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AGENDA

THE GULF CONSORTIUM Board of Directors Meeting

June 10, 2020, 2:00 p.m. Eastern

GoToMeeting
Dial-in Number: +1 (646) 749-3117
Participant Passcode: 506-329-317#

Committee Members

As attached.

Staff

Valerie Seidel, Dan Dourte, Richard Bernier (The Balmoral Group)
Lynn Hoshihara, Evan Rosenthal (Nabors, Giblin & Nickerson, P.A.)

Item 1. Call to Order.

Chairman Christopher Constance will call the meeting to order

Item 2. Roll Call.

Valerie Seidel (The Balmoral Group) will call the roll.

Item 3. Additions or Deletions.

Any additions or deletions to the committee meeting agenda will be announced.

RECOMMEND: Approval of a final agenda.

Item 4. Public Comments.

The public is invited to provide comments on issues that are on today's agenda

Item 5. Consent Agenda.

The consent agenda items are presented for approval. Board members may remove any items from this agenda that they have questions on or would like to discuss in depth. Any items removed would then be included in the regular agenda in an order assigned by the Chair.

Consent Agenda Items:

- Minutes of the January 29, 2020 Board Meeting (please see backup pages 6-11)
- Report on delegated authority through April 30, 2020 (please see back up page 12)

RECOMMEND: Approve Board Meeting Minutes and Delegated Authority Report

Item 6. Grants Status

Dan Dourte (The Balmoral Group) will give an update on Grant applications for review and approval. Six grant applications have been received for a total of about \$12M. Upcoming subrecipient applications should be delivered to the Gulf Consortium by 8/7/2020; these will be reviewed at the September 2020



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Board Meeting. A summary of new grant applications has been provided in the agenda item. The status for all projects with active funding requests is regularly updated and can be accessed on P.8 of the interface at <https://datavisual.balmoralgroup.us/GulfConsortiumProjects>.

RECOMMEND: Approval of new grant applications

(Please see back up pages 13-16)

Item 7. Policy Update.

Valerie Seidel (The Balmoral Group) will present policy/manual updates.

(Please see back up pages 17-19, Subrecipient Policy edits Page 20, Grant Policy edits pages 21-40)

RECOMMEND: Approval of policy language revisions

Item 8. NGN Contract Renewal

Valerie Seidel (The Balmoral Group) will bring to the committee consideration of renewal for NGN's contract for Legal Services as noted in original contract

(Please see back up pages 41-43, Extension of Agreement pages 44-45, original agreement pages 46-56, Table showing payments to NGN for current contract period Pages 57-59)

RECOMMEND: Contract renewal

Item 9. Financial Report

Richard Bernier (The Balmoral Group) will deliver updated financial reports.

(Please see back up pages 60-69)

RECOMMEND: Approve Financial Reports

Item 10. Audit Report

Angela Balent will provide the final audit report.

(Please see back up pages 70-114)

RECOMMEND: Approve Final Audit report

Item 11. General Counsel's Report

Lynn Hoshihara (NGN) will give an updated General Counsel Report.

RECOMMEND: For information only

Item 12. FDEP – Pot 2 update

Phil Coram will give an update on Pot 2.

RECOMMEND: For information only

Item 13. Manager's Report

Valerie Seidel (The Balmoral Group) will present an updated manager's report.

(Please see back up pages 115-118)

RECOMMEND: For information only

Item 14. Public Comments

The public is invited to provide comments on relevant issues.



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Item 15. Board Member Comments

Members of the Board are invited to provide comments on relevant issues

Item 16. Upcoming Gulf Consortium Board Meeting

TBD Date between September 8-11, 2020

Orange County

in conjunction with FAC Policy Conference

TBD Date between December 1-4, 2020

Duval County

In Conjunction with FAC Legislative Conference

Item 17. Adjourn

**Gulf Consortium Directors, Alternates and Governor's Appointees
2020**

County	Directors and Alternates
Bay	Commissioner Philip Griffiths, Director; Commissioner Robert Carroll, Alternate
Charlotte	Commissioner Christopher Constance, Director; Alternates: Commissioner Ken Doherty, Emily Lewis
Citrus	Commissioner Scott Carnahan, Director
Collier	Commissioner Burt Saunders, Director; Alternates: Commissioner Penny Taylor, Gary McAlpin
Dixie	Tim Alexander, Director
Escambia	Commissioner Robert Bender, Director; Commissioner Doug Underhill, Alternate
Franklin	Commissioner Joseph "Smokey" Parrish, Director; Michael Morón, Alternate
Gulf	Warren Yeager, Director; Donald Butler, Alternate
Hernando	Commissioner Wayne Dukes, Director; Alternates: Jeffrey Rogers, County Administrator, Keith Kolasa,
Hillsborough	Commissioner Les Miller, Director; Alternates: Commissioner Ken Hagan, Jim Taylor
Jefferson	Commissioner Betsy Barfield, Director; Parrish Barwick, Alternate
Lee	Commissioner Brian Hamman, Director; Alternates: Commissioner Larry Kiker, Kurt Harclerode
Levy	Commissioner John Meeks, Director; Tisha Whitehurst, Alternate
Manatee	Commissioner Carol Whitmore, Director; Charlie Hunsicker, Alternate
Monroe	George Neugent, Director; Commissioner David Rice, Alternate
Okaloosa	Commissioner Kelly Windes, Director; Commissioner Carolyn Ketchel, Alternate
Pasco	Commissioner Jack Mariano, Director; Commissioner Ron Oakley, Alternate
Pinellas	Commissioner Charlie Justice, Director; Andy Squires, Alternate
Santa Rosa	Commissioner Lane Lynchard, Director; Commissioner Dave Piech, Alternate
Sarasota	Commissioner Nancy Detert, Director; Joseph Kraus, Alternate
Taylor	Commissioner Jim Moody, Director; Alternates: LaWanda Pemberton, Commissioner Thomas Demps
Wakulla	David Edwards, Director; Commissioner Ralph Thomas, Alternate
Walton	Larry Jones, Director; Commissioner Trey Nick, Alternate
Governor's Appointees	Pam Anderson, Panama City; Peter Bos, Destin; Lino Maldonado, Niceville; Collier Merrill, Pensacola; Mike Sole, Tallahassee; Neal Wade, Panama City

Notice of Meeting/Workshop Hearing

OTHER AGENCIES AND ORGANIZATIONS

Gulf Consortium

The Gulf Consortium announces a public meeting of its Board of Directors via communications media technology to which all persons are invited to participate.

DATE AND TIME: June 10, 2020 at 2:00 pm (ET)

PLACE: This meeting will be conducted exclusively via teleconference. Interested persons may participate by telephone via the following:

Dial in Number +1 (646) 749-3117

Participant Passcode: 506-329-317

Interested persons who wish to participate may also contact Valerie Seidel at 407-629-2185 ext 104 or vseidel@balmoralgroup.us at least three (3) days in advance of the meeting to arrange for access to be provided to the teleconference at the following location:

The Balmoral Group, 165 Lincoln Avenue, Winter Park, FL 32789

Please note that in light of the current situation surrounding the COVID-19 virus and to limit public gatherings in accordance with Federal and State directives, interested persons who wish to participate are encouraged to do so remotely via telephone, utilizing the contact information described above.

GENERAL SUBJECT MATTER TO BE CONSIDERED: The Board of Directors of the Gulf Consortium will meet to discuss the status of grant applications and grants, review financials and conduct other business at the discretion of the committee. A copy of the agenda may be obtained at www.gulfconsortium.org or by contacting: General Manager at 407-629-2185 or Gulf.Consortium@balmoralgroup.us.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 3 days before the workshop/meeting by contacting the General Manager at 407-629-2185 or Gulf.Consortium@balmoralgroup.us. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice).

If any person decides to appeal any decision made by the Executive Committee with respect to any matter considered at this meeting, he/she may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence from which the appeal is to be issued.

For more information, please contact the General Manager at 407-629-2185 or Gulf.Consortium@balmoralgroup.us.

AGENDA ITEM 5

**Gulf Consortium Board Meeting
June 10, 2020**

**Agenda Item 5
Approval of January 29, 2020 Minutes**

Statement of Issue:

Request to approve the minutes of the January 29, 2020 meeting of the Gulf Consortium Board Meeting.

Options:

- (1) Approve the January 29, 2020 minutes as presented; or
- (2) Amend and then approve the minutes.

Recommendation:

Motion to approve Option 1.

Prepared by:

Amanda Jorjorian,
The Balmoral Group
On: May 29, 2020

Attachment:

Draft Minutes, January 29, 2020 meeting of the Gulf Consortium.

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

**Gulf Consortium Board of Directors Meeting
January 29, 2020, Time 2:00p.m. (Eastern)
Tallahassee Community College, Leon County**

Members in Attendance: Chair Warren Yeager (Gulf), Jim Muller (Bay), Chairman Chris Constance (Charlotte), Commissioner Scott Carnahan (Citrus), Gary McAlpin (Collier), Commissioner Robert Bender (Escambia), Commissioner Joseph “Smokey” Parrish (Franklin), Commissioner Wayne Dukes (Hernando), Jim Taylor (Hillsborough), Commissioner Betsy Barfield (Jefferson), Commissioner John Meeks (Levy), Charlie Hunsicker (Manatee), George Neugent (Monroe), Commissioner Kelly Windes (Okaloosa), Commissioner Jack Mariano (Pasco), Commissioner Charlie Justice (Pinellas), Commissioner Lane Lynchard (Santa Rosa), Joseph Kraus (Sarasota), LaWanda Pemberton (Taylor), David Edwards (Wakulla), Larry Jones (Walton).

Also in Attendance: Valerie Seidel (The Balmoral Group), Dan Dourte (The Balmoral Group), Evan Rosenthal (Nabors, Giblin & Nickerson), Lynn Hoshihara (Nabors, Giblin & Nickerson)

Agenda Item #1 – Call to Order

Chairman Warren Yeager (Gulf) called the meeting to order at 2:01pm (ET).

Agenda Item #2 – Roll Call

Attendees as above.

Agenda Item #3 – Officer Elections

Vice Chair Warren Yeager (Gulf) recognized Dan Dourte (The Balmoral Group) who gave a detailed overview of the agenda item including the process by which the officers are elected each year. Voting commenced by ballot for the nominated individuals. The ballots were tallied. Results were confirmed and board approved as:

Chairman – Commissioner Chris Constance (Charlotte)

Vice Chair – Commissioner John Meeks (Levy)

Secretary/Treasurer – Commissioner Jack Mariano

ACTION: APPROVED

Agenda Item #4 – Consent Agenda - Approval of November 20, 2019 Minutes

Newly elected Chairman Chris Constance (Charlotte) commented on the order of the agenda and asked that the Public comment come first, then additions and deletions and then consent agenda. Chairman Constance presented the minutes for the November 20, 2019 Board Meeting Minutes and November 20, 2019 for approval. Commissioner Lane Lynchard (Santa Rosa) made the motion to approve the minutes as presented, seconded by David Edwards (Wakulla). All in favor.

ACTION: APPROVED

Agenda Item #5 – Additions or Deletions

None

Agenda Item #6 – Public Comment

There was a public comment about Agenda Item 9 regarding clarification on direct charges to staff time. This comment would be addressed at Agenda Item 9.

Agenda Item #7-Grant Applications for review/approval and SEP Project Status

Chairman Constance recognized Dan Dourte (The Balmoral Group) who gave an update on the Grant applications for review and approval. Seven projects had awards at the time of the packet assembly with 7 more in the pipeline which should double the award amount in the next few weeks. The next deadline for grant applications was February 20. There was no action required on this item.

Agenda Item #8-SEP Amendment #2 for submission to RESTORE Council

Chairman Constance recognized Dan Dourte (The Balmoral Group) who provided an update on the SEP Amendment #2 and requested for board approval to submit to RESTORE. The SEP Amendment had been released to the public for its 45 day comment period and all comments addressed. Commissioner Gary McAlpin made the motion approve the SEP amendment for RESTORE submittal, seconded by Commissioner Carol Whitmore (Manatee). All in favor.

ACTION: APPROVED

Agenda Item #9 – Gulf Consortium Policy Updates

Chairman Constance recognized Valerie Seidel (The Balmoral Group) who presented the revised Gulf Consortium policies included as a separate attachment to the packet for approval. The procedures review committee met on three separate occasions by phone to review the policy changes. There were two changes she brought to the board's attention: 1. A conflict in language regarding record retention and 2. Record keeping regarding time and attendance. There was also an included policy on SEP amendments. Commissioner Scott Carnahan (Citrus) made the motion to approve the policies, seconded by Commissioner Lane Lynchard (Santa Rosa). All in favor.

