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City of Jacksonville, Florida

Required Communications

September 30, 2023



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To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

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

Qualified and Unmodified Opinions

We have audited the City of Jacksonville, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements identified as subject to audit in the Florida Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and major state financial assistance projects for the year ended September 30, 2023. The City's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of JEA, Jacksonville Transportation Authority and Jacksonville Port Authority, for which any federal or state grant activity is not included in the schedules of federal awards and state financial assistance. Our audit, described below, did not include the operations of JEA, Jacksonville Transportation Authority and Jacksonville Port Authority which expended federal awards and state financial assistance of approximately \$6.8 million, \$29.5 million and \$17.1 million, respectively, because the component units engaged other auditors to perform audits in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Qualified Opinion on the Community Development Block Grant / Entitlement Grants ALN 14.218

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Community Development Block Grants / Entitlement Grants ALN 14.218 for the year ended September 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs and Each Major State Project

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs and each of its major state projects identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2023.

Basis for Qualified and Unmodified Opinions

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*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program and each major state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Community Development Block Grants / Entitlement Grants ALN 14.218

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the Community Development Block Grants / Entitlement Grants ALN 14.218 as described in finding number 2023-002 for Special Tests and Provisions – Wage Rate Requirements.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's

compliance with the requirements of each major federal program and each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of

compliance requirement of a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Carr, Rigg & Ingram, L.L.C.

Jacksonville, Florida
June 28, 2024

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Part I – Summary of Auditor’s Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s 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 auditor’s report issued on compliance for major programs/projects | Unmodified/Qualified |
| 3. Internal control over major programs/projects: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 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>ALN</u>
Community Development Block Grants/Entitlement Grants	14.218
Coronavirus State and Local Fiscal Recovery Funds	21.027
HIV Emergency Relief Project Grants	93.914
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
Hazard Mitigation Grant Program (HMGP)	97.039
Staffing for Adequate Fire and Emergency Response	97.083
 <u>State Projects</u>	 <u>CSFA #</u>
Urban Search and Rescue Sustainment Program	31.078
Statewide Water Quality Restoration Projects	37.039
State Housing Initiatives Partnership Program (SHIP)	40.901
State Highway Project Reimbursement	55.023

City of Jacksonville, Florida

Schedule of Findings and Questioned Costs For the Fiscal year ended September 30, 2023

- | | |
|---|-------------|
| 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, 2023**

Part II – Financial Statement Findings

2023-001 ACCOUNTING SYSTEM IMPLEMENTATION

Condition: During the audit we found that financial records for many 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 in the following areas:

- Cash in Escrow and with Fiscal Agents
- Accounts Receivable and Due from Independent Agencies and Other Governments
- Revenues
- Capital Assets
- Accounts Payable and Accrued Liabilities
- Beginning Fund Balance

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 identified during the audit.

Recommendation: Continue to enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Ensure that sub-ledgers reconcile accurately to the general ledger and that the fiscal year end cutoff procedures are fully implemented and documented.

Management's Action Plan: The City of Jacksonville has made and continues to make extensive improvements to our ability to maintain up-to-date and accurate financial records since the simultaneous impacts in March 2020 of our ERP system conversion and the COVID-19 pandemic shut down. This year, for the first time since going live with our new system, we are submitting both our ACFR and our Single Audit by the June 30, 2024 statutory deadline.

We maintained our monthly and annual close processes on time throughout the fiscal year. We implemented and documented new processes designed to yield proper and timely fiscal year-end cutoff procedures and reconcile sub-ledgers accurately to the general ledger. We developed new procedures and financial reports to extract the financial information required by our auditors. Our bank balances were reconciled accurately and in a timely manner to an amount that matches the general ledger to bank statements.

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

We continued to enhance our understanding of and capabilities within our ERP system. In late 2023, we launched two overarching stabilization and optimization projects with Oracle Consulting Services (OCS), with twin objectives of not only finding solutions to system implementation and configuration issues that have plagued us since going live, but also tackling other system changes and enhancements which will help us work more effectively and efficiently. The City has also established an ERP Center of Excellence (COE) to further establish, document and govern best practices in supporting and extending the useful life of our significant ERP investment.

Our ERP Training Manager continued to increase collaboration citywide, addressing training needs and creating multimedia content on user roles and responsibilities, with updated documentation of standard operating procedures (SOPs) and live and online, on-demand webinars on how to successfully accomplish a variety of departmental tasks in the ERP System. In addition to the new work with OCS, we continue to work with Oracle Managed Care Solutions (MCS) to implement the regular quarterly Oracle “patches” and address system issues promptly as they arise.

We also note that the City had a change in leadership in 2023 which brought increased energy and focus to resolving our system implementation challenges including engaging directly with the highest levels of Oracle leadership. This change in Administration brought three additional certified public accountants (CPAs) to the Finance Department in the key positions of Chief Financial Officer, Chief of Technology Services, and Treasurer.

The procedural and operational improvements made by the City since embarking on the challenging journey of converting to a new modern ERP system have been part of an extensive effort to bring the City fully into the technology of the 21st Century. This massive effort will pay dividends for years to come in the areas of transparency, timeliness and quality of financial reporting.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Part III – Findings and Questioned Costs – Federal Programs

2023-002 – COVID 19: Community Development Block Grants/Entitlement Grants

Federal Awarding Agency – U.S. Department of Housing and Urban Development

Assistance Listing Number – 14.218

FAIN – B-20-UW-12-0017 & B-21-UC-12-0017

Award Year – 2021 & 2022

Questioned costs – none

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, period of performance, and special tests and provisions – wage rate requirements. The related compliance requirements are set in 24 CFR Part 570 Subpart D and sections 570.200 through .710, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the April 30, 2021 Quick Guide, CDBG-CV PPR Tieback Flexibilities, Title I of the Housing Community Development Act (HCDA) of 1974, as amended (Pub. L. No. 93-383) (42 USC 5301), 2 CFR Part 200, Subpart E, Appendices III-V11, and sections 200.330, .331, and .501(h), 31 USC 1552, Section III.B.7 of CDBG-CV Notice, Section 110(a) of the HCD Act, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of certain invoices, including construction payments and payments to subrecipients, did not have evidence of all required approvals necessary to ensure compliance with allowable costs, cost principles, and period of performance requirements or such approvals were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.

Cause: Internal controls over certain payments, including payments requiring review of contractor and subcontractor wage rates were not evidenced with clear documentation.

Effect: Allowable costs, cost principles, and period of performance compliance requirements may not be met due to lack of reperformable internal controls. Wage rate requirements were not complied with.

Recommendation: We recommend that the City ensure wage rate requirement compliance is prioritized when applicable. We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Management's Action Plan: Upon learning of this finding during the FY2022 audit, we worked with the Neighborhoods Department to ensure wage rate requirement compliance was prioritized going forward. Considering this finding was presented near the completion of the FY2023 year, we expect this finding to be resolved in FY2024. We will continue to work with our departments to ensure that all controls for grants are documented with written procedures. The procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, reperformable manner including the name of each responsible individual, the specific control they performed over compliance for the grant and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

2023-003 – COVID 19: Coronavirus State and Local Fiscal Recovery Funds

Federal Awarding Agency – U.S. Department of the Treasury

Assistance Listing Number – 21.027

FAIN – n/a

Award Year – 2021

Questioned costs – none

Criteria: 2 CFR Part 200 in general and 2 CFR sections 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, and earmarking. The related compliance requirements are set in 2 CFR Part 200 sections 200.514(c), 200.212, 200.318(h), 200.332, 180.300 and subpart E; 48 CFR section 52.209-6; 31 CFR section 19.300; sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 as codified at 42 USC 802 and 803 and 31 CFR Part 35, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported.

