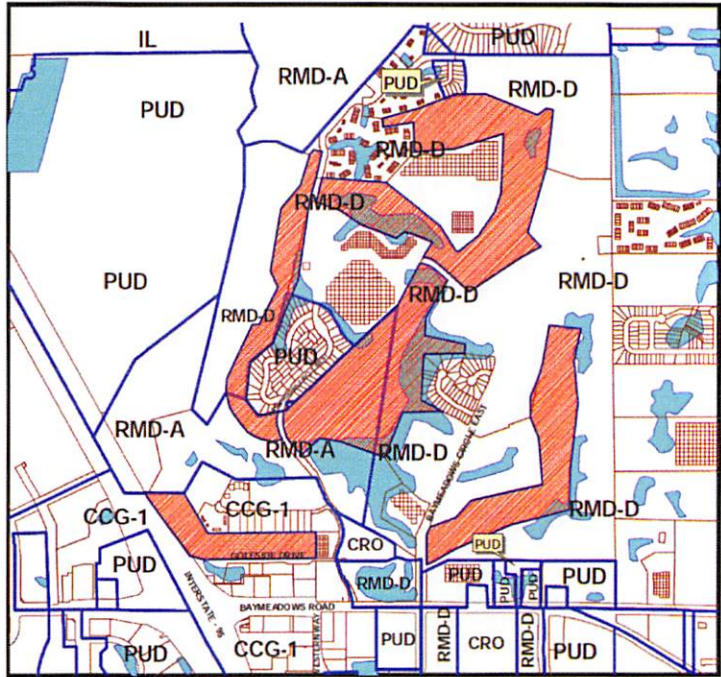
ownership. So, who is ultimately responsible when systemic issues affect the entire neighborhood?

There is no over-riding association tasked with that responsibility much less the required annual maintenance.

- Because the storm water issues are under ground, the HOAs are taking minimal care of drainage pipes. The HOA resolves issues when someone recognizes a road is starting to sink but preventative maintenance is not being taken.
- Membership into the BCID is defined as anyone who utilizes either Baymeadows Circle East or Baymeadows Circle West for ingress/egress to their property and/or utilizes the storm water system in support of their property.



- In 2014, City Council approved Rezoning PUD Ordinances 2014-062-E from Land Use MDR and Zoning of CCG-1/RMD-A/RMD-D to PUD. As part of the negotiations with the BCC, DR Horton Company promised the community it would receive specific property for recreation and public space purposes. The future property owners of this space are now undetermined and, on a deadline, to be decided. If City Council approves the creation of the BCID, then the BCID will assume the ownership of the property. If Council does not approve the BCID, these assets will become the common property of an association without a direct relationship or direct concern of its upkeep and future development. The likelihood of the land becoming anything for common use will be remote and a constant issue with regards to maintenance and upkeep.



**Help the Old Baymeadows Course Communities,
Please Support and Adopt,
the Creation of the
Baymeadows Community
Improvement District ~
2021-838!**

Supporters of the Creation of the BCID

| DR Horton Company

(Builder and Property Owner of approximately 264 Residential Units)

Baypointe – North (150),

Terrance Pines (46),

Mallard Creek (16)

Alden Landing (52)

Commercial - Undeveloped

| Village Green I HOA (109 THs)

| Village Green II HOA (54 THs)

| Village Green III HOA (12 THs)

| Village Green Master Board HOA

| Putters Cove HOA (17 Single Family)

| Las Casas HOA (48 Single Family)

| Las Lago HOA (166 THs)

| Stratford Management “The Lofts Apts” (103 Apts)

| GoldOller Real Estate Investments “The Avenues Apts” (592 Apts)

| GoldOller Real Estate Investments “The Park Avenue Apts” (147 Apts)

| DMCC Holdings (Commercial)

| Planogramming Solutions, Inc (Commercial)