ACTION: APPROVED

Agenda Item #10 – Board Policy Regarding Electronic Meetings

Chairman Constance recognized Lynn Hoshihara (Nabors, Giblin & Nickerson), presented the board with a draft resolution to allow the Gulf Consortium to hold electronic meetings. Per Section 163.01(18) FS legal entities such as the Consortium are authorized to hold meetings electronically. Historically the Consortium has maintained a policy encouraging in-person attendance and limiting votes to those attending in person. At the November 19th 2019 board meeting staff was directed to prepare an agenda item for the Board to consider a request to allow teleconference participation in future meetings. Board discussion ensued regarding technical difficulties on some of the electronic meetings and difficulties making comments in the event 23 board members were on the phone at a time. Commissioner Betsy Barfield (Jefferson), made the motion to vote telephonically in meetings with substantive meetings being in person with no phone vote and the chair would decide on whether to hold substantive meetings in person or not. Three were in favor and 16 oppose. Action was defeated.

ACTION: DEFEATED

Agenda Item #11 – Manager's Report

Chairman Constance recognized Valerie Seidel (The Balmoral Group) who gave an update on the managers' report. One additional grant had been awarded since the last board meeting. No new applications were received during the current period. The Stand-up SEP was officially closed out on December 30, 2019 which was the first successful grant completion from application through close-out. The PSEP would close out the following day. The Procedures Review committee conducted their

final session in January as previously mentioned during the policy review. RESTORE Council has advised that they would be conducting an Internal Controls review onsite at The Balmoral Group's offices on February 19, 2020. The financial and single audit were completed and there was no need for a second meeting by the Audit Committee. There were no questions on this item and no action was required.

Agenda Item #12 – Financial Statements

Chairman Constance recognized Valerie Seidel (The Balmoral Group) who provided updated financial statements to the Executive Committee through December 31, 2019. There were few changes since the last Board meeting. There were charts showing a grant status summary, implementation costs graph and submitted grants graph. The last item included as the delegation for authority report. There were no questions on this item. No action was required on this item.

Agenda Item #13 – General Counsel Report

Chairman Constance recognized Lynn Hoshihara (Nabors, Giblin & Nickerson) who informed the board that Balmoral's contract was set to auto renew for an additional one-year term beginning in May 1, 2020. No action was required unless there was a written notice of non-renewal. There were no comments on this item.

Agenda Item #14 – FDEP – Pot 2 update

Phil Coram (DEP) gave an update on Pot 2. Florida and other Council members submitted their RESTORE Pot 2 pre-proposals to Council staff on January 28th. Florida submitted 4 pre-proposals, all programs - not projects: Water Quality, Hydrologic Restoration, Coastal Resilience, and Land Acquisition. If the pre-proposals are accepted by the Council, FDEP will need to develop project selection criteria for each of the programs. For example, under the WQ program priority could be given to projects that address impaired waters, are included in other restoration plans, such as SWIM plans or the GC's SEP, and leverage other funds. FDEP would solicit public comment and input on the selection criteria, and would use a NRDA like process to select projects, including a "call for projects." The advantage of a program is that it allows projects to be brought forward in a timely manner, and hopefully leverage RESTORE Pot 1 and 3 funded projects. Over the next several months RESTORE Council members will vet all the pre-proposals submitted by Council members with hopes of coming out with a draft funded priorities list later this year. The Council hopes to final the FPL by April of 2021, after receipt of the next BP payment. The amount of funded projects in the FPL is expected to be about \$300 million, for projects and programs across the Gulf. There is no amount of funds allocated to Florida under Pot 2, and we compete with the other Council members for funding.

Agenda Item #15 – Public Comments

There was no public comment. Chairman Constance noted that an agenda item would be added for Member comments.

Agenda Item #16 – Upcoming Gulf Consortium Board Meeting

The next Board meeting would be a to be determined time and place on March 26th in Tallahassee. Chairman Constance commented that there were no corresponding FAC meetings so the Consortium Meeting should be earlier in the day.

Agenda Item #17 – Adjourn

There being no further business, Chairman Constance adjourned the meeting at 3:28pm.

DRAFT

**Gulf Consortium Executive Committee Meeting
May 26, 2020**

**Item 4 – Consent Agenda
Report on Delegated Authority
Actions from March 1 - April 30, 2020**

Summary:

Staff report of actions carried out through delegated authority of the Board.

1. 4/28/2020 – Filed FFR (SF-425) EGID 21; PSEP
2. 4/28/2020 – Filed Close-out certification; PSEP (will be refiled with new system)
3. 4/28/2020 – Filed FFR (SF-425) EGID-86; Pasco Co
4. 4/28/2020 – Filed FFR (SF-425) EGID 88; Septic to Sewer Bundle 1
5. 4/28/2020 – Filed FFR (SF-425) EGID 89; Wakulla Co.
6. 4/28/2020 – Filed FFR (SF-425) EGID 90; Pinellas Co.

Note: the following item was inadvertently omitted from the prior packet:

1. 2/7/2020– Executed micro-purchase and contract for firm to provide Section 508 compliance on SEP amendment

AGENDA ITEM 6

**Gulf Consortium Board Meeting
June 10, 2020**

**Agenda Item 6
Grant applications review and SEP project status**

Statement of Issue:

All SEP projects with active funding requests are summarized in this item. A table of newly submitted applications is included as an attachment to this item. 6 new grant applications are presented to the Consortium for review and approval and subsequent processing and submission to RESTORE Council. Executive Committee has reviewed the applications and recommended they be moved to the full board for review.

Background:

The next recommended deadline for submission of grant application materials is 8/7/2020, to allow for staff time to prepare applications for the September Consortium Board Meeting. Any project milestones with 2019-2021 start date can be applied for – see page 1 of project data dashboard at (page navigation arrows at bottom of dashboard) <http://datavisual.balmoralgroup.us/GulfConsortiumProjects>.

As of May 19, 2020, 15 projects have been awarded (\$9.1M in funding; 12 RESTORE Council awards to the Consortium). A total of 29 grant applications have been received and processed. 4 are currently under RESTORE Council review: 1 is one hold, 3 have been withdrawn, 15 have been awarded, and 6 are being prepared for submission to RESTORE Council. The total amount of all grant applications or awards is about \$35M.

On May 20, 2020, the 2nd SEP amendment was fully approved by RESTORE Council Chair, Andrew Wheeler, based on findings from Council's Executive Director, Ben Scaggs.

Most Recent Activity:

The following grant applications for SEP project implementation have been prepared in conjunction with County personnel:

- 7-3: Apalachicola Bay Cooperative Dredging Program - Dredging (Franklin County); \$5,027,628
- 16-2: Wastewater Collection System Improvements – E&D (Pinellas County); \$2,080,501
- 20-1: Charlotte Harbor Septic to Sewer – Construction (Charlotte County); \$4,069,681
- 18-6: Applied Research for Shellfish Aquaculture and Habitat Restoration (Manatee County); \$349,885
- 18-2: Portosueno Park Living Shoreline (Manatee County); \$676,933
- 24-1: Adaptive Planning and Compliance Project (Gulf Consortium); \$191,860

Attachments:

Project applications summary table

Options:

- (1) Approve these 6 grant applications for submittal to RESTORE Council
- (2) Board direction

Recommendation:

Option 1

Prepared by:

Dan Dourte
The Balmoral Group, Manager
On: May 19, 2020

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

Project Applications Summary Table

County	Project Name	Milestones	Metrics	Amount	Subrecipient Amount	Start Date	End Date
Franklin	7-3: Apalachicola Bay Cooperative Dredging Program	Construction	C01106 - Linear Feet of transportation channel improved	\$5,027,628	\$5,000,000	8/15/2020	8/15/2021
Pinellas	16-2: Wastewater Collection System Improvements - E&D	Engineering & Design	PRM011 - # E&D Plans Developed	\$2,080,501	\$2,053,487	2/15/2021	12/31/2022
Charlotte	20-1: Charlotte Harbor Septic to Sewer - Construction	Construction	RES002 - # upgrades to stormwater and/or wastewater systems	\$4,069,681	\$4,000,000	6/1/2021	3/31/2025
Manatee	18-6: Applied Research for Shellfish Aquaculture and Habitat Restoration	Planning	PRM010 - # studies/models used to inform mgmt.	\$349,885	\$300,000	10/1/2020	3/31/2027
Manatee	18-2: Portosueno Park Living Shoreline	Engineering & Design; Construction	PRM011 - # E&D Plans Developed; PRM013 - # compliance documents produced	\$676,933	\$650,000	1/31/2021	12/31/2022
Gulf Consortium	24-1: Adaptive Planning and Compliance	Planning	PRM010 - # studies/models used to inform mgmt.	\$191,860	NA	6/30/2020	6/29/2023
Total Pot 3 funding request				\$12,396,488	\$12,003,487		

NOTE: See all project status on P. 8 of <http://datavisual.balmoralgroup.us/GulfConsortiumProjects> (navigation arrows at bottom of screen on that link)

AGENDA ITEM 7

**Gulf Consortium Board Meeting
June 10, 2020**

**Agenda Item 7
Policy Amendments**

Executive Summary:

This item requests an approval from the Board to approve policy amendments. While we could wait and include these revisions into the normal annual review of policy matters, implementation will be more timely with Board action. Executive Committee has approved the policy amendments for full board consideration.

Background:

In February 2020, RESTORE Council conducted an Internal Controls Review with staff. Following the review, staff has been working on updating and better documenting the risk assessment process we are using. Implementation of two items is brought forward for Board action:

- 1) Your RESTORE Coordinators have provided their OSA's from Pot 1/Treasury and county audits as a part of our risk assessments. There are several items in the Pot 3 OSA that are not in the Pot 1 OSA (37 Pot 1 vs. 62 Pot 3 questions). Examples include whether the Counties provide training to subrecipients on managing federal funds, and the compliance associated with federal grant funds, or whether the County has instituted anti-fraud measures, such as incentives. To ensure compliance, Consortium staff completes the Pot 3 OSA, but this means that staff are likely to be asking about matters that Counties have not had to deal with for Pot 1. Staff wants the Board to understand that the additional level of scrutiny is required for the Consortium to remain in compliance with its governing rules. We have updated Risk Assessment language within the Grants Manual policy, and updated the RESTORE Coordinators accordingly. While this has been practice, the policy did not explicitly reflect the risk rubric. This change will be adopted into policy on Board approval.
- 2) The Board previously approved delegating authority to accept grant awards with standard terms and conditions, or with Special terms and conditions that do not substantially depart from the originally approved grant – for example, updating observational data plans or data management plans. Counterpart language allowing these changes downstream, from the Consortium to the subrecipient, was omitted in the policy change. Staff has drafted language for policy revision, and this change will be adopted on Board approval.

Options:

Option #1, Recommend approval of policy amendments.

Option #2, Do not recommend approval of policy amendments.

Option #3, Board Direction.

Recommendation:

Option #1

Attachments:

- 1) Grant Manual – Language added about subrecipient agreements and risk assessment
- 2) Subrecipient Policy –Language added to allow the Consortium to make minor changes to subrecipient agreements if needed and language added about qualifications of county’s subrecipients

Prepared by:

Valerie Seidel, The Balmoral Group

On: May 19, 2020

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved ____; Approved as amended ____; Defeated _____.

Amendment of Gulf Consortium Subrecipient Policy

1. S-9 of the Gulf Consortium Subrecipient Policy is hereby amended as follows, to add language about qualifications of county's subrecipients:

S-9. Subaward Requirements

a. Sub-subawards: Where authorized in an Award, Subrecipients may make sub-subawards to third party entities for the implementation of activities described in an Award. A Subrecipient that wishes to make a sub-subaward shall be responsible for evaluating the qualifications and capability of prospective sub-subrecipients to ensure their ability to successfully implement the SEP project or portion thereof. The Subrecipient shall be responsible for submitting appropriate information and documentation to the Consortium evidencing compliance with this requirement at or prior to submitting a grant application related to any SEP project to the Consortium.

[Underline indicates additions; strikethrough indicates deletions]

2. S-18.1 of the Gulf Consortium Subrecipient Policy is hereby amended as follows to add language of minor changes to a subrecipient agreement:

S-18.1 Agreement Amendments

c. Consistent with the Consortium's delegation of authority to the Chairperson to approve and execute subrecipient agreements between the Consortium and the member counties, upon recommendation by the General Manager (in consultation with the General Counsel where requested), the Chairperson shall be authorized to approve and execute amendments to subrecipient agreements as are appropriate to the circumstances of each individual project, so long as such changes are consistent with the terms of the Award and do not affect the substantive rights or remedies of the Consortium. Any proposed substantive or material amendments to a subrecipient agreement shall require approval by the Consortium Board.