Cause: Base year calculation of revenue was performed using interim financial information and was not reconciled to final audited reports. Base year calculation of revenue was not clearly documented. Subsequent year revenue calculations were performed by a consultant who was not engaged to review the base year calculation. Controls over such calculations were not effective.

Effect: Calculation of lost revenue was incorrectly reported. Expenditures related to the provision of government services related to such lost revenue did not exceed the actual lost revenue.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Management's Action Plan: Upon learning of this finding during the FY2022 audit, we worked with our external consultant, our Council auditors and our external auditor to reperform and review the base year and subsequent year calculations of revenue, using financial information in our final audit reports. These corrected calculations of lost revenue have been clearly documented and will be reported going forward. We will continue to work to ensure that all controls for grants be documented with written procedures. The procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, reperformable manner including the name of each responsible individual, the specific control they performed over compliance for the grant and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

Part IV – Findings and Questioned Costs – State Projects

None

Summary Schedule of Prior Audit Findings For the Year Ended September 30, 2022

Prior Year Financial Statement Findings

2022-001 – ACCOUNTING SYSTEM IMPLEMENTATION: During the audit we found that financial records for most classes of transactions and accounts 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. (also previously reported as 2021-001)

- Not corrected, repeated as the substantially same finding in current year 2023-001.

2022-002 – BANK RECONCILIATIONS: During the audit we found that the bank reconciliation was not accurately or timely completed and there were transactions which were not properly recorded in the general ledger or the bank reconciliation. (also previously reported as 2021-002)

- Corrected in current year.

2022-003 – REPORTING OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE: During the audit we found material errors, omissions, and misclassifications on the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of Expenditures of State Financial Assistance (SESA), including incorrect reporting of amounts passed through to subrecipients. (also previously reported as 2021-003)

- Corrected in current year.

Prior Year Federal Programs Findings

2022-004 – COVID-19: Emergency Rental Assistance Program; ALN – 21.023; FAIN – n/a: Subrecipient monitoring controls related to monthly subrecipient reports and the final subrecipient expenditure reports were not documented in a manner that is reperformable. (also previously reported as 2021-004)

- Grant ended, finding not repeated in current year.

2022-005 – COVID 19: Coronavirus State and Local Fiscal Recovery Funds; ALN – 21.027; FAIN – n/a: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported. Controls related to reporting of other grant expenditures were not effective and certain amounts were missing from the financial reports. Controls related to ensuring contractors were not suspended, debarred, or otherwise excluded pursuant to 31 CFR section 19.300 were not documented in a manner that is reperformable.

- Partially corrected, repeated as the substantially same finding in current year 2023-003.

**Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2022**

2022-006 – COVID-19: Emergency Solutions Grant Program; ALN – 14.231; FAIN – E-20-UC-12-0017 & E-20-UW-12-0017: Internal controls related to review of monthly subrecipient reports to ensure compliance with allowable costs, cost principles, and matching requirements were not documented in a manner that is reperformable. Timesheet approvals were not documented in all instances to ensure compliance with allowable costs, cost principles. (also previously reported as 2021-006)

- Corrected in current year.

2022-007 – COVID-19: Community Development Block Grants/Entitlement Grants; ALN – 14.218; FAIN – B-20-UW-12-0017 & B-21-UC-12-0017: Internal controls related to review of financial reports to ensure compliance with allowable costs, cost principles, period of performance, and reporting requirements were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.

- Repeated as the substantially same finding in current year 2023-002

2022-008 – Public Safety Partnership and Community Policing Grants; ALN – 16.710; FAIN – 15JCOPS-21-GG-02310-SPPS; 2020ULWX0031-ORI-FL01602: Internal controls related to review of financial and drawdown reports to ensure compliance with reporting requirements which also covers allowable costs, cost principles, cash management, period of performance, and matching requirements were not documented in a manner that is reperformable. No internal controls were identified related to review of progress reports to ensure compliance with reporting requirements.

- Corrected in current year.

2022-009 – COVID 19: Staffing for Adequate Fire and Emergency Response (SAFER); ALN – 97.083; FAIN –EMW-2018-FH-00180 & EMW-2019-FF-01640: Internal controls related to review of drawdown reports to ensure compliance with reporting requirements which also covers allowable costs, cost principles, cash management, and matching requirements were not documented in a manner that is reperformable. No internal controls were identified related to review of progress reports to ensure compliance with reporting requirements. No internal controls were identified related to the level of effort requirement.

- Corrected in current year.

**Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2022**

Prior Year State Project Findings

2022-010 – COJ Northwest Jacksonville STEM Center for Teens – Fixed Capital Outlay Project; State; CSFA Number – 48.174; Project Number –16F-90220-2S001: Internal controls related to maintaining equipment records to ensure that equipment was used in the program for which it was acquired and that such equipment was maintained and safeguarded in accordance with grant award requirements were not documented in a manner that is reperformable.

- Corrected in current year.

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the "City") as of and for the fiscal year ended September 30, 2023, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2024. Our report on the basic financial statements included reference to the reports of other auditors. This management letter does not include the findings and recommendations of the other auditors that are reported on separately by those auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our report includes a reference to other auditors who audited the financial statements of JEA, Jacksonville Transportation Authority, and Jacksonville Port Authority, discretely presented component units of the City and the Police and Fire Pension Fund, a fiduciary fund included in the aggregate remaining fund information.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's 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, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The table below details such for each finding reported.

Tabulation of Current and Prior Year Audit Findings		
Current Year Finding #	FY 2022 Finding #	FY 2021 Finding #
2023-001	2022-001	2021-001
Corrected in Current Year	2022-002	2021-002
Corrected in Current Year	2022-003	2021-003
Corrected in Current Year	2022-004	2021-004
Corrected in Prior Year	Corrected in 2022	2021-005
2023-003	2022-005	New in FY 2022 – n/a
Corrected in Current Year	2022-006	2021-006
2023-002	2022-007	New in FY 2022 – n/a
Corrected in Current Year	2022-008	New in FY 2022 – n/a
Corrected in Current Year	2022-009	New in FY 2022 – n/a
Corrected in Current Year	2022-010	New in FY 2022 – n/a

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City 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 City 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 City as of September 30, 2023. It is management's responsibility to monitor the City'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 recommend that the City continue efforts to improve its tracking, reconciliation, and analysis related to capital assets.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. Specific information for the dependent special districts included in the City's financial statement audit are presented in the Management Letter in each of those districts' separately issued financial statement audits.

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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

In connection with our audit, we noted an opportunity for the City to improve its process for maintaining documentation of internal control processes over grant compliance, with special attention on subrecipient monitoring. We recommend the creation and regular update of written procedures for grant compliance including the identification of specific controls and the responsible individual for performing the controls for each grant received by the City. Each control over compliance should be evidenced by clear documentation of who performed the control, what the control was, and the date it was performed.

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, City Council, and applicable management, and appropriate audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Cam, Rigg & Ingram, L.L.C.

Jacksonville, Florida
June 28, 2024



A NEW DAY.

City of Jacksonville, Florida

Donna Deegan, Mayor

Finance Department - General Accounting Division
117 West Duval Street, Suite 375
Jacksonville, FL 32202
(904) 255-5261
www.jacksonville.gov

June 28, 2024

Below are corrective action plans for Audit Findings 2023-001, 2023-002 and 2023-003.

Part II – Financial Statement Findings

2023-001 ACCOUNTING SYSTEM IMPLEMENTATION

Condition: During the audit we found that financial records for many 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 in the following areas:

- Cash in Escrow and with Fiscal Agents
- Accounts Receivable and Due from Independent Agencies and Other Governments
- Revenues
- Capital Assets
- Accounts Payable and Accrued Liabilities
- Beginning Fund Balance

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 identified during the audit.

Recommendation: Continue to enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Ensure that sub-ledgers reconcile accurately to the general ledger and that the fiscal year end cutoff procedures are fully implemented and documented.

Action Plan: The City of Jacksonville has made and continues to make extensive improvements to our ability to maintain up-to-date and accurate financial records since the simultaneous impacts in March 2020 of our ERP system conversion and the COVID-19 pandemic shut down. This year, for the first time since going live with our new system, we are submitting both our ACFR and our Single Audit by the June 30, 2024 statutory deadline.

We maintained our monthly and annual close processes on time throughout the fiscal year. We implemented and documented new processes designed to yield proper and timely fiscal year-end cutoff procedures and reconcile sub-ledgers accurately to the general ledger. We developed new procedures and financial reports to extract the financial information

required by our auditors. Our bank balances were reconciled accurately and in a timely manner to an amount that matches the general ledger to bank statements.

We continued to enhance our understanding of and capabilities within our ERP system. In late 2023, we launched two overarching stabilization and optimization projects with Oracle Consulting Services (OCS), with twin objectives of not only finding solutions to system implementation and configuration issues that have plagued us since going live, but also tackling other system changes and enhancements which will help us work more effectively and efficiently. The City has also established an ERP Center of Excellence (COE) to further establish, document and govern best practices in supporting and extending the useful life of our significant ERP investment.

Our ERP Training Manager continued to increase collaboration citywide, addressing training needs and creating multimedia content on user roles and responsibilities, with updated documentation of standard operating procedures (SOPs) and live and online, on-demand webinars on how to successfully accomplish a variety of departmental tasks in the ERP System. In addition to the new work with OCS, we continue to work with Oracle Managed Care Solutions (MCS) to implement the regular quarterly Oracle “patches” and address system issues promptly as they arise.

We also note that the City had a change in leadership in 2023 which brought increased energy and focus to resolving our system implementation challenges including engaging directly with the highest levels of Oracle leadership. This change in Administration brought three additional certified public accountants (CPAs) to the Finance Department in the key positions of Chief Financial Officer, Chief of Technology Services, and Treasurer.

The procedural and operational improvements made by the City since embarking on the challenging journey of converting to a new modern ERP system have been part of an extensive effort to bring the City fully into the technology of the 21st Century. This massive effort will pay dividends for years to come in the areas of transparency, timeliness and quality of financial reporting.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

Part III – Findings and Questioned Costs – Federal Programs

2023-002 – COVID 19: Community Development Block Grants/Entitlement Grants

Questioned costs - none

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, period of performance, and special tests and provisions – wage rate requirements. The related compliance requirements are set in 24 CFR Part 570 Subpart D and sections 570.200 through .710, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the April 30, 2021 Quick Guide, CDBG-CV PPR Tieback Flexibilities, Title I of the Housing Community Development Act (HCDA) of 1974, as amended (Pub. L. No. 93-383) (42 USC 5301), 2 CFR Part 200, Subpart E, Appendices III-V11, and sections 200.330, .331, and .501(h), 31 USC 1552, Section III.B.7 of CDBG-CV Notice, Section 110(a) of the HCD Act, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of certain invoices, including construction payments and payments to subrecipients, did not have evidence of all required approvals necessary to ensure compliance with allowable costs, cost principles, and period of performance requirements or such approvals were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.

Cause: Internal controls over certain payments, including payments requiring review of contractor and subcontractor wage rates were not evidenced with clear documentation.

Effect: Allowable costs, cost principles, and period of performance compliance requirements may not be met due to lack

of reperformable internal controls. Wage rate requirements were not complied with.

Recommendation: We recommend that the City ensure wage rate requirement compliance is prioritized when applicable. We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: Upon learning of this finding during the FY2022 audit, we worked with the Neighborhoods Department to ensure wage rate requirement compliance was prioritized going forward. Considering this finding was presented near the completion of the FY2023 year, we expect this finding to be resolved in FY2024. We will continue to work with our departments to ensure that all controls for grants are documented with written procedures. The procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, reperformable manner including the name of each responsible individual, the specific control they performed over compliance for the grant and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

2023-003 – COVID 19: Coronavirus State and Local Fiscal Recovery Funds

Questioned costs - none

Criteria: 2 CFR Part 200 in general and 2 CFR sections 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, and earmarking. The related compliance requirements are set in 2 CFR Part 200 sections 200.514(c), 200.212, 200.318(h), 200.332, 180.300 and subpart E; 48 CFR section 52.209-6; 31 CFR section 19.300; sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 as codified at 42 USC 802 and 803 and 31 CFR Part 35, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported.

Cause: Base year calculation of revenue was performed using interim financial information and was not reconciled to final audited reports. Base year calculation of revenue was not clearly documented. Subsequent year revenue calculations were performed by a consultant who was not engaged to review the base year calculation. Controls over such calculations were not effective.

Effect: Calculation of lost revenue was incorrectly reported. Expenditures related to the provision of government services related to such lost revenue did not exceed the actual lost revenue.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: Upon learning of this finding during the FY2022 audit, we worked with our external consultant, our Council auditors and our external auditor to reperform and review the base year and subsequent year calculations of revenue, using financial information in our final audit reports. These corrected calculations of lost revenue have been clearly documented and will be reported going forward. We will continue to work to ensure that all controls for grants be documented with written procedures. The procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, reperformable manner

including the name of each responsible individual, the specific control they performed over compliance for the grant and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo
Anticipated completion date of the plan – September 30, 2024



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June 28, 2024

To the Finance Committee,
City of Jacksonville, Florida

We are pleased to present the results of our audit of the 2023 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida. We did not audit the financial statements of JEA, Jacksonville Transportation Authority, Jacksonville Port Authority, or the Jacksonville Police and Fire Pension 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 2023 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
Jacksonville, Florida



As discussed with the City Council and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the City. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Council Auditors and management, in accordance with 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, in order to express opinions on the City's financial statements for the year ended September 30, 2023;
- 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*;
- Perform audit services in accordance with the Federal and State Single Audit Acts and Rules of the Florida Auditor General;
- Report on compliance and on internal control over compliance in accordance with Uniform Guidance 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General* in order to express an opinion on compliance with requirements applicable to each major federal program and each major state project.
- 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.