[Underline indicates additions; strikethrough indicates deletions]

Amendment of Gulf Consortium Grants Manual

1. Section GM-2.1 of the Gulf Consortium Grants Manual is hereby amended as follows:

GM-2.1 The Consortium Board of Directors

All grant applications to the RESTORE Council will require approval by the Consortium Board before submittal. Upon approval by the RESTORE Council, if the grant award does not contain any special award conditions that substantially depart from the RESTORE Council's standard terms and conditions and/or were otherwise not contemplated at the time the application was submitted, the Award may be approved and executed by the Chairperson. ~~Subrecipient Agreements may be approved and executed by the General Manager where standard terms and conditions apply and where special award conditions do not substantially depart from the RESTORE Council's standard terms and conditions and/or were otherwise not contemplated at the time the application was submitted.~~ For example, special award conditions including non-duplicative use of RESTORE Council funds and updates to the Observational Data Plans or Data Management Plans would not be considered to substantially depart from standard terms and conditions.

[Underline indicates additions; ~~strikethrough~~ indicates deletions]

2. Section GM-3.2 of the Gulf Consortium Grants Manual is hereby amended as follows:

GM-3.2 Understanding Grant Eligibility

GM-3.2.1 Eligibility criteria

GM-3.2.2 Risk Assessment

The Consortium is a pass-through entity responsible for procuring and disbursing RESTORE Council funds. RESTORE Council policy is to “make awards only to eligible recipients both in terms of organizations allowed under the RESTORE Act and organizations that possess financial and administrative capabilities to successfully implement the project and minimize potential risks of waste, fraud, and abuse”. As such, the Consortium is responsible for ensuring that sufficient risk assessment has occurred to achieve fiduciary accountability, maintain accuracy and transparency concerning grant financing, and ensure proper use of all disbursed funds.

The Consortium will conduct risk assessments of subrecipients in order to effectively implement the statutory, regulatory, administrative, and program requirements of the potential awards. The Consortium has adopted Council’s risk rating methodology in substance, with modifications to suit the unique structure of the Consortium and County subrecipients. The Risk Assessment Tool will be completed in collaboration with County Finance and Grants Management staff as appropriate to assess whether conditions exist that warrant special terms and conditions in Subaward agreements, or any special handling of grants management. The Risk Assessment Tool document is provided in Appendix 3 to this Manual.

[Underline indicates additions; ~~strikethrough~~ indicates deletions]

3. Section GM-4.1 of the Gulf Consortium Grants Manual is hereby amended as follows:

GM 4.1 Award Review and Negotiation

1. Once the award scope and budget is agreed upon, awards will be made accessible via a system designated by RESTORE Council.

~~2. All grant awards and contract/agreements require review by General Counsel. As part of this review, General Counsel shall conduct a legal review of the grant award when requested by the General Manager agreement to ensure the Consortium's interests are protected.~~

3. The Board shall approve a form subrecipient agreement for use between the Consortium and the subrecipient member counties. The Chairperson is authorized to approve and execute such form subrecipient agreement on behalf of the Consortium in connection with a grant award. Upon recommendation by the General Manager (in consultation with the General Counsel where requested), the Chairperson shall be authorized to approve and execute subrecipient agreements, and amendments to same, containing such minor, non-material changes to the form subrecipient agreement as are appropriate to the circumstances of each individual project, so long as such changes do not affect the substantive rights or remedies of the Consortium. Any material changes to the form subrecipient agreement in connection with a grant award shall require approval by the Consortium Board.

~~4. The a. If the legal review identifies no issues with the terms and conditions of the agreement, the Grants Administrator shall prepare and submit a staff report to document the appropriation of grant funds and any use of delegated signature authority to execute the contract with the subrecipient member county. i. The Grants Administrator is responsible for ensuring approval to accept the award is~~

obtained ~~completed~~ by the date required by RESTORE Council for full execution (generally within 30 days of award notification).

5. ~~b.~~ If the legal review of a grant award identifies any issues with the terms and conditions of the award, General Counsel will contact RESTORE Council and seek to resolve the issue(s). ~~i.~~ If the General Counsel and RESTORE Council cannot arrive at a mutually agreeable position, General Counsel shall document the situation for the Consortium's records and ~~subsequent~~ report to the Board for further direction.

[Underline indicates additions; ~~strikethrough~~ indicates deletions]



The Gulf Consortium RISK ASSESSMENT TOOL

The risk assessment checklist is a tool to assist Consortium staff in assessing risk as described in 2 CFR 200.205 (displayed at the end of this document). The checklist duplicates that which RESTORE Council uses. The categories of risk in column 1 parallel the topics in the regulation and incorporate additional items that are used in other risk assessment methods and tools. One of the primary purposes of the risk assessment process is the review and evaluation of controls that an organization has in place to manage and monitor the use of grant funds. The outcome of the process is a determination of a level of risk assigned to the organization. The determination will inform the Consortium in determining the necessity for the inclusion of special conditions associated with the assigned risk level in the award.

The risk assessment process includes use of the table shown below in conjunction with various sources of information about the organization. Those sources may include the applicant's proposal submission, organizational self-assessment, and information about the organization available to the Consortium from various sources, including System for Award Management (SAM), Federal Awardee Performance and Integrity Information System (FAPIS), Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS), site visits reports or desk reviews conducted by staff. For each question specific supporting documentation is recommended for review.

Consortium staff may use the table on the following pages to frame its evaluation of the applicant organization in conjunction with supporting resource information described above. The table contains:

Column 1	Risk Category:	List of subjects that should be considered to determine level of risk
Column 2	Decision Factors/questions:	The list of attributes (and sub-divisions) identifying the control activities and the expected implementation or performance of those activities. ¹
Column 3-6	Yes/Somewhat/No/Not applicable:	Options to select whether or not the organization is executing each of the elements.
Column 7	Risk Rating - Low, Moderate, High:	Reviewer's judgement of how well the organization is performing on each category.
Column 8	Basis for rating/comments	Reviewer's notes on factors influencing the assigned rating

Subrecipients to the Consortium are required to annually submit the Operational Self Assessment (OSA) they have provided to Treasury. This OSA is used in combination with County Annual Financial Reports and targeted interviews with key county personnel to evaluate risk in each category.

The reviewer will consider the attributes in Column 2 (Decision Factors/Questions) and based on available information, select the option in columns 3 through 6 that describes the organization under review. The reviewer will use her/his judgement to assign a risk rating in column 7. Generally, the factors that are considered in assignment of the risk rating include:

- Evaluation of the how well control elements are designed/defined
- Whether or not the organization is performing effectively
- If not, what are the probabilities for and/or impacts of less than acceptable performance?

¹ Reviewers are free to add more attributes to the essential list, based on additional knowledge and/or additional resources that they may wish to consult.



The Gulf Consortium RISK ASSESSMENT TOOL

Column 9 allows the reviewer to document the considerations resulting in the assigned risk rating for that risk category. After a risk rating is assigned in each of the risk categories, the reviewer uses her/his judgement to assign a risk rating for the subrecipient. The overall subrecipient risk rating and the ratings in each category are used to inform the following to ensure risk is appropriately managed:

- Reporting requirements (for example, subrecipients with elevated risk may have reports required more frequently and in more detail)
- Special conditions in the subrecipient agreement



Risk Category	Decision Factors/Questions	Yes	No	Somewhat	Not Applicable	Low Mod. High	Basis for Rating/ Comments
Operating environment							
<ul style="list-style-type: none"> Code of conduct in place covering staff, board, contractors and any other parties responsible for organizational activities 	<ol style="list-style-type: none"> Organizational processes are in place to monitor institutional integrity and adherence to ethical values. OSA at 2. Employees, contractors and other individuals responsible for the organization's activities receive instructions/information regarding the code of conduct. OSA at 8 The code of conduct also addresses conflicts of interest. OSA at 9 Procedures exist to address violations of the code. OSA at 11 						
<ul style="list-style-type: none"> Effective management and organizational structure 	<ol style="list-style-type: none"> Organization charts, standard operating procedures and/or other documents clearly identify and define duties, lines of authority and responsibility. OSA at 3. The organization has confirmed all of the items listed on the Gulf Coast Ecosystem Restoration Council Recipient Internal Control Compliance Document List. Management regularly reviews reports, deliverables, expenditures and other programmatic requirements to be sure that the organization remains in compliance. OSA at 5 & 12 						



Risk Category	Decision Factors/Questions	Yes	No	Somewhat	Not Applicable	Low Mod. High	Basis for Rating/ Comments
Operating environment (continued)							
<ul style="list-style-type: none"> Information technology environment 	8. The organization has policies and procedures governing its information technology environment. <i>OSA at 31</i>						
	9. The organization has adequate information security and access policies, procedures and controls to safeguard important data and information. <i>OSA at 32 & 34</i>						
	10. The IT policies and procedures include disaster recovery and back up processes. <i>OSA at 33</i>						
<ul style="list-style-type: none"> Potential for problems or major obstacles to completion 	11. The organization has risk management process and pro-actively works to mitigate risk. <i>OSA at 14</i>						
	12. The organization has specific processes to identify, assess, and manage both internal and external risks related to financial management. <i>OSA at 7, 15 & 16</i>						
<ul style="list-style-type: none"> Record-keeping and document management 	13. The organization maintains adequate written records of its activities, as required by 2 CFR 200.203(b). <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff"). And OSA at 4.</i>						
	14. The organization maintains its records in an electronic system to ease location and retrieval. <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").</i>						
	15. Records associated with each grant agreement are maintained separately. <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").</i>						



Risk Category	Decision Factors/Questions	Yes	Somewhat	No	Not Applicable	Low Mod. High	Basis for Rating/ Comments
Financial stability							
<ul style="list-style-type: none"> Budget 	<p>16. The organization's procedures allow it to ensure that all costs are reasonable, allocable and allowable, as required by regulation. <i>OSA at 17</i></p> <p>17. The organization has a negotiated indirect cost rate agreement (NICRA) in place with its federal cognizant agency. <i>OSA at</i></p> <p>18. The organization has written policies and procedures governing cash management. <i>OSA at 18</i></p> <p>19. The organization draws down funds to meet immediate needs and minimize time from receipt to disbursement of funds. <i>OSA at 18</i></p>						
<ul style="list-style-type: none"> Drawdown record 	<p>20. The organization has been timely in the draw-down of previous federal funds. <i>OSA at 18</i></p> <p>21. No inconsistencies have been noted in the draw-down of funds or in the SF-425 Federal Financial Report. <i>Select NA for the first time applicant. See SF-425s in Grant Solutions</i></p>						
<ul style="list-style-type: none"> Financial risk category 	<p>22. The organization displays no evidence of financial risk. <i>See FAPIIS. If applicable</i></p>						
<ul style="list-style-type: none"> Delinquent federal debt 	<p>23. The organization has no delinquent federal debt. <i>See SAM.gov.</i></p>						



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Risk Category	Decision Factors/Questions	Yes	No	Somewhat	Not Applicable	Low, Mod., High	Basis for Rating/Comments
Financial stability (continued)							
<ul style="list-style-type: none"> Sound fiscal management practices 	24. The organization's financial management practices provide for a clear separation of duties. <i>OSA at 6</i>						
	25. The organization has established clearly defined financial reporting objectives that meet the requirements of the grant program. <i>OSA at 19, 20, 21, 22 & 23</i>						
	26. Financial statements can be tied back to source documents and vice versa. <i>OSA at 27</i>						
	27. Financial statements provide enough details for management to make informed decisions. <i>OSA at CAFR</i>						
	28. Financial controls ensure that federal funds are only used as intended to fulfill the terms of the award agreement. <i>OSA at 4 & 20</i>						
<ul style="list-style-type: none"> Recipient procurement system 	29. The organization has written procurement procedures and adheres to an appropriate legal, regulatory and procedural framework. <i>OSA at 24</i>						
	30. The organization's procurement system provides for the conduct and documentation of cost or price analysis for each procurement action. <i>OSA at 21 & 26</i>						
	31. The organization has an effective system of internal controls to provide reasonable assurance that contractors and subcontractors are properly notified of all requirements and that						



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Risk Category	Decision Factors/Questions	Yes	No	Somewhat	Not Applicable	Low, Mod., High	Basis for Rating/Comments
	the required certified payrolls are submitted to the non-federal entity. OSA at 19						

Risk Category	Decision Factors/Questions	Yes	No	Somewhat	Not Applicable	Low, Mod., High	Basis for Rating/Comments
Financial stability (cont.)							
<ul style="list-style-type: none"> Asset management 	32. The organization has policies, procedures and systems for asset management. OSA at 21						
	33. The organization maintains detailed records for all property, land, equipment and other both tangible and intangible assets associated with grant-funded projects or programs. OSA at 21						
	34. The organization has processes in place to safeguard and maintain assets acquired using federal funds. OSA at 21						
	35. The organization manages assets acquired using federal funds in accordance with regulations, including updating documentation associated with the assets. OSA at 21						
<ul style="list-style-type: none"> Subrecipient award and monitoring practices 	36. The organization has a methodology to assess the capabilities of its subrecipients to ensure that each subrecipient has adequate capability, management experience, and resources to meet its responsibility under the grant. OSA at 28						



**The Gulf Consortium
RISK ASSESSMENT TOOL**

<p>37. The organization establishes a formal written agreement with all subrecipients specifying the terms and conditions of the subaward. OSA <i>at</i>.</p>				
<p>38. The organization provides training for/information to its subrecipients on their responsibilities in managing federal grant funds. OSA <i>at</i></p>				



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Risk Category	Decision Factors/Questions	Yes	No	Somewhat	Not Applicable	Low Mod. High	Basis for Rating/ Comments
Financial stability (cont.)							
	39. The organization monitors its subrecipients to confirm that they are in compliance with their grant agreements and with federal regulations. <i>OSA at 28</i>						
	40. Subrecipient monitoring includes review of expenses and periodic reconciliations between budgeted and expended amounts. <i>OSA at</i>						
<ul style="list-style-type: none"> • Protections against waste, fraud or abuse 	41. The organization has established controls to prevent fraud, misuse or misappropriation of resources, with special attention to potential fraud risks, such as incentives, pressure, opportunity or rationalization. <i>OSA at</i>						
	42. Fraud risk is incorporated into the institutional risk assessment process and reviewed periodically to ensure that controls are working as intended. <i>OSA at</i>						
	43. The organization conducts fraud awareness training for its employees, contractors and others responsible for carrying out organizational activities. <i>OSA at 10</i>						
	44. The organization investigates, documents and adjudicates/remediates any reported or discovered incidents of fraud. <i>OSA at 11</i>						
<ul style="list-style-type: none"> • Financial and accounting system 	45. The organization has a computer-based (automated) accounting/financial management system. <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff")</i> .						