We have audited the financial statements of the City of Jacksonville, Florida as of and for the year ended September 30, 2023, and have issued our report thereon dated June 28, 2024. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Auditing Standards, <i>Government Auditing Standards</i>, the Uniform Guidance, and Chapter 10.550, <i>Rules of the Auditor General</i>	<p>As stated in our engagement letter dated February 22, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
Client's responsibility	<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 in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them</p>
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
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>	Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."



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>The significant accounting policies used by the City are described in Note 1 to the financial statements. New accounting policies were adopted during the fiscal year as a result of the following recently issued accounting pronouncements:</p> <ul style="list-style-type: none"> Statement No. 91, Conduit Debt Obligations (GASB 91) Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94) Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 89) Statement No. 99, Omnibus 2022 (GASB 99) <p>The adoption of GASB Statement 91, 94, and 99 had no material impacts on the financial statements.</p> <p>The adoption of GASB Statement No. 96 had an impact on the financial statements as discussed in Note 15 of the financial statements.</p> <p>We noted no transactions entered into by the City during the fiscal 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>Further, the disclosures in the City's financial statements are neutral, consistent, and clear.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i>	<p>We encountered no significant unresolved difficulties in performing and completing our audit.</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>No such risks or exposures were noted.</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>We are pleased to report that no such disagreements arose during the course of our audit.</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>None noted.</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>None noted.</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>Please see the following section titled "Summary of Audit Adjustments".</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
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>	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i>	To our knowledge, there were no such consultations with other accountants.
Written representations <i>A reference to the written representations the auditor requested.</i>	See "Management Representation Letter" section.
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>	See "Internal Control Findings" section.
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>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
Other information in documents containing audited financial statements <i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> Such information is materially inconsistent with the financial statements; and We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Significant unusual accounting transactions <i>Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.</i>	No significant unusual accounting transactions were noted during the year.
Required supplementary information	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.
Supplementary information in relation to the financial statements as a whole	We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, 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.
Other information accompanying the financial statements. <i>The auditor's responsibility for other information accompanying the financial statements.</i>	We were not engaged to report on the other information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. 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	AUDITOR'S COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of property and equipment	The City depreciates property and equipment using the straight-line method.	X	The City depreciates property and equipment over their estimated useful lives which are based on the experience with similar assets and guidance provided by Section 1400: Reporting on Capital Assets, of the GASB Codification.	The City's recognition methods and disclosures appear appropriate.
Amortization of right-to-use assets, determination of discount rate for lease liability and fair value of underlying asset	The City amortizes right-to-use assets using the straight-line method and has utilized the incremental borrowing rate to determine the lease liability and the fair value of the underlying assets.	X	The City amortizes right-to-use assets over the shorter period of the lease term or the useful life of the asset which is based on the experience with similar assets and guidance provided by GASB Statement No. 87, Leases. Similarly, using past experience with similar assets and the guidance provided by GASB Statement No. 87, Leases, the City has utilized the incremental borrowing rate to determine the measurement of the lease liability, interest payments and fair value of the underlying asset.	We evaluated the key factors and assumptions used to develop the estimated useful lives, discount rate and fair value of assets in determining that they are 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	AUDITOR'S COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	The City follows the provisions of Section 150: <i>Investments</i> , of the GASB Codification when reporting investments.	X	The City relies on investment valuation information from the bank or investment manager based upon financial market information to determine current or fair value.	The City's policies are in accordance with all applicable accounting guidelines and GASB.
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	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.	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.

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



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
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	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.	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.
Other post-employment benefits (OPEB)	The City records a liability for its post-employment benefits obligation other than pensions.	X	The OPEB liability is projected using methods and assumptions as provided in the most recent actuarial valuation, in accordance with the provisions of GASB Statement No. 75. Health care cost trend rates were based on market assessments.	We evaluated the assumptions used by the actuary in determining the total OPEB liability and found them to be in accordance with the provisions of GASB 75 and 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	AUDITOR'S COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Municipal solid waste landfill obligations	<p>The City recognizes a liability for landfill closure and post-closure costs related to state and federal 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	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.	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.
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	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.	The City's policies are in accordance with all applicable accounting guidelines and GASB.

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



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Defined benefit pension plan	<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 uses an actuary to provide actuarial valuation report.</p>	X	Key assumptions utilized by the actuary in making the estimates in accordance with GASB 68. The total pension liability was determined by an actuarial valuation as of October 1, 2022 with a measurement date of September 30, 2022.	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.

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



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
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.

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



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Amortization of right-to-use SBITA assets, determination of discount rate for the SBITA liabilities and fair value of underlying assets.	The City amortizes right-to-use SBITA assets using the straight-line method and has utilized the incremental borrowing rate to determine the SBITA liability and the fair value of the underlying assets.	X	The City amortizes right-to-use lease and SBITA assets over the shorter period of the subscription term or the useful life of the assets which is based on the experience with similar assets and guidance provided by GASB 96, Subscription-Based Information Technology Arrangements. Similarly, using past experience with similar assets and the guidance provided by GASB Statement No. 96, Subscription-Based Information Technology Arrangements, the City has utilized the incremental borrowing rate to determine the measurement of the SBITA liability, interest payments and fair value of the underlying asset.	We evaluated the key factors and assumptions used to develop the estimated useful lives, incremental borrowing rate and fair value of assets in determining that they are reasonable in relation to the financial statements taken as a whole.



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. Those adjustments are either recorded (corrected) by the City or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditor's judgment, such uncorrected misstatements are immaterial to the financial statements under audit. See management's representation letter for a list of uncorrected misstatements.

See the attached table for details of corrected adjustments. See the management representation letter for uncorrected misstatements.

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.



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

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2023-001	MW	IT structure and understanding; Controls over financial transactions and reporting	<p>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 in the following areas:</p> <ul style="list-style-type: none"> • Cash in Escrow and with Fiscal Agents • Accounts Receivable and Due from Independent Agencies and Other Governments • Revenues • Capital Assets • Accounts Payable and Accrued Liabilities • Beginning Fund Balance 	Continue to enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Ensure that sub-ledgers reconcile accurately to the general ledger and that the fiscal year end cutoff procedures are fully implemented and documented.



CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2023-002 (single audit)	MW	Grant Compliance and Controls over Grant Compliance	COVID-19: Community Development Block Grants/ Entitlement Grants: Internal controls related to review of certain invoices, including construction payments and payments to subrecipients, did not have evidence of all required approvals necessary to ensure compliance with allowable costs, cost principles, and period of performance requirements or such approvals were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.	We recommend that the City ensure wage rate requirement compliance is prioritized when applicable. We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.
2022-003 (single audit)	MW	Controls over Grant Compliance	COVID 19: Coronavirus State and Local Fiscal Recovery: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported.	We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.



CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
Management Letter Comment	D	Controls over Grant Compliance	Multiple Grants: There is an opportunity to improve the maintenance of documentation of internal controls over grant compliance, with special attention on subrecipient monitoring.	We recommend the creation and regular update of written procedures for grant compliance including the identification of specific controls and the responsible individual for performing the controls for each grant received by the City. Each control over grant compliance requirements should be evidenced by clear documentation (retained for audit) showing who performed the control, what the control was, and the date it was performed.
Management Letter Comment	D	Capital Assets	During the audit it was noted that capital asset detail was not reconciled and rolled forward on a regular basis.	We recommend that the City continue efforts to improve its tracking, reconciliation, and analysis related to capital assets.



A NEW DAY.

City of Jacksonville, Florida

Donna Deegan, Mayor

Finance Department
General Accounting Division
117 West Duval Street, Suite 375
Jacksonville, FL 32202
(904) 255-5261
www.jacksonville.gov

June 28th, 2024

Carr, Riggs and Ingram, LLC
7411 Fullerton Street Suite 300
Jacksonville, FL 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, 2023, 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 to be 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 the date of this letter, 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 February 22, 2023, 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) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 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 or in the schedule of findings and questioned costs.
- 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 (including information obtained from outside of the general and subsidiary ledgers), 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 the City 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 and state financial assistance.
- 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 identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- 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 objectives of the audit and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 25) 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.
- 26) 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.
- 27) We have appropriately identified, recorded, and disclosed all leases in accordance with [GASBS No. 87](#).
- 28) We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with [GASBS No. 91](#).
- 29) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with [GASBS No. 96](#).
- 30) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 31) 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.
- 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](#), as amended.
- 36) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#), as amended.
- 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 instrument transactions, 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 instrument transactions 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 introductory section, combining and individual fund statements and schedules, other supplemental information, and the statistical section:
- a) We acknowledge our responsibility for presenting the introductory section, combining and individual fund statements and schedules, other supplemental information, and the statistical section in accordance with accounting principles generally accepted in the United States of America, and we believe the introductory section, combining and individual fund statements and schedules, other supplemental information, and the statistical section, 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 introductory section, combining and individual fund statements and schedules, other supplemental information, and the statistical section 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 introductory section, combining and individual fund statements and schedules, other supplemental information, and the statistical section are 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) With respect to federal award programs and state financial assistance projects:
- 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 Chapter 10.550, Rules of the Auditor General, including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards and state financial assistance (SEFSA) and related disclosures in accordance with the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and we believe the SEFSA, including its form and content, is fairly presented in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. The methods of measurement or presentation of the SEFSA 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 SEFSA.
 - c) If the SEFSA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFSA no later than the date we issue the SEFSA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and Chapter 10.550, Rules of the Auditor General compliance audit, and have included in the SEFSA, expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal awards and 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.

- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal and state statutes, regulations, and the terms and conditions of federal and awards related to each of our federal programs and state financial assistance related to each of our state projects and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions of federal awards and state projects that are considered to have a direct and material effect on each major program and each major state project.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs and state projects that provides reasonable assurance that we are managing our federal awards and state projects in compliance with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance that could have a material effect on our federal programs or our state projects. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards and state financial assistance (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.
- h) We have received no requests from a federal or state agency to audit one or more specific programs as a major program or major project.
- i) 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* and the *State of Florida Department of Financial Services' Compliance Supplement* relating to federal awards and state assistance and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards or state financial assistance.
- j) 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.
- k) 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.
- l) 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 of Florida Department of Financial Services' Compliance Supplement*.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) 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.
- o) 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.
- p) 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.
- q) 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.
- r) Federal program and state project financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

- s) 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 agency or pass-through entity, as applicable.
- t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u) We have issued management decisions for audit findings that relate to federal 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 award provided to the subrecipient.
- v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w) We have charged costs to federal awards and state financial assistance in accordance with applicable cost principles.
- x) 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 Chapter 10.550, Rules of the Auditor General, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa) 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.
- bb) 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.



Anna Brosche, Director of Finance



Marcia Saulo, City Comptroller

City of Jacksonville
September 30, 2023
PAJE for MRLs

Passed Adjustment #1 - General Fund

Reversal of accounts receivable write off from the PY

Accounts Receivable		3,782,980	
Revenues	3,782,980		
	<u>3,782,980</u>	<u>3,782,980</u>	

Passed Adjustment #2 - General Fund

Missing accruals at year end

Accounts Receivable	1,692,339		
Revenues		1,692,339	
	<u>1,692,339</u>	<u>1,692,339</u>	

Passed Adjustment #3 - General Fund

Missing ambulance accounts receivable at year end

Accounts Receivable	5,034,896		
Revenues		5,034,896	
	<u>5,034,896</u>	<u>5,034,896</u>	

Passed Adjustment #4 - Other Federal State and Local Grants

Classification of receivables on the face of the financial statements

Accounts Receivable		121,758	
Due From Other Governments	121,758		
	<u>121,758</u>	<u>121,758</u>	

Passed Adjustment #5 - Special Bonded Debt - BJP

Interest payable not in line with amortization schedules across opinion units

Interest Payables	601,185		
Interest Expenditure		601,185	
	<u>601,185</u>	<u>601,185</u>	

Passed Adjustment #6 - General Projects**Investment earnings recognized in the incorrect period**

Fund Balance	232,000	
Revenues		232,000
	<u>232,000</u>	<u>232,000</u>

Passed Adjustment #7 - General Projects**Construction charges not accrued at year end**

Accounts payable		986,245
Construction expenditures	986,245	
	<u>986,245</u>	<u>986,245</u>

Passed Adjustment #8 - Solid Waste**Host fees were not accrued at year end**

Host Fees Revenue		65,379
Accounts Receivable	65,376	
	<u>65,376</u>	<u>65,379</u>

Passed Adjustment #9 - Solid Waste**Vendor overpayment recorded as revenue**

Tipping Fee Revenue	80,338	
Deposits		80,338
	<u>80,338</u>	<u>80,338</u>

Passed Adjustment #10 - Solid Waste**Memo to zero out a customer account in Compuweigh passed through to general ledger incorrectly**

Accounts Receivable		424,176
Tipping Fee Revenue	424,176	
	<u>424,176</u>	<u>424,176</u>

Passed Adjustment #11 - Stormwater**Allowance calculation not updated correctly**

Account Receivable Allowance		500,000
Revenues	500,000	
	<u>500,000</u>	<u>500,000</u>

Passed Adjustment #12 - City Venues**PBC - Gain amortization calculation noted to calculated incorrectly**

Liabilities	675,539	
Expenditures		675,539
	<u>675,539</u>	<u>675,539</u>

Passed Adjustment #13 - City Venues**Interest payable not in line with amortization schedules across opinion units**

Interest Payables		490,303
Interest Expenditure	490,303	
	<u>490,303</u>	<u>490,303</u>

Passed Adjustment #14 - City Venues**Facility fees not accrued at year end**

Account Receivable	1,055,787	
Facility Fee Revenue		1,055,787
	<u>1,055,787</u>	<u>1,055,787</u>

Passed Adjustment #15 - City Venues**Prior year facilities fees improperly included in current year revenue**

Facility Fee Revenue	1,188,071	
Fund Balance		1,188,071
	<u>1,188,071</u>	<u>1,188,071</u>

Passed Adjustment #16 - Aggregate Remaining**Prior year revenues improperly included in current year revenue**

Revenues	1,781,097	
Fund Balance		1,781,097
	<u>1,781,097</u>	<u>1,781,097</u>

Passed Adjustment #17 - Aggregate Remaining**Bond principal payment not correctly zeroed out**

Revenues	1,080,000	
Expenditures		1,080,000
	<u>1,080,000</u>	<u>1,080,000</u>

Passed Adjustment #18 - Aggregate Remaining**Fair value adjustment on two investments only through June 30 not year end**

Investments	5,019,172	
Investment Revenue	<u>5,019,172</u>	
	<u>5,019,172</u>	<u>5,019,172</u>