The Gulf Consortium
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Risk Category	Decision Factors/Questions	Yes	No	Somew	Not	Applica	Low Mod. High	Basis for Rating/ Comments
Financial stability (cont.)								
	46. The accounting /financial system supports generation of required reports that are accurate current, complete and compliant. <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").</i>							
	47. The accounting records are structured in a manner that allows grant funds to be managed and tracked individually. <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").</i>							
	48. The organization is able to manage and track the time that individuals charge to the grant-funded project/program. <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").</i>							
• Accounting practices	49. The organization has a procedure manual for the accounting/ financial system that includes procedures for managing the general ledger, as well as the production of all financial statements. <i>OSA Addendum and/or cite other sources.</i>							
	50. The organization follows generally accepted accounting principles (GAAP) in managing its transaction processing environment. <i>CAFR</i>							
	51. The organization's financial management and accounting processes also support Generally Accepted Auditing Standards (GAAS). <i>CAFR</i>							
• Internal control structures	52. Organization has documented its internal controls processes. <i>OSA at 11</i>							



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	53. The organization has a procedure for employees, management or others to report internal control weaknesses/problems. OSA at 11						
History of performance							
• Past performance	54. The organization has a positive past performance record in its management of federal funds. Select NA for the first time applicant. Thereafter see monitoring reports.						
Risk Category	Decision Factors/Questions	Yes	No	Somew	Not	Applica	Low, Mod., High
Reports and findings from audits							
• Timeliness of submission and response to program & regulatory requirements	55. Recipient has been timely in the submission of budget and project amendment requests, prior approval requests and any extension requests. Select NA for the first time applicant. Thereafter see Grant Solutions and the grant file.						
	56. Recipient has been timely in the submission of financial and performance reports. Select NA for the first time applicant. Thereafter see performance reports on Grant Solutions.						
• Internal audit	57. The organization has an internal audit department or unit that conducts reviews on a regular basis. OSA at Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").						
	58. Findings of internal control deficiencies are addressed in a timely manner by the organization. OSA at Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").						



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<ul style="list-style-type: none"> Prior/recent audit findings resolved 	59. External auditors review, evaluate and report on the strengths and weakness of the organization's internal controls. OSA at 35						
	60. The organization responds to audit findings in writing and in a timely manner. OSA at 36						
	61. (a) The organization has had an A-133 audit performed within a recent fiscal year. OSA at 35						
	61. (b) The organization has had an audit of a grant funded project within a recent fiscal year. OSA at Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").						
<ul style="list-style-type: none"> Audit with findings that might impact the pre-award management and financial assessment 	62. The organization has no recent audit findings that would affect the granting of an award. CAFR						
Risk Category	Decision Factors/Questions	Yes	No	Somewhat	Not Applicable	Low, Mod., High	Basis for Rating/Comments
Ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities							
<ul style="list-style-type: none"> Prior experience in managing /received prior federal grants 	63. The organization has previously received federal assistance awards in the form of grants, loans or cooperative agreements of a similar size, duration and/or complexity. Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").						
	64. The organization has staff that have knowledge and understanding of federal grant law, regulations, and						



The Gulf Consortium RISK ASSESSMENT TOOL

	procedures. <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 26, 2016 phone call with staff").</i>						
	65. The organization has formal written policies and procedures or a grants manual to manage federal grants. OSA at						
	66. Management periodically reviews all reports, deliverables, expenditures, and other requirements related to federal grant programs to ensure that guidelines and requirements are being met. OSA at 37						
<ul style="list-style-type: none"> Knowledgeable or experienced staff 	67. Staff (and/or contractors) have an adequate level of experience and/or expertise in subject matter and/or grants environment to perform the program. <i>Cite source in comments (e.g. "personal knowledge" or "Feb. 25, 2016 phone call with staff").</i>						
Risk Category	Decision Factors/Questions	Yes	No	Somew	Not Applica	Low, Mod., High	Basis for Rating/Comments
<ul style="list-style-type: none"> Awareness/understanding of federal regulations, esp. 2 CFR 200 	68. The organization is able to demonstrate/document adequate knowledge of and/or experience in applying regulations. OSA at						
Excluded Parties, Legal Issues and Investigations							
<ul style="list-style-type: none"> Excluded Parties Listing System (EPLS) 	69. Organization does not appear on the Excluded parties List. See SAM.gov.						
<ul style="list-style-type: none"> Any other legal issues, i.e. lawsuits, staff under criminal investigation 	70. Organization has no other outstanding legal issues or investigations pending. See FAPIIS.						
<ul style="list-style-type: none"> Outstanding/on-going OIG investigations 	71. No known evidence of an outstanding or on-going investigation of the organization.						
Summary of Analysis	Please use this space to indicate any concerns.						



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**Based on the totality of the information available,
the applicant's overall risk rating is:**

Low/Medium/High

Use this space to record notes on recommendations for Special Conditions or on issues for further monitoring.



The Gulf Consortium
RISK ASSESSMENT TOOL

Further Actions	
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_____ has conducted the risk analysis.
Gulf Consortium - Controller.

Date

_____ concurs with the analysis.
Gulf Consortium – General Manager

Date



The Gulf Consortium RISK ASSESSMENT TOOL

From 2 CFR 200

§200.205 Federal awarding agency review of risk posed by applicants.

(a) Prior to making a Federal award, the Federal awarding agency is required by 31 U.S.C. 3321 and 41 U.S.C. 2313 note to review information available through any OMB-designated repositories of governmentwide eligibility qualification or financial integrity information, such as Federal Awardee Performance and Integrity Information System (FAPIIS), Dun and Bradstreet, and “Do Not Pay”. See also suspension and debarment requirements at 2 CFR part 180 as well as individual Federal agency suspension and debarment regulations in title 2 of the Code of Federal Regulations.

(b) In addition, for competitive grants or cooperative agreements, the Federal awarding agency must have in place a framework for evaluating the risks posed by applicants before they receive Federal awards. This evaluation may incorporate results of the evaluation of the applicant's eligibility or the quality of its application. If the Federal awarding agency determines that a Federal award will be made, special conditions that correspond to the degree of risk assessed may be applied to the Federal award. Criteria to be evaluated must be described in the announcement of funding opportunity described in §200.203 Notices of funding opportunities.

(c) In evaluating risks posed by applicants, the Federal awarding agency may use a risk-based approach and may consider any items such as the following:

- (1) Financial stability;
- (2) Quality of management systems and ability to meet the management standards prescribed in this part;
- (3) History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
- (4) Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and
- (5) The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

(d) In addition to this review, the Federal awarding agency must comply with the guidelines on governmentwide suspension and debarment in 2 CFR part 180, and must require non-Federal entities to comply with these provisions. These provisions restrict Federal awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities

AGENDA ITEM 8

**Gulf Consortium Board Meeting
June 10, 2020**

**Agenda Item 8
Extension of NGN's Agreement for General Counsel Services**

Executive Summary:

This item requests approval from the Board to extend NGN's Agreement for Professional Services for an additional twenty-four (24) months. Executive Committee has recommended approval of NGN's agreement extension by 24 months.

Background:

In October 2012, the Consortium and NGN entered into an Agreement for Interim General Counsel Services. In September 2016, following a competitive procurement process, the Consortium and NGN entered into an Agreement for General Counsel Services ("Agreement"). The term of the Agreement was extended in September 2018 for twenty-four (24) months and is currently set to expire on September 30, 2020.

The attachment of the payment tables shows NGN has been paid \$112,804.99 from 10/1/2018 to 5/31/2020 (\$77,485.93 being grant-eligible and \$35,319.06 being other General Counsel services).

Section 3.01 of the original Agreement (p. 8 of agreement attached here) authorizes the term to be extended by mutual agreement of the parties for successive twenty-four (24) month periods.

Options:

Option #1, Recommend approval of a twenty-four (24) month extension of NGN's contract for General Counsel Services.

Option #2, Do not recommend approval of a twenty-four (24) month extension of NGN's contract for General Counsel Services.

Option #3, Board Direction.

Recommendation:

Option #1

Attachment:

1. Draft Extension of NGN's Agreement for General Counsel Services.
2. Original Agreement between NGN and The Gulf Consortium for General Counsel Services
3. Table showing amount paid to NGN for the current contract period (Oct 2018 to current)

Prepared by:

Valerie Seidel, The Balmoral Group
On: May 19, 2020

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved ____; Approved as amended ____; Defeated _____.

EXTENSION OF THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE GULF CONSORTIUM AND NABORS, GIBLIN & NICKERSON, P.A.

This Extension of the Agreement for Professional Services is entered into by and between the **Gulf Consortium**, a legal entity and public body organized and created pursuant to an interlocal agreement among the 23 county governments along Florida's Gulf Coast (the "Consortium"), and **Nabors, Giblin & Nickerson, P.A.**, whose business address is 1500 Mahan Drive, Suite 200, Tallahassee, Florida 32308 (the "Contractor") which parties may collectively be referred to herein as the "Parties."

WHEREAS, the Consortium and the Contractor initially entered into an Agreement for Professional Services for General Counsel Services, dated October 22, 2012, as subsequently amended (the "Agreement"); and

WHEREAS, the current term of the Agreement is set to expire on September 30, 2020; and

WHEREAS, Section 3.01 of the Agreement authorizes the term to be extended in successive 24-month periods by mutual agreement of the Parties; and

WHEREAS, the Parties desire to extend the Agreement for a 24 month period, as further described herein.

NOW THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration, the parties hereby agree as follows:

1. Extension of Agreement. In accordance with Section 3.01 of the Agreement, the term of the Agreement is hereby extended for a period of 24 months, commencing on October 1, 2020, and expiring on September 30, 2022.
2. All other provisions of the Agreement shall remain in full force and effect.

WHERETO, the parties have set their hands and seals effective the date whereon the last party executes this Agreement.

GULF CONSORTIUM

NABORS, GIBLIN & NICKERSON, P.A.

By: _____
Christopher Constance,
Chairman

By: _____
Lynn Hoshihara, Shareholder

Date: _____

Date: _____

By: _____

Jack Mariano, Secretary

Date: _____

AGREEMENT FOR INTERIM GENERAL COUNSEL SERVICES

THIS AGREEMENT is made and entered into this 22nd of October, 2012 by and between the Gulf Consortium, a legal entity and public body organized and existing under the laws of the State of Florida (hereinafter referred to as the "Consortium") and Nabors, Giblin & Nickerson, P.A., whose business address is 1500 Mahan Drive, Suite 200, Tallahassee, Florida 32308 (hereinafter referred to as the "General Counsel").

WITNESSETH:

WHEREAS, the Consortium desires to obtain the professional services of the General Counsel to provide general legal services to aid in conducting the business of the Consortium until such time as an ongoing general legal counsel is selected; and

WHEREAS, the General Counsel represents that it has expertise in the type of professional services that will be required by the Consortium.

NOW, THEREFORE, in consideration of the following mutual premises, covenants, provisions, representations, agreements and provisions, the parties hereto agree as follows:

ARTICLE I

GENERAL COUNSEL SERVICES

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Additional Services" means the legal services described in Sections 2.01 and 2.02 hereof.

"Agreement" means this Agreement for General Counsel services, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

"Basic Services" means the legal services described in Sections 1.02 and 1.03 hereof.

"Board" shall mean the Board of Directors of the Consortium.