Passed Adjustment #19 - Aggregate Remaining**Prior year revenues improperly included in current year revenue**

Revenues	3,751,019	
Fund Balance	<u>3,751,019</u>	
	<u>3,751,019</u>	<u>3,751,019</u>

Passed Adjustment #20 - Aggregate Remaining**Classification of receivables on the face of the financial statements**

Accounts Receivable	5,391,539	
Due From Other Governments	<u>5,391,539</u>	
	<u>5,391,539</u>	<u>5,391,539</u>

Passed Adjustment #21 - Governmental Activities**PBC - Gain amortization calculation noted to calculated incorrectly**

Liabilities	1,991,329	
Expenditures	<u>1,991,329</u>	
	<u>1,991,329</u>	<u>1,991,329</u>

Table of Adjusting Entries



Description	Debit	Credit
PBC Adjusting Journal Entries JE # 1		
PBC Adjusting Journal Entries JE # 2		
PBC Adjusting Journal Entries JE # 3		
PBC Adjusting Journal Entries JE # 4		
PBC Adjusting Journal Entries JE # 5		
PBC Adjusting Journal Entries JE # 6		
PBC Adjusting Journal Entries JE # 7		
PBC Adjusting Journal Entries JE # 8		
PBC Adjusting Journal Entries JE # 9		
PBC Adjusting Journal Entries JE # 10		
Adjusting Journal Entries JE # 11		
To update CIP for no identified projects in govt activities		
WIP - Furniture & Equipment	175,766	
WIP - Furniture & Equipment	175,766	
Asset Clearing	6,927	
Asset Clearing	6,927	
Adjustments Prior Year Revenue-Expense	6,927	
Adjustments Prior Year Revenue-Expense	175,766	
Asset Clearing	102,517	
Asset Clearing	104,230	
NC - Expenditure Credit - Fixed Assets	1,713	
Adjustments Prior Year Revenue-Expense	102,517	
WIP - Furniture & Equipment	867,522	
WIP - Furniture & Equipment	910,696	
WIP - Furniture & Equipment	13,642,405	
WIP - Building	2,852,371	
WIP - Building	2,852,371	
WIP - Building	2,852,371	
Asset Clearing	6,218,190	
Asset Clearing	114,849	
Asset Clearing	6,103,341	
NC - Expenditure Credit - Fixed Assets	9,184	
Adjustments Prior Year Revenue-Expense	2,852,371	
Adjustments Prior Year Revenue-Expense	13,642,405	
Adjustments Prior Year Revenue-Expense	867,522	
Adjustments Prior Year Revenue-Expense	2,852,371	
Adjustments Prior Year Revenue-Expense	6,218,190	
Adjustments Prior Year Revenue-Expense	33,990	
Adjustments Prior Year Revenue-Expense	13,642,405	
Adjustments Prior Year Revenue-Expense	2,852,371	
Asset Clearing	300	
Asset Clearing	300	

Table of Adjusting Entries



Adjustments Prior Year Revenue-Expense	300
WIP - Furniture & Equipment	1,396,460
WIP - Building	1,983,074
WIP - Building	1,983,074
Asset Clearing	62,721
Asset Clearing	31,057
Asset Clearing	31,664
Adjustments Prior Year Revenue-Expense	1,396,460
Adjustments Prior Year Revenue-Expense	62,721
Adjustments Prior Year Revenue-Expense	1,983,074
Adjustments Prior Year Revenue-Expense	1,396,460
Adjustments Prior Year Revenue-Expense	1,447,040
WIP - Furniture & Equipment	1,710,511
WIP - Building	338,455
Asset Clearing	2,564,977
Asset Clearing	106,757
Asset Clearing	2,458,220
Adjustments Prior Year Revenue-Expense	338,455
Adjustments Prior Year Revenue-Expense	1,710,511
Adjustments Prior Year Revenue-Expense	2,564,977
Adjustments Prior Year Revenue-Expense	121,554
Adjustments Prior Year Revenue-Expense	338,455
Adjustments Prior Year Revenue-Expense	1,710,511
WIP - Furniture & Equipment	1,048,916
WIP - Building	1,811,122
Adjustments Prior Year Revenue-Expense	1,048,916
Adjustments Prior Year Revenue-Expense	1,811,122
Adjustments Prior Year Revenue-Expense	1,048,916
Adjustments Prior Year Revenue-Expense	1,811,122
Adjustments Prior Year Revenue-Expense	20,615,786
WIP - Furniture & Equipment	41,962
WIP - Building	150,144
Asset Clearing	982,033
Asset Clearing	52,777
Adjustments Prior Year Revenue-Expense	41,962
Adjustments Prior Year Revenue-Expense	150,144
Adjustments Prior Year Revenue-Expense	982,033
Adjustments Prior Year Revenue-Expense	41,962
Adjustments Prior Year Revenue-Expense	150,144
Adjustments Prior Year Revenue-Expense	1,034,809
WIP - Building	248,265
WIP - Building	248,265
WIP - Building	1,615,623

Table of Adjusting Entries



Asset Clearing	883,979	
Asset Clearing	161,267	
Asset Clearing	722,711	
Adjustments Prior Year Revenue-Expense	248,265	
Adjustments Prior Year Revenue-Expense	883,979	
WIP - Building	4,210	
Asset Clearing	4,000	
Asset Clearing	1,163	
Asset Clearing	2,837	
Adjustments Prior Year Revenue-Expense	4,210	
Adjustments Prior Year Revenue-Expense	4,000	
Adjustments Prior Year Revenue-Expense	4,210	
Asset Clearing	5,946	
NC - Expenditure Credit - Fixed Assets	5,946	
Asset Clearing	1,027	
Asset Clearing	228	
Asset Clearing	800	
Asset Clearing	800	
NC - Expenditure Credit - Fixed Assets	800	
Adjustments Prior Year Revenue-Expense	800	
Adjustments Prior Year Revenue-Expense	1,027	
WIP - Furniture & Equipment	1	
Asset Clearing	26,616	
NC - Expenditure Credit - Fixed Assets	26,616	
Adjustments Prior Year Revenue-Expense	1	
Asset Clearing	131,591	
Asset Clearing	168,043	
Asset Clearing	228,278	
WIP - Furniture & Equipment		175,766
Asset Clearing		6,927
Adjustments Prior Year Revenue-Expense		6,927
Adjustments Prior Year Revenue-Expense		175,766
Adjustments Prior Year Revenue-Expense		6,927
Adjustments Prior Year Revenue-Expense		175,766
Asset Clearing		102,517
Asset Clearing		1,713
Adjustments Prior Year Revenue-Expense		102,517
Adjustments Prior Year Revenue-Expense		104,230
WIP - Furniture & Equipment		867,522
WIP - Furniture & Equipment		9,184
WIP - Furniture & Equipment		33,990
WIP - Furniture & Equipment		13,642,405
WIP - Furniture & Equipment		13,642,405