"Consortium" means the Gulf Consortium, a legal entity and public body created by interlocal agreement pursuant to section 163.01(7), Florida Statutes.

"Fiscal Year" means the period commencing on October of each year and continuing through the next succeeding September 30, or such other period as may be established as the fiscal year for the Consortium.

"Interlocal Agreement" means the interlocal agreement entered into by participating counties pursuant to section 163.01(7), Florida Statutes, creating the Consortium and establishing its charter.

"Manager" means the Florida Association of Counties, as interim manager, or its successor under contract with the Consortium.

"RESTORE Act" means the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012.

SECTION 1.02. BOARD MEETINGS. General Counsel shall provide to the Consortium the following General Counsel services and legal advice to support the Board at its meetings:

- (A) review all agenda materials in advance and where necessary provide comment and advice as to form and legality;
- (B) attend all Board meetings upon reasonable notice; and
- (C) be available to provide advice, conduct legal research and render opinions on legal issues raised by the Board and relating to the functions of the Board and the Consortium.

SECTION 1.03. GENERAL COUNSEL. The General Counsel will provide to the Consortium and its Manager the following General Counsel services:

- (A) provide legal advice and assistance on the transition of the Gulf Consortium in its early stages of its existence from its initial creation to the full functioning of the Gulf Consortium
- (B) provide general advice and legal research on the powers and authority of the Consortium under its charter established by the Interlocal Agreement and Florida law;
- (C) draft and review resolutions, agreements or other documentation required by the Consortium or the Board in the performance of its duties under the Interlocal Agreement and Florida law;

;

(D) research and provide advice on the RESTORE Act and rules and regulations thereunder, and compliance therewith; and

(E) be available to provide Additional Services as directed by the Board or the Manager.

SECTION 1.04. COMPENSATION FOR GENERAL COUNSEL SERVICES.

(A) In consideration for the performance of General Counsel services to be provided pursuant hereto, the Consortium agrees to pay the General Counsel a fee of \$250 per hour for each General Counsel attorney providing services. However, the Consortium shall not be obligated to pay the General Counsel more \$5,000 per month, unless the Board approves an amount in excess of \$5,000. (B) Compensation shall be paid at one-half (1/2) the hourly rate specified above for the hours incurred in travel from the host office of the attorney performing legal services to the location where Consortium Board meetings are conducted and to such other locations where services are required to be provided.

ARTICLE II

ADDITIONAL SERVICES

SECTION 2.01. DEVELOPMENT OF THE PLAN. The parties acknowledge that the Consortium has been formed for the purpose of, among other things, developing the plan to be developed by "a consortium of local political subdivisions" as set forth in the RESTORE Act. The General Counsel may be asked to evaluate information developed by the Consortium's plan consultants and other professionals, and make recommendations to the Board.

SECTION 2.02. OTHER ADDITIONAL SERVICES. The Board or the Manager may request the General Counsel to perform other legal services, including litigation, and to research or prepare legal opinions beyond the scope of the services called for in Sections 1.02 and 1.03 of this Agreement. Such services shall be deemed Additional Services.

SECTION 2.03. COMPENSATION AND AUTHORIZATION.

(A) At the request of the Manager or the Board, prior to commencement, the General Counsel shall submit an estimate of the anticipated cost of any proposed Additional Services for approval.

(B) All legal services hereunder shall be authorized by the Manager or the Consortium Board.

SECTION 2.04. REIMBURSEMENT OF COSTS. In addition to the legal fees or other compensation provided in this Agreement, General Counsel shall be reimbursed for costs incurred on long distance telephone charges, travel expenses,

overnight delivery charges and photocopies. Any travel expenses shall be reimbursed in accordance with section 112.061, Florida Statutes.

ARTICLE III

GENERAL PROVISIONS

SECTION 3.01. TERM OF AGREEMENT. This Agreement shall be for a term commencing on October 22, 2012, and ending on September 30, 2013. However, the term hereof may be extended by mutual agreement of the parties for successive 24 month periods.

SECTION 3.02. QUALIFIED PROFESSIONALS REQUIRED. The General Counsel services to be provided hereunder relate to legal services which require that all professionals assigned to assist the Consortium be members of the Florida Bar in good standing.

SECTION 3.03. INSURANCE.

(A) During the term of this Agreement, the General Counsel shall provide, pay for, and maintain, with a company satisfactory to the Consortium, the professional liability insurance described herein. Such insurance shall be from a responsible company duly authorized to do business in the State of Florida or responsible risk retention group insurance companies registered with the State of Florida. The insurance coverage and limit required must be evidenced by a properly executed certificate of insurance on a form which is acceptable to the Consortium. The certificate must be personally, manually signed by the authorized representatives of the insurance company shown on the certificate with proof that the representative is an authorized representative. In addition, certified, true and exact copies of the insurance policy required shall be provided to the Consortium, on a timely basis, if required by the Consortium. The certificate and policy shall contain a provision that thirty days written

notice by registered or certified mail shall be given the Consortium of any cancellation, intent not to renew, or reduction in the policy's coverage, except in the application of the aggregate limits provisions. In the event of a reduction in the aggregate limit of the policy, the General Counsel shall immediately take steps to have the aggregate limit reinstated to the full extent permitted under such policy. The acceptance by the Consortium of any certificate of insurance evidencing the insurance coverage and limits required in this Agreement does not constitute approval or agreement by the Consortium that the insurance requirements have been met or that the insurance policy shown on the certificate of insurance is in compliance with the requirements of this Agreement.

(B) Professional Liability insurance shall be maintained with limits not less than \$2,000,000. If coverage is provided on a claims made basis then coverage must be continued for the duration of this Agreement and for not less than one year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one year.

(C) If any insurance provided pursuant to this Agreement expires during the term hereof, a renewal certificate of insurance and, if requested by Consortium, a certified, true copy of the renewal policy shall be furnished by General Counsel thirty days prior to the date of expiration.

SECTION 3.04. SUBCONTRACTORS. The services to be performed hereunder shall be performed by General Counsel, unless otherwise authorized in writing by the Consortium, which shall not be unreasonably withheld. The employment of, contract with, or use of the services of any other person or firm by General Counsel,

as independent contractor or otherwise, shall be subject to the prior written approval of the Consortium. No provision of this Agreement shall, however, be construed as constituting an agreement between the Consortium and any such other person or firm. Nor shall anything contained herein be deemed to give any such party or any third party any claim or right of action against the Consortium beyond such as may otherwise exist without regard to this Agreement.

SECTION 3.05. DEFAULT AND TERMINATION. The General Counsel serves at the pleasure of the Board. The General Counsel shall have the right to terminate this Agreement upon 60 calendar days written notice to the Consortium. The General Counsel shall be entitled to payment for professional fees earned and reimbursable costs incurred prior to the date of such termination.

SECTION 3.06. DISCLOSURE. General Counsel represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder.

SECTION 3.07. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior other and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 3.08. AMENDMENTS AND WAIVERS. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties hereto. No waiver of any of the provisions of this Agreement

shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

SECTION 3.09. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following address:

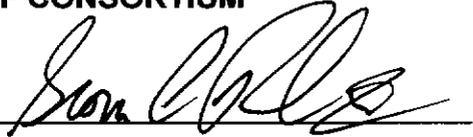
Consortium: Gulf Consortium
c/o Florida Association of Counties
100 South Monroe Street, Suite 100
Tallahassee, Florida 32301
Attention: Chris Holley

General Counsel: Nabors, Giblin & Nickerson, P.A.
1500 Mahan Drive, Suite 200
Tallahassee, Florida 32308
Attention: Sarah Bleakley, Esq.

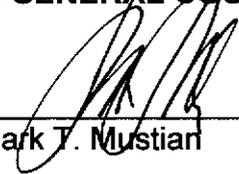
Either of the parties may, by notice in writing given to the other party, designate any further or different addresses which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for General Counsel services on the day and year first written above.

GULF CONSORTIUM

By: _____

**NABORS, GIBLIN & NICKERSON,
P.A., GENERAL COUNSEL**

By: _____
Mark T. Mustian

Nabors, Giblin & Nickerson, P.A.

Ledger History Receipts Report

For the period 10/1/2018 to 5/31/2020
report as of Tuesday, May 26, 2020

Client: 922 / Gulf Consortium

Matter: 12178 / Interim General Counsel

Date	Transaction	Bill Nbr	Bill Date	Total	Fees	Cash Exp	NonCash	Tax	Surcharge	Interest
01/25/2019	Receipt	40682	12/31/2018	4,522.80	3,912.50	610.30	0.00	0.00	0.00	0.00
01/25/2019	Receipt	40681	12/31/2018	4,700.00	4,700.00	0.00	0.00	0.00	0.00	0.00
01/25/2019	Receipt	40677	12/31/2018	4,880.33	3,987.50	892.83	0.00	0.00	0.00	0.00
01/25/2019	Receipt	40683	12/31/2018	2,437.50	2,437.50	0.00	0.00	0.00	0.00	0.00
06/14/2019	Receipt	41350	06/05/2019	2,025.00	2,025.00	0.00	0.00	0.00	0.00	0.00
06/14/2019	Receipt	41348	06/05/2019	3,383.00	3,375.00	8.00	0.00	0.00	0.00	0.00
06/14/2019	Receipt	41123	04/25/2019	1,137.50	1,137.50	0.00	0.00	0.00	0.00	0.00
06/14/2019	Receipt	41121	04/25/2019	3,233.56	3,225.00	8.56	0.00	0.00	0.00	0.00
10/07/2019	Receipt	41720	08/12/2019	3,222.02	2,625.00	597.02	0.00	0.00	0.00	0.00
10/07/2019	Receipt	41718	08/12/2019	62.50	62.50	0.00	0.00	0.00	0.00	0.00
10/07/2019	Receipt	41714	08/12/2019	1,287.50	1,287.50	0.00	0.00	0.00	0.00	0.00
12/20/2019	Receipt	42084	10/09/2019	475.00	475.00	0.00	0.00	0.00	0.00	0.00
12/20/2019	Receipt	42086	10/09/2019	3,952.35	3,850.00	102.35	0.00	0.00	0.00	0.00
Matter Totals				35,319.06	33,100.00	2,219.06	0.00	0.00	0.00	0.00
Client Totals				35,319.06	33,100.00	2,219.06	0.00	0.00	0.00	0.00
Firm Totals				35,319.06	33,100.00	2,219.06	0.00	0.00	0.00	0.00

FILTER APPLIED: Clients between 922 AND 922 AND Matters between : 12178 and 12178

Nabors, Giblin & Nickerson, P.A.

Ledger History Receipts Report

For the period 10/1/2018 to 5/31/2020
report as of Tuesday, May 26, 2020

Date	Transaction	Bill Nbr	Bill Date	Total	Fees	Cash Exp	NonCash	Tax	Surcharge	Interest
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Client: 922 / Gulf Consortium

Matter: 16099 / Grant Eligible Services

01/24/2019	Receipt	40350	09/30/2018	3,725.00	3,725.00	0.00	0.00	0.00	0.00	0.00
01/24/2019	Receipt	40052	08/31/2018	700.00	700.00	0.00	0.00	0.00	0.00	0.00
01/24/2019	Receipt	40051	08/31/2018	1,075.00	1,075.00	0.00	0.00	0.00	0.00	0.00
01/09/2020	Receipt	41122	04/25/2019	3,800.00	3,800.00	0.00	0.00	0.00	0.00	0.00
Matter Totals				9,300.00	9,300.00	0.00	0.00	0.00	0.00	0.00

Client Totals				9,300.00	9,300.00	0.00	0.00	0.00	0.00	0.00
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Firm Totals				9,300.00	9,300.00	0.00	0.00	0.00	0.00	0.00
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FILTER APPLIED: Clients between 922 AND 922 AND Matters between : 16099 and 16099

Nabors, Giblin & Nickerson, P.A.

Ledger History Receipts Report

For the period 10/1/2018 to 5/31/2020
report as of Tuesday, May 26, 2020

Date	Transaction	Bill Nbr	Bill Date	Total	Fees	Cash Exp	NonCash	Tax	Surcharge	Interest
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Matter: 18105 / Grant-Eligible Services

07/1/2019	Receipt	40947	03/14/2019	10,256.80	10,225.00	31.80	0.00	0.00	0.00	0.00
07/1/2019	Receipt	40948	03/14/2019	312.50	312.50	0.00	0.00	0.00	0.00	0.00
07/1/2019	Receipt	40685	12/31/2018	14,537.50	14,537.50	0.00	0.00	0.00	0.00	0.00
07/1/2019	Receipt	40686	12/31/2018	15,125.00	15,125.00	0.00	0.00	0.00	0.00	0.00
07/1/2019	Receipt	40687	12/31/2018	4,087.50	4,087.50	0.00	0.00	0.00	0.00	0.00
07/1/2019	Receipt	40684	12/31/2018	3,062.50	3,062.50	0.00	0.00	0.00	0.00	0.00
01/09/2020	Receipt	41719	08/12/2019	75.00	75.00	0.00	0.00	0.00	0.00	0.00
01/09/2020	Receipt	41351	06/05/2019	4,531.90	4,487.50	44.40	0.00	0.00	0.00	0.00
01/09/2020	Receipt	41717	08/12/2019	5,900.00	5,900.00	0.00	0.00	0.00	0.00	0.00
01/09/2020	Receipt	42085	10/09/2019	650.00	650.00	0.00	0.00	0.00	0.00	0.00
01/09/2020	Receipt	41349	06/05/2019	3,637.50	3,637.50	0.00	0.00	0.00	0.00	0.00
01/09/2020	Receipt	41715	08/12/2019	4,125.00	4,125.00	0.00	0.00	0.00	0.00	0.00
02/24/2020	Receipt	42087	10/09/2019	622.23	622.23	0.00	0.00	0.00	0.00	0.00
02/24/2020	Receipt	41351	06/05/2019	650.00	650.00	0.00	0.00	0.00	0.00	0.00
02/24/2020	Receipt	41715	08/12/2019	312.50	312.50	0.00	0.00	0.00	0.00	0.00
02/24/2020	Receipt	41717	08/12/2019	100.00	100.00	0.00	0.00	0.00	0.00	0.00
02/24/2020	Receipt	42085	10/09/2019	200.00	200.00	0.00	0.00	0.00	0.00	0.00
Matter Totals				68,185.93	68,109.73	76.20	0.00	0.00	0.00	0.00

Client Totals				68,185.93	68,109.73	76.20	0.00	0.00	0.00	0.00
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Firm Totals				68,185.93	68,109.73	76.20	0.00	0.00	0.00	0.00
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FILTER APPLIED: Clients between 922 AND 922 AND Matters between : 18105 and 18105

AGENDA ITEM 9

**Gulf Consortium Board Meeting
June 10, 2020**

**Agenda Item 9
Financial Statements**

Statement of Issue:

Presentation of the most recent monthly financial statements. The report also includes a snapshot of Grant applications for SEP Implementation.

Background:

Financial Statements are produced monthly for the Consortium. Additionally, attachments include a snapshot of the amounts allocated to the SSEP and PSEP, and the amounts pertaining to Grant Applications for SEP projects. .

Attachments:

- a) Financial Statements through April 30, 2020 – Balance Sheet, Income statement, Deposits and Disbursements.
- b) Grant Status Summary
- c) Implementation Costs Graph
- d) Submitted Grants Graph

Action Required:

- 1) Approve Financial Reports
- 2) Other Board direction

Staff Recommendation:

Approve as proposed.

Prepared by:

Richard Bernier
The Balmoral Group
On: June 1, 2020

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved_____; Approved as amended_____; Defeated_____.

Gulf Consortium Balance Sheet

As of April 30, 2020
Apr 30, 2020

ASSETS

Current Assets

Checking/Savings

Cash

Grant Account (Wells Fargo)	27,841.11
Operating Account (Seaside)	116,934.14

Total Cash	144,775.25
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Total Checking/Savings	144,775.25
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Accounts Receivable

Accounts Receivable

Grants Receivable (FSEP)	9,805,819.76
Grants Receivable (PSEP)	4,200.30
Accounts Receivable (General)	12,612.00

Total Accounts Receivable	9,822,632.06
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Total Accounts Receivable	9,822,632.06
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Other Current Assets

Other Current Assets

Other Receivables	11,552.65
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Total Other Current Assets	11,552.65
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Total Other Current Assets	11,552.65
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Total Current Assets	9,978,959.96
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TOTAL ASSETS	<u>9,978,959.96</u>
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Payables

Accounts Payable (Grants)	34,234.97
Accounts Payable (General)	63,152.74

Total Payables	97,387.71
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Total Accounts Payable	97,387.71
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Other Current Liabilities

Accrued Liabilities

Accrued Liabilities (Grants)	9,805,819.76
Accrued Liabilities (General)	7,642.00

Total Accrued Liabilities	9,813,461.76
----------------------------------	---------------------

Total Other Current Liabilities	9,813,461.76
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Total Current Liabilities	9,910,849.47
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Total Liabilities	9,910,849.47
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Equity

Unrestricted Net Assets	52,652.24
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Net Income	15,458.25
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Total Equity	68,110.49
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TOTAL LIABILITIES & EQUITY	<u>9,978,959.96</u>
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Gulf Consortium
Profit & Loss
October 2019 through April 2020

	<u>FSEP Grants</u>	<u>General Fund</u>	<u>PSEP Grant</u>	<u>SSEP Grant</u>	<u>TOTAL</u>
Income					
Direct Contributions	-	106,790.00	-	-	106,790.00
Grant Funds - FSEP	50,825.84	-	-	-	50,825.84
Grant Funds - SSEP	-	-	-	36,478.40	36,478.40
Grant Funds - PSEP	-	-	21,055.26	-	21,055.26
Total Income	<u>50,825.84</u>	<u>106,790.00</u>	<u>21,055.26</u>	<u>36,478.40</u>	<u>215,149.50</u>
Expense					
FSEP Grants	50,825.84	-	-	-	50,825.84
General Consortium Expenses					
Special District Fees	-	175.00	-	-	175.00
Bank Fees	-	764.43	-	-	764.43
Meeting Expense	-	10,308.35	-	-	10,308.35
Accounting/Accounting	-	8,875.00	-	-	8,875.00
Management Fees	-	53,494.00	-	-	53,494.00
Legal Fees	-	8,389.97	-	-	8,389.97
Compliance Fees	-	-	-	-	-
Reporting Fees	-	-	300.30	-	300.30
Software	-	9,325.00	-	-	9,325.00
Total General Consortium Expenses	<u>-</u>	<u>91,331.75</u>	<u>300.30</u>	<u>-</u>	<u>91,632.05</u>
SSEP Grant Expenses					
Services procurement/contract	-	-	-	862.50	862.50
Sub-award protocol & conditions	-	-	-	21,092.45	21,092.45
Grant Management Platform	-	-	-	14,523.45	14,523.45
Total SSEP Grant Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,478.40</u>	<u>36,478.40</u>
Planning Grant (PSEP)					
Legal	-	-	5,812.50	-	5,812.50
AV and Meeting room rentals	-	-	5,563.71	-	5,563.71
Grant Management	-	-	9,378.75	-	9,378.75
Total Planning Grant (PSEP)	<u>-</u>	<u>-</u>	<u>20,754.96</u>	<u>-</u>	<u>20,754.96</u>
Total Expense	<u>50,825.84</u>	<u>91,331.75</u>	<u>21,055.26</u>	<u>36,478.40</u>	<u>199,691.25</u>
Net Income	<u>-</u>	<u>15,458.25</u>	<u>-</u>	<u>-</u>	<u>15,458.25</u>

Gulf Consortium Deposit Detail

March through April 2020

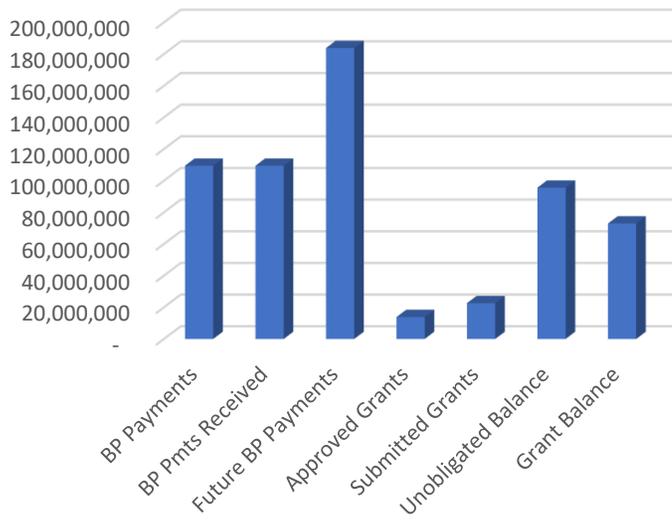
Type	Num	Date	Name	Account	Amount
Deposit		04/24/2020		1030 - Grant Account (Wells Fargo)	27,302.90
Payment	318	04/24/2020	ASAP.gov	GNTSP20FL0090 - Okaloosa	-4,006.99
Payment	317	04/24/2020	ASAP.gov	GNTSP20FL0092 - Sarsota	-2,003.49
Payment	316	04/24/2020	ASAP.gov	GNTSP20FL0097 - Collier	-5,750.10
Payment	315	04/24/2020	ASAP.gov	GNTSP20FL0098 - Bay	-4,210.09
Payment	314	04/24/2020	ASAP.gov	GNTSP20FL0105 - Walton	-2,410.82
Payment	320	04/24/2020	ASAP.gov	GNTSP20FL0106 - Jefferson	-2,633.99
Payment	313	04/24/2020	ASAP.gov	GNTSP20FL0107 - Citrus	-3,024.05
Payment	319	04/24/2020	ASAP.gov	GNTSP20FL0110 - Hernando	-3,263.37
TOTAL					-27,302.90

Gulf Consortium
Check Detail
March through April 2020

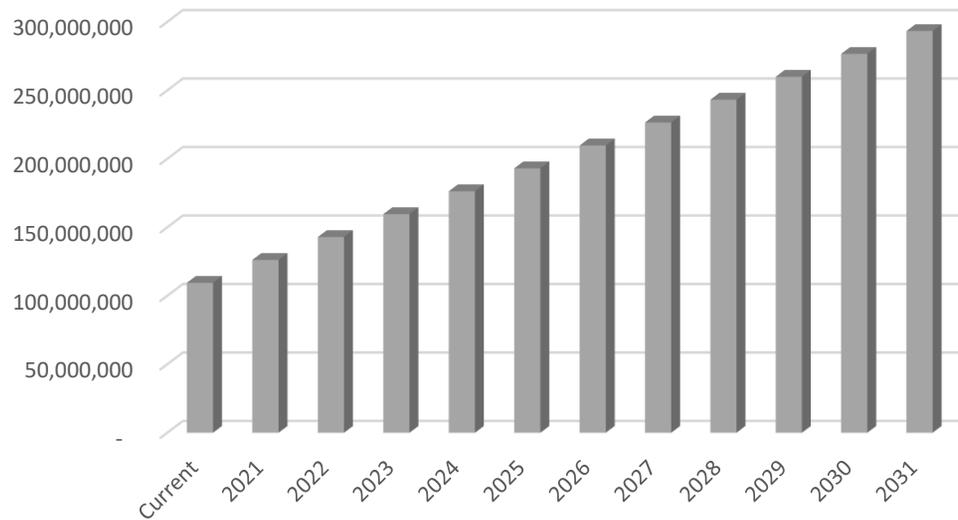
<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Item</u>	<u>Account</u>	<u>Paid Amount</u>	<u>Original Amount</u>
Check		04/13/2020			1030 - Grant Account (Wells Fargo)		-293.41
					5060 - Bank Fees	-293.41	293.41
TOTAL						-293.41	293.41