Table of Adjusting Entries



WIP - Building	2,852,371
WIP - Building	2,852,371
WIP - Building	2,852,371
Asset Clearing	6,218,190
NC - Expenditure Credit - Fixed Assets	114,849
Adjustments Prior Year Revenue-Expense	867,522
Adjustments Prior Year Revenue-Expense	2,852,371
Adjustments Prior Year Revenue-Expense	6,218,190
Adjustments Prior Year Revenue-Expense	2,852,371
Adjustments Prior Year Revenue-Expense	13,642,405
Adjustments Prior Year Revenue-Expense	910,696
Adjustments Prior Year Revenue-Expense	2,852,371
Adjustments Prior Year Revenue-Expense	6,103,341
Asset Clearing	300
Adjustments Prior Year Revenue-Expense	300
Adjustments Prior Year Revenue-Expense	300
WIP -Software Development	1,447,040
WIP - Furniture & Equipment	1,396,460
WIP - Furniture & Equipment	1,396,460
WIP - Building	1,983,074
Asset Clearing	62,721
NC - Expenditure Credit - Fixed Assets	31,664
Adjustments Prior Year Revenue-Expense	62,721
Adjustments Prior Year Revenue-Expense	1,983,074
Adjustments Prior Year Revenue-Expense	1,396,460
Adjustments Prior Year Revenue-Expense	31,057
Adjustments Prior Year Revenue-Expense	1,983,074
WIP -Software Development	121,554
WIP - Furniture & Equipment	1,710,511
WIP - Furniture & Equipment	1,710,511
WIP - Building	338,455
WIP - Building	338,455
Asset Clearing	2,564,977
NC - Expenditure Credit - Fixed Assets	106,757
Adjustments Prior Year Revenue-Expense	2,564,977
Adjustments Prior Year Revenue-Expense	338,455
Adjustments Prior Year Revenue-Expense	1,710,511
Adjustments Prior Year Revenue-Expense	2,458,220
WIP -Software Development	20,615,786
WIP - Furniture & Equipment	1,048,916
WIP - Furniture & Equipment	1,048,916
WIP - Building	1,811,122
WIP - Building	1,811,122

Table of Adjusting Entries



Adjustments Prior Year Revenue-Expense	1,048,916
Adjustments Prior Year Revenue-Expense	1,811,122
WIP - Furniture & Equipment	41,962
WIP - Furniture & Equipment	41,962
WIP - Building	150,144
WIP - Building	150,144
Asset Clearing	982,033
Asset Clearing	1,034,809
NC - Expenditure Credit - Fixed Assets	52,777
Adjustments Prior Year Revenue-Expense	41,962
Adjustments Prior Year Revenue-Expense	150,144
Adjustments Prior Year Revenue-Expense	982,033
WIP - Building	248,265
Asset Clearing	883,979
NC - Expenditure Credit - Fixed Assets	722,711
Adjustments Prior Year Revenue-Expense	248,265
Adjustments Prior Year Revenue-Expense	883,979
Adjustments Prior Year Revenue-Expense	161,267
Adjustments Prior Year Revenue-Expense	248,265
Adjustments Prior Year Revenue-Expense	1,615,623
WIP - Building	4,210
WIP - Building	4,210
Asset Clearing	4,000
NC - Expenditure Credit - Fixed Assets	1,163
Adjustments Prior Year Revenue-Expense	4,000
Adjustments Prior Year Revenue-Expense	4,210
Adjustments Prior Year Revenue-Expense	2,837
Asset Clearing	5,946
Adjustments Prior Year Revenue-Expense	5,946
Asset Clearing	1,027
Asset Clearing	800
Asset Clearing	800
NC - Expenditure Credit - Fixed Assets	800
Adjustments Prior Year Revenue-Expense	1,027
Adjustments Prior Year Revenue-Expense	800
Adjustments Prior Year Revenue-Expense	228
WIP - Furniture & Equipment	1
Asset Clearing	26,616
Adjustments Prior Year Revenue-Expense	1
Adjustments Prior Year Revenue-Expense	26,616
NC - Expenditure Credit - Fixed Assets	168,043
Adjustments Prior Year Revenue-Expense	131,591
Adjustments Prior Year Revenue-Expense	228,278

Table of Adjusting Entries



144,441,443

144,441,443

Adjusting Journal Entries JE # 12

To update cash with fiscal agent to tie with payables and amortization schedules

Interest Payable - Current Portion - Bonds	794,033	
Cash With Fiscal Agent - Duval 1998 Program Contingency Account	775,000	
Equity in Pooled Cash Account	3,283,525	
Equity in Pooled Cash Account	794,033	
Cash With Fiscal Agent - Duval 1998 Program Contingency Account	3,283,525	
Cash - JP General Deposit	775,000	
Equity in Pooled Cash Account		794,033
Cash With Fiscal Agent - Duval 1998 Program Contingency Account		3,283,525
Cash - JP General Deposit		775,000
Interest Payable - Current Portion - Bonds		794,033
Cash With Fiscal Agent - Duval 1998 Program Contingency Account		775,000
Equity in Pooled Cash Account		3,283,525
	9,705,116	9,705,116

Adjusting Journal Entries JE # 13

To update the allowance related to Solid Waste and Stormwater

Accounts Receivable (Subsid Supported) - Solid Waste User Fee Billings	936,041	
Accounts Receivable (Subsid Supported) - Storm Water User Fee Billings	563,442	
Allow For Uncoll Accts Rec (Subsid Supp) - Solid Waste User Fees		105,000
Solid Waste User Fee		831,041
Allow For Uncoll Accts Rec (Subsid Supp) - Storm Water User Fees		63,000
Stormwater Fee		500,442
	1,499,483	1,499,483

Adjusting Journal Entries JE # 14

To reverse erroneous interest expense

NC-Bond Prin Reclassed To BS - Prop Fnds	103,000
NC-Bond Prin Reclassed To BS - Prop Fnds	19,700
Equity in Pooled Cash Account	122,700
NC-Bond Prin Reclassed To BS - Prop Fnds	1,815,000
NC-Bond Prin Reclassed To BS - Prop Fnds	2,575,000
NC-Bond Prin Reclassed To BS - Prop Fnds	10,170,000
NC-Bond Prin Reclassed To BS - Prop Fnds	1,025,000
NC-Bond Prin Reclassed To BS - Prop Fnds	2,344,377
NC-Bond Prin Reclassed To BS - Prop Fnds	6,235,000
NC-Bond Prin Reclassed To BS - Prop Fnds	1,385,000
NC-Bond Prin Reclassed To BS - Prop Fnds	1,560,000
NC-Bond Prin Reclassed To BS - Prop Fnds	3,598,450