Gulf Consortium Board Meeting
June 10, 2020

BP Fund Payments

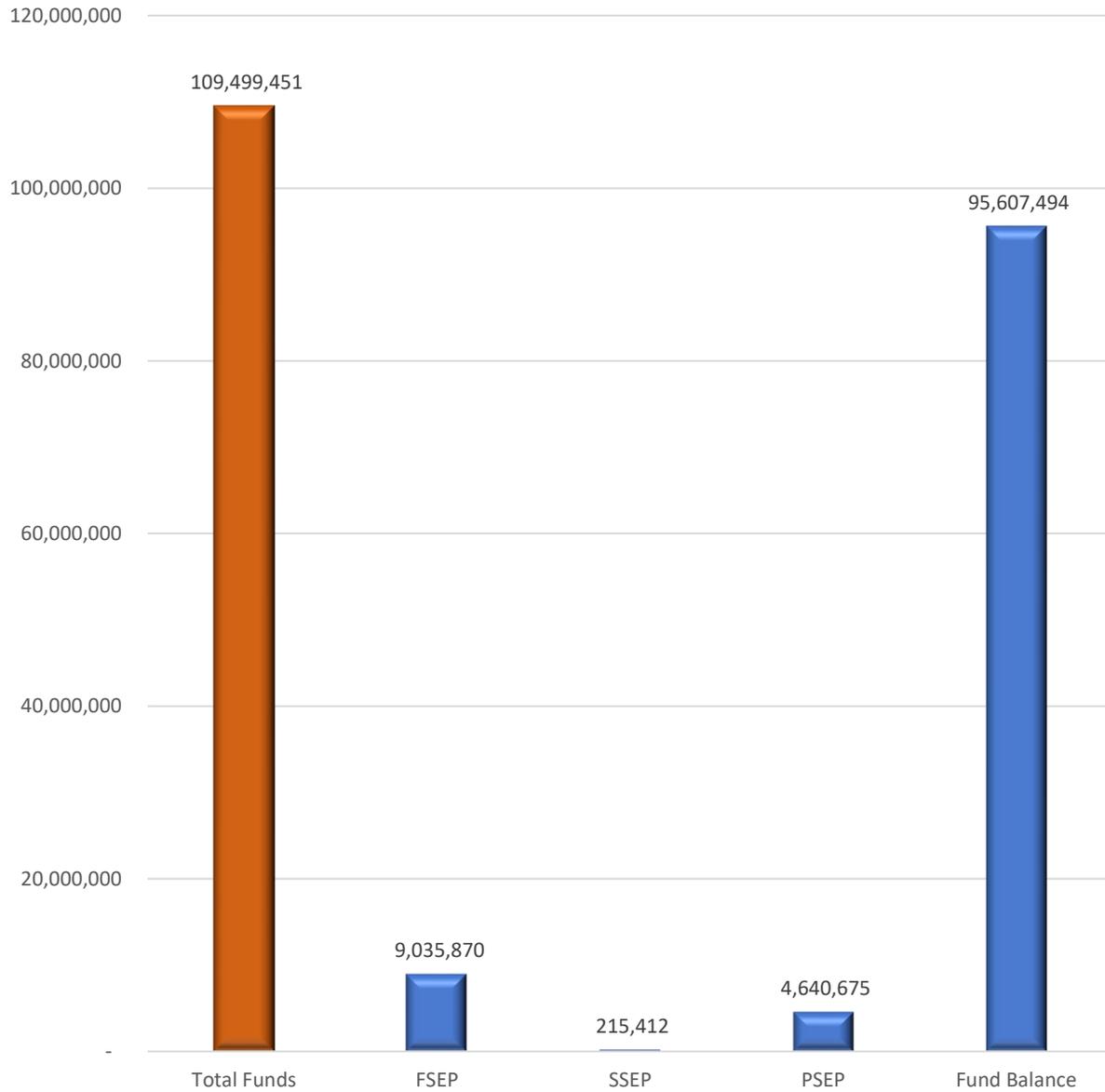


Scheduled Payments

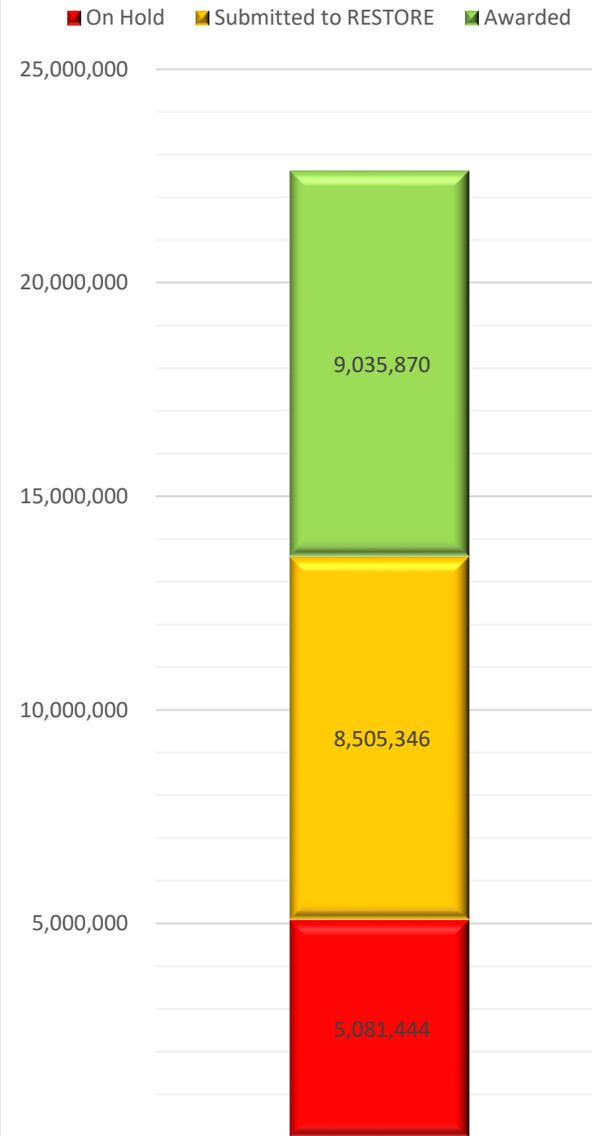


Gulf Consortium Board Meeting
June 10, 2020

TRUST FUND

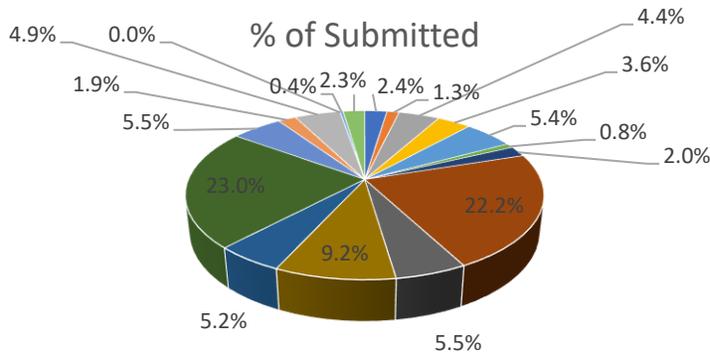
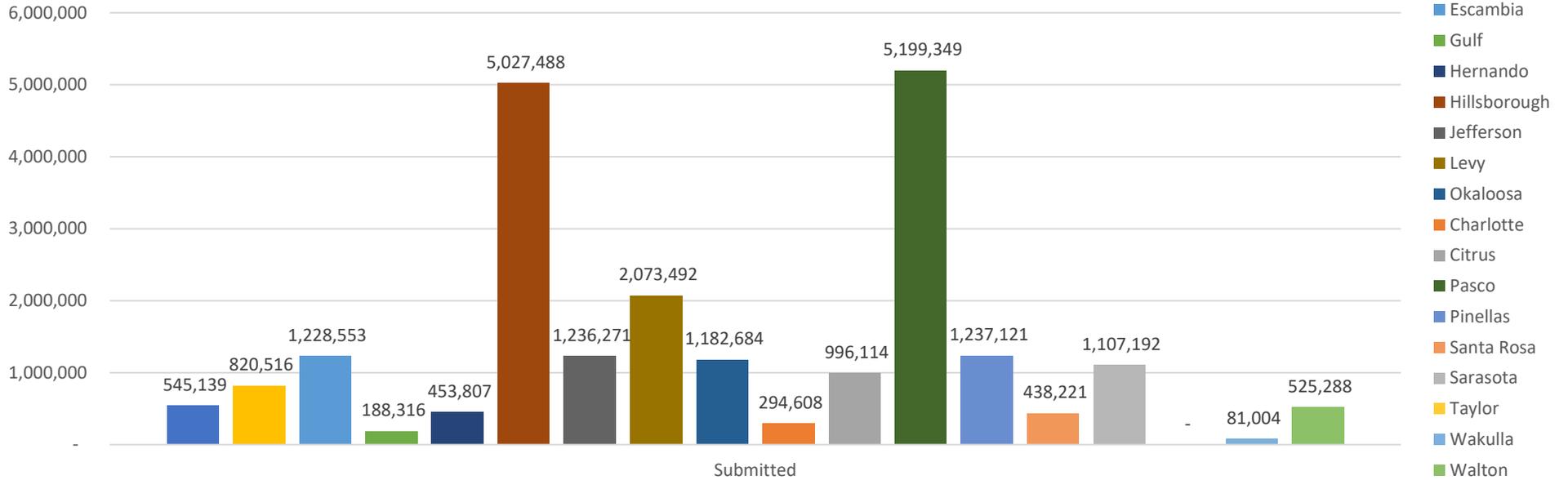


GRANT STATUS

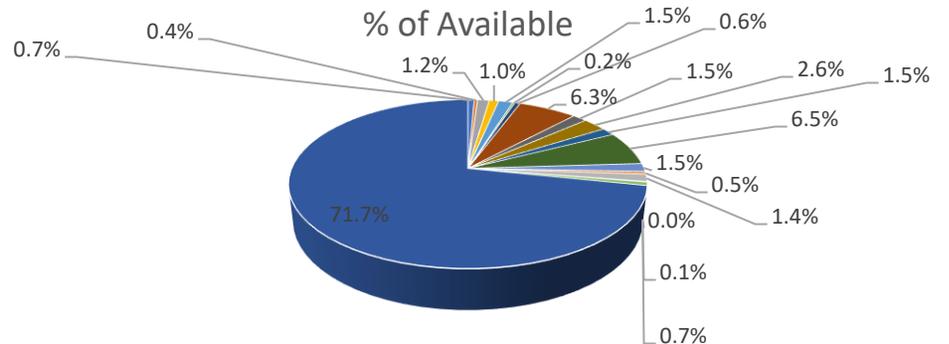


Gulf Consortium Board Meeting
June 10, 2020

Submitted Amounts



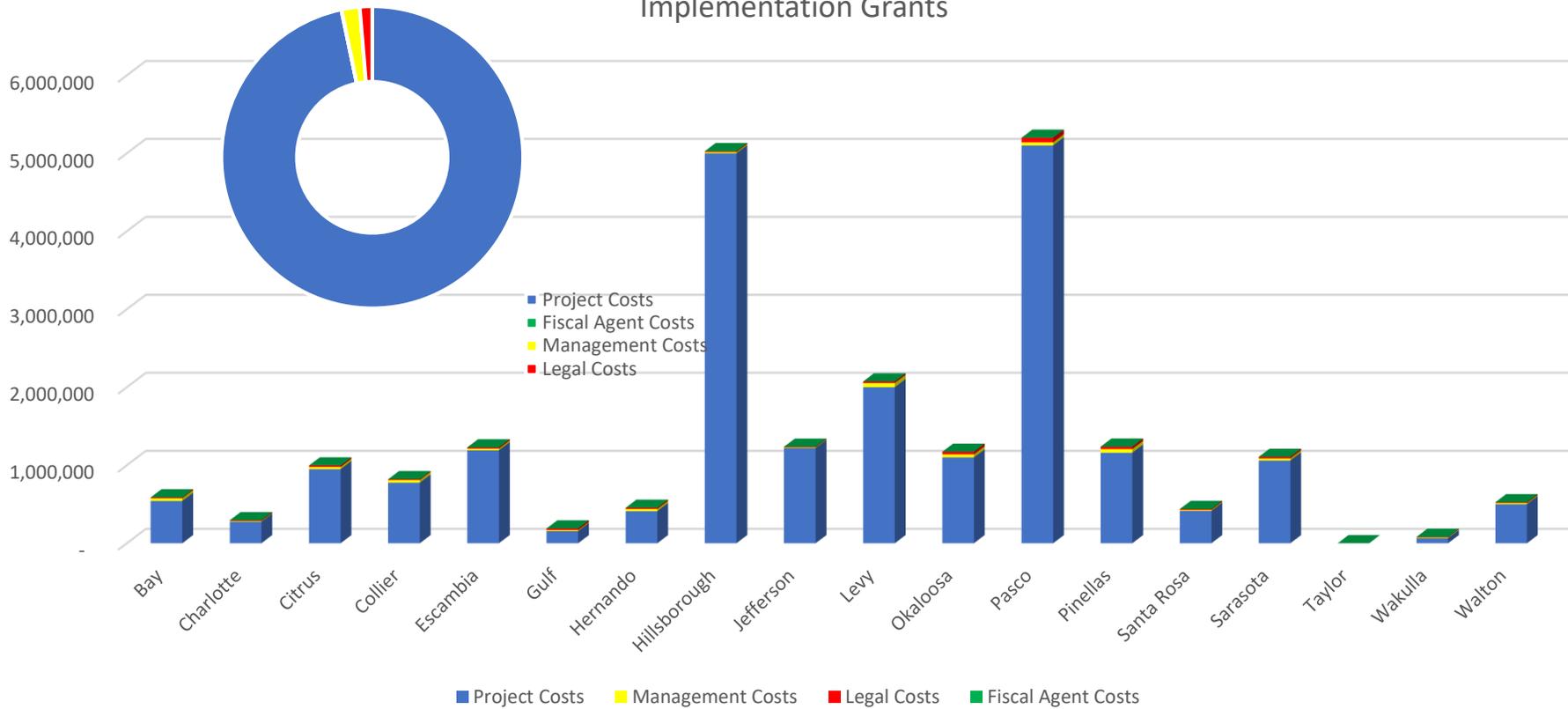
- Bay
- Charlotte
- Citrus
- Collier
- Escambia
- Gulf
- Hernando
- Hillsborough
- Jefferson
- Levy
- Okaloosa
- Pasco
- Pinellas
- Santa Rosa
- Sarasota
- Taylor
- Wakulla
- Walton



- Bay
- Charlotte
- Citrus
- Collier
- Escambia
- Gulf
- Hernando
- Hillsborough
- Jefferson
- Levy
- Okaloosa
- Pasco
- Pinellas
- Santa Rosa
- Sarasota
- Taylor
- Wakulla
- Walton
- Total Available

Gulf Consortium Board Meeting
June 10, 2020

Implementation Grants



AGENDA ITEM 10

**Gulf Consortium Board Meeting
June 10, 2020**

**Agenda Item 10
Consortium Audit**

Statement of Issue:

Board acceptance of the findings of the Consortium’s Audit and Federal Single Audit. The Executive Committee has reviewed this item and recommended to the full board for approval.