Table of Adjusting Entries



NC-Bond Prin Reclassed To BS - Prop Fnds	3,650,000	
Equity in Pooled Cash Account	10,170,000	
Equity in Pooled Cash Account	3,598,450	
Equity in Pooled Cash Account	1,025,000	
Equity in Pooled Cash Account	630,000	
Equity in Pooled Cash Account	755,000	
Equity in Pooled Cash Account	1,815,000	
Equity in Pooled Cash Account	2,344,377	
Equity in Pooled Cash Account	1,560,000	
Equity in Pooled Cash Account	6,235,000	
Equity in Pooled Cash Account	2,575,000	
Equity in Pooled Cash Account	3,650,000	
NC-Bond Prin Reclassed To BS - Prop Fnds	825,000	
NC-Bond Prin Reclassed To BS - Prop Fnds	830,000	
Equity in Pooled Cash Account	1,655,000	
Equity in Pooled Cash Account		122,700
Bond Interest From Sinking Fund - Proprietary Funds		103,000
Bond Interest From Sinking Fund - Proprietary Funds		19,700
Equity in Pooled Cash Account		1,655,000
Equity in Pooled Cash Account		10,170,000
Equity in Pooled Cash Account		3,598,450
Equity in Pooled Cash Account		755,000
Equity in Pooled Cash Account		1,815,000
Equity in Pooled Cash Account		2,344,377
Equity in Pooled Cash Account		1,560,000
Equity in Pooled Cash Account		6,235,000
Equity in Pooled Cash Account		2,575,000
Equity in Pooled Cash Account		3,650,000
Bond Interest From Sinking Fund - Proprietary Funds		10,170,000
Bond Interest From Sinking Fund - Proprietary Funds		3,598,450
Bond Interest From Sinking Fund - Proprietary Funds		1,025,000
Bond Interest From Sinking Fund - Proprietary Funds		1,385,000
Bond Interest From Sinking Fund - Proprietary Funds		1,815,000
Bond Interest From Sinking Fund - Proprietary Funds		2,344,377
Bond Interest From Sinking Fund - Proprietary Funds		1,560,000
Bond Interest From Sinking Fund - Proprietary Funds		6,235,000
Bond Interest From Sinking Fund - Proprietary Funds		2,575,000
Bond Interest From Sinking Fund - Proprietary Funds		3,650,000
Equity in Pooled Cash Account		1,025,000
Equity in Pooled Cash Account		630,000
Bond Interest From Sinking Fund - Proprietary Funds		825,000
Bond Interest From Sinking Fund - Proprietary Funds		830,000
	72,271,054	72,271,054

Table of Adjusting Entries



Adjusting Journal Entries JE # 15

To record material misstatements noted in revenue testing and the search for unrecorded liabilities

Accounts Receivable (Doc Supported)	1,324,367	
Franchise Fee - Solid Waste	1,147,068	
WIP - Building	847,752	
DM Other Construction Costs	847,752	
Franchise Fee - Solid Waste		1,324,367
N/C Prior Yrs. Excess Revenue		1,147,068
Vouchers Payable Account		847,752
DM Other Construction Costs		847,752
	4,166,939	4,166,939

PBC Adjusting Journal Entries JE # 16

Total All Journal Entries Related to CRI Inquiries	232,084,035	232,084,035
Total All Journal Entries to Include Provided by Client (PBC) Entries	724,276,269	724,276,269



GRANTS & CONTRACT COMPLIANCE DIVISION CONTRACT OVERSIGHT PROGRAM

GRANTS AND CONTRACT COMPLIANCE DIVISION

The Grants and Contract Compliance Division serves the City of Jacksonville and its most vulnerable population. Our role is to administer and monitor grant funding to advance the work of strengthening our neighborhoods and communities. We pledge to operate in transparency and compliance while promoting collaboration with our internal and external stakeholders.

COMPLIANCE

The compliance oversight program ensures that the Grants and Contract Compliance Division follows internal policies and procedures as well as local, state and federal guidelines. The Grants and Contract Compliance Division carries a significant responsibility when processing and managing grant funding and are accountable for thoroughly reviewing and ensuring that agencies comply with the terms of the contract agreement. Staff charged with the monitoring of contracts must maintain high standards and work closely with grantees to:

- Track documents in a Document Tracking system
- Achieve stated goals and objectives
- Ensure compliance with deadlines
- Adhere to specified budget and financial reporting requirements
- Adhere to specified contract programmatic reporting requirements
- Ensure funds are expended appropriately per the scope of service deliverables
- Comply with all contract terms and conditions, including audits and insurance
- Maintain appropriate records
- Establish Standard Operation Procedures (SOPs)

Efficient grants management should entail robust Standard Operating Procedures. To date, the Grants and Contract Compliance Division has up to 100 SOPs either in progress or completed. The SOPs will provide staff with clear direction and instructions for efficiently completing tasks and should also:

- Ensure consistency in all processes and procedures
- Mitigate errors and guess work
- Align with directives in accordance with applicable ordinances, laws & compliance standards
- Serve as a constant training tool to existing and new staff
- Formalize and streamline communication with internal and external audiences

OVERSIGHT

An oversight process is critical to ensure the interest and responsibilities of the city are met and that our grantees are successful from pre-award to close-out. There will be continuous oversight, training and evaluation of staff to monitor progress, and all contracts will be reviewed by Grants and Contract Compliance Division leadership for accuracy. A Scorecard will be implemented to track and monitor all grants, projects, payments and status updates. The following will be established to prevent and mitigate errors:

- Monitoring and programmatic reporting to incorporate performance metrics & outcomes
- Checklists incorporated into SOPs for critical deliverables to ensure all tasks are met
- Monitoring of non-compliance lists to ensure grantees can correct issues and avoid delays in program activities
- Accountability through random and frequent internal audits for all staff with reporting of findings that include:
 - Rewards and incentives for high performance
 - Corrective action plan for findings (re-training, performance management)
- In-person site visits to agencies within 90 days of contract execution to:
 - Formally introduce themselves to the staff to establish a clear point of contact
 - Tour the facility to learn more about funded programs
 - Review the contract budget and requirements, in detail
 - Answer any questions from agency

TECHNOLOGY

To improve coordination, enhance oversight and provide reporting of the City's grants, the Grants and Contract Compliance Division is currently working with the Information Technology Division (ITD) to implement a new Salesforce Grants Management System in 2025 prior to the start of the fiscal year 2026 Public Service Grant cycle. Grants are currently managed using software with limited capabilities requiring manual entry that leads to a high risk of errors. The Grants and Contract Compliance Division will continue to improve processes for efficiency by:

- Periodically evaluating system needs
- Facilitating automation of tasks for timely completion and error reduction
- Creating simplicity for users
- Communicating more effectively with internal departments
- Refining reporting and monitoring data

TRAINING

Internal staff will receive ongoing training and professional development. The most recent training was held with the National Grants Management Association in July 2024. This training involved updating staff on new policies and regulations, transparency, standards and requirements. Staff will also have the opportunity to participate in training, forums, workshops and events to stay abreast of industry trends and technology. Professional development also includes project management as well as communication and leadership skills.

Additionally, the goal is to have select staff join local, state and federal professional grant associations to further their understanding of best practices and have access to resources. The memberships will also afford staff the opportunity to engage in educational online discussion forums, critical community conversations, and the ability to continue to create relationships with our local nonprofits and stakeholders.

Finally, staff will have informal monthly individual performance discussions to ensure that they are receiving continuous feedback to foster an environment dedicated to producing a high-quality product and work environment. Key staff will also complete the Department of Justice Grant Financial Management Training consisting of 24 grants management modules.

PROCESS IMPROVEMENT

The Grants and Contract Compliance Division will nurture a culture of continuous process improvement that will include, but not be limited to:

- Utilizing audit findings from the Council Auditor's Office, Office of Inspector General and internal self-audits to make continuous improvements to our processes.
- Increase our knowledge base and application of the LEAN continuous improvement methodology to eliminate waste and reduce the cost of doing business.
- Regular feedback from non-profit partners through formal and informal surveys (e.g. post application, mid-year for recipients).
- Evaluate local ordinances for improvements (e.g. Chapter 118).

The Contract Oversight Program will be implemented with the local grant processes and may be extended to other grants and agencies within the division and city.

For any questions, please contact:

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