Background:

A summary of the audit will be provided verbally to the Board by Angela Balent of Warren Averitt, LLC.

Options:

- (1) Approve the Auditors report
- (2) Board Direction

Recommendation:

Motion to approve Option 1.

Attachments:

Annual Financial Report and Independent Audit Report, through September 30, 2019

Prepared by:

Richard Bernier
The Balmoral Group
On: May 20, 2020

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved_____; Approved as amended_____; Defeated_____.

January 22, 2020

To the Gulf Consortium Board Members

We have audited the financial statements of the basic financial statements of the Gulf Consortium (the Consortium) for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 30, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Consortium are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2019. We noted no transactions entered into by the Consortium during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. We noted no significant account estimates during fiscal year 2019.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Consortium's revenue concentration in Note 5 to the financial statements is particularly sensitive since the Consortium is fiscally dependent upon these sources.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report there were no such misstatements noted during our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 22, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Consortium's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Consortium's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompany the financial statements, but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Warren Averett, LLC
Fort Walton Beach, Florida

**GULF CONSORTIUM
FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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**GULF CONSORTIUM
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INDEPENDENT AUDITORS' REPORT

To the Honorable Members of Gulf Consortium

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Gulf Consortium (the Consortium), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Gulf Consortium as of September 30, 2019, and the respective changes in financial position, and the respective budgetary comparison information for the general fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2020, on our consideration of the Consortium's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Consortium's internal control over financial reporting and compliance.

Warren Averett, LLC

Fort Walton Beach, Florida
January 22, 2020

**GULF CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

As management of the Gulf Consortium (the Consortium), our discussion and analysis of the Consortium's financial performance provides an overview of the Consortium's financial activities for the fiscal year ended September 30, 2019. It should be read in conjunction with the Consortium's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Consortium's assets exceeded its liabilities by \$52,652 (net position) and represents a decrease of \$79,694 from the prior year. The total net position of the Consortium is unrestricted.
- Operating revenues consist of membership dues paid by each of the 23 participating counties and grant funds earned from the Oil Spill Impact Program. Total revenues earned during the year ended September 30, 2019, were \$264,872, of which 74% was generated from a federal grant award and 26% from membership dues.
- Grant-funded expenses of \$194,847 consisted of services approved under task orders to provide grant management services and compilation of Florida's State Expenditure Plan.
- Other operating expense of \$149,719, which was paid from membership dues and prior year unrestricted resources related to Consortium management, legal, audit, meeting and travel and other operating expenses. The Consortium budgeted to use excess fund balance derived from membership dues from prior years to fund a portion of membership expenses in FY19.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Consortium is a public entity created in October 2012 by Inter-local Agreement among Florida's 23 Gulf Coast counties, from Escambia County in the western panhandle of Florida to Monroe County on the southern tip of Florida and the United States.

Florida's 23 Gulf Coast counties formed the Consortium to meet requirements of the RESTORE Act to develop a State Expenditure Plan for economic and environmental recovery of the Gulf Coast in Florida following the Deepwater Horizon oil spill. The RESTORE Act was passed by the Congress on June 29, 2012, and signed into law on July 6, 2012, by the President.

The Consortium's Board of Directors consists of one representative from each of the 23 counties. As a public entity, the Consortium must meet all government transparency requirements in Florida, including open public records and meetings, ethics, and state auditing obligations. Since its inception, the Consortium has held several committee meetings to begin developing Florida's State Expenditure Plan.

To foster the development of the State Expenditure Plan, to enhance coordination and also to ensure consistency with the goals and objectives of the Gulf Coast Ecosystem Restoration Council's Draft Initial Comprehensive Plan: Restoring the Gulf Coast's Ecosystem and Economy, the Consortium entered into a Memorandum of Understanding ("MOU") with Florida Governor Rick Scott on June 6, 2013. The MOU outlines cooperation elements between the Governor's office and the Consortium. The MOU identifies the Consortium as the responsible party for the creation of the State Expenditure Plan.

**GULF CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS – CONTINUED

Governmental financial statements – The governmental financial statements are designed to provide readers with a broad overview of the Consortium's finances.

Government-wide and Fund Financial Statements

The basic financial statements of the Consortium are composed of the following:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements

Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information on the reporting government as a whole, except for its fiduciary activities. The Consortium only has governmental activity and does not engage in any business-type activities.

The Statement of Activities shows the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly related to a specific function or segment. Program revenue consists of contributions that are restricted to meeting specific requirements of a particular function or segment.

The Statement of Net Position presents information on the Consortium's assets and liabilities, with the difference between its assets and liabilities reported as net position. The Statement of Activities presents information showing how a government's net position changed during the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the Consortium is improving or deteriorating. Net position increases when revenues exceed expenses or there is an increase to assets without a corresponding increase to liabilities, which indicates an improved financial condition.

The governmental fund balance sheet presents information on the Consortium's assets and liabilities, with the difference between them reported as fund balance. The statement of governmental fund revenues, expenditures and changes in fund balances presents information showing how a government's fund balance changed during the fiscal year. Over time, increases or decreases in fund balance may serve as a useful indicator of whether the financial condition of the Consortium is improving or deteriorating. Fund balance increases when revenues exceed expenditures or there is an increase to assets without a corresponding increase to liabilities, which indicates an improved financial condition.

Notes to financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information, other than Management's Discussion and Analysis, is not applicable to the Consortium's form of government and related activities.

**GULF CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

FINANCIAL ANALYSIS

Table 1 focuses on net position. The Consortium's net position was \$52,652 as of September 30, 2019. Unrestricted net position is intended to cover the Consortium's on-going operating expenses. During the year ended September 30, 2019, the Planning Grant funds were available to the Consortium to pay for any grant-related costs.

Table 2 focuses on the change in net position. Operating revenues consist of membership dues paid by each of the 23 participating counties and grant funds earned from the Oil Spill Impact Program. Grant-funded expenses of \$194,847, consisted of services approved under task orders to provide grant management services and compilation of Florida's State Expenditure Plan. Other operating expenses of \$149,719, which were paid from membership dues and prior year unrestricted resources related to the Consortium's management, legal, audit, meeting and travel and other operating expenses.

**Table 1
GULF CONSORTIUM
STATEMENTS OF NET POSITION
AS OF SEPTEMBER 30, 2019 AND 2018**

	2019	2018
Assets		
Cash and cash equivalents	\$ 78,666	\$ 200,955
Due from other governments	47,304	145,766
Total Assets	125,970	346,721
Liabilities		
Accounts payable	73,318	214,375
Total Liabilities	73,318	214,375
Net position		
Unrestricted	52,652	132,346
Total net position	\$ 52,652	\$ 132,346

**GULF CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

**Table 2
GULF CONSORTIUM
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019 AND 2018**

	2019	2018
REVENUES		
Operating grants and contributions	\$ 264,872	\$ 2,031,917
Total Revenues	264,872	2,031,917
EXPENSES		
Governmental activities		
General government		
Grant-funded expenses	194,847	1,891,867
Not-grant funded expenses	149,719	99,762
Total Expenses	344,566	1,991,629
CHANGE IN NET POSITION	(79,694)	40,288
NET POSITION, BEGINNING OF YEAR	132,346	92,058
NET POSITION, END OF YEAR	\$ 52,652	\$ 132,346

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2019 budget included the expectation to receive grant revenues relating to the Planning State Expenditure Plan, Stand-Up State Expenditure Plan and Florida State Expenditure Plan. However, funding for the the Florida State Expenditure Plan did not occur during fiscal year 2019. In September 2019 the first SEP project of approximately \$118,000 was awarded. An additional 11 grants for \$11.1 million are pending approval as of September 30, 2019. The projects are intended to substantially improve water resources across the Gulf and restore area of habitat.

At the June 27, 2018 Board of Directors Meeting, it was noted that there was approximately \$150,000 available for general use in the county funds. The Board resolved that the funds would be used and accounted for as part of the 2019 Fiscal Year budget in order to reduce the individual county contributions for the year. These were not accounted for in the individual line items of the budget and would be used to cover management fees and other meeting expenses as needed.

The Consortium's budgeted expenses for fiscal year 2020 totals approximately \$17.4 million. The 2020 budget includes approximately \$159,000 of general operating expenses to be funded with membership dues, \$64,000 of grant compliance related expenses, \$16.8 million expenses for economic and environmental recovery projects in the Gulf Coast of Florida, and \$406,000 of expenses for grant management to be funded by the federal RESTORE Council Oil Spill Impact grant program.

**GULF CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

REQUESTS FOR INFORMATION

This financial report is designed to provide a narrative overview and analysis of the financial activities of the Consortium for the fiscal year that ended September 30, 2019. Management's Discussion and Analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Consortium's financial activities, (c) identify changes in the Consortium's financial position, and (d) identify individual fund issues or concerns of the Consortium's financial activity. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the President, The Balmoral Group, LLC, 165 Lincoln Avenue, Winter Park, Florida 32789.

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BASIC FINANCIAL STATEMENTS

**GULF CONSORTIUM
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 78,666
Due from other governments	<u>47,304</u>
TOTAL ASSETS	125,970
LIABILITIES	
Accounts payable	<u>73,318</u>
NET POSITION	
Unrestricted	<u><u>\$ 52,652</u></u>

See notes to the financial statements.

**GULF CONSORTIUM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities					
General government	<u>\$ 344,566</u>	<u>\$ -</u>	<u>\$ 264,872</u>	<u>\$ -</u>	\$ (79,694)
					CHANGE IN NET POSITION
					(79,694)
					NET POSITION AT BEGINNING OF YEAR
					132,346
					NET POSITION AT END OF YEAR
					<u>\$ 52,652</u>

See notes to the financial statements.

**GULF CONSORTIUM
GOVERNMENTAL FUND – GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2019**

ASSETS

Cash and cash equivalents	\$ 78,666
Due from other governments	<u>47,304</u>
Total assets	<u><u>\$ 125,970</u></u>

LIABILITIES

Accounts payable	\$ 73,318
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FUND BALANCE

Unassigned	<u>52,652</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 125,970</u></u>
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See notes to the financial statements.

**GULF CONSORTIUM
GOVERNMENTAL FUND – GENERAL FUND
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Fund balance, general fund	\$ 52,652
Amounts reported for governmental activities in the statement of net position are not different.	<u>-</u>
Net position of governmental activities	<u><u>\$ 52,652</u></u>

See notes to the financial statements.

**GULF CONSORTIUM
GOVERNMENTAL FUND – GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REVENUES

Intergovernmental:		
Planning grants	\$	194,847
Membership dues		<u>70,025</u>
Total revenues		<u>264,872</u>

EXPENDITURES

Current		
General government		
Membership expenditures		
Management fees		81,771
Legal and other professional fees		41,641
Meetings and other operating		<u>26,307</u>
Total membership expenditures		149,719
Grant expenditures		
Planning grants implementation		<u>194,847</u>
Total expenditures		<u>344,566</u>
NET CHANGE IN FUND BALANCE		(79,694)
FUND BALANCE AT BEGINNING OF YEAR		<u>132,346</u>
FUND BALANCE AT END OF YEAR	\$	<u>52,652</u>

See notes to the financial statements.

**GULF CONSORTIUM
GOVERNMENTAL FUND – GENERAL FUND
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Net change in fund balance - general fund	\$ (79,694)
Amounts reported for governmental activities in the statement of activities are not different.	<u>-</u>
Change in net position of governmental activities	<u>\$ (79,694)</u>

See notes to the financial statements.

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**GULF CONSORTIUM
GOVERNMENTAL FUND – GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET TO ACTUAL
SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Planning grants				
Planning SEP	\$ -	\$ 27,379	\$ -	\$ (27,379)
Stand-Up SEP	221,038	221,038	194,847	(26,191)
State expenditure plan (SEP)	10,477,540	79,783,376	-	(79,783,376)
Membership dues	<u>70,025</u>	<u>70,025</u>	<u>70,025</u>	<u>-</u>
Total Revenues	10,768,603	80,101,818	264,872	(79,836,946)
EXPENDITURES				
Membership expenditures				
Management fees	41,000	41,000	81,771	(40,771)
Legal and other professional fees	50,000	50,000	41,641	8,359
Meetings and other operating	<u>14,000</u>	<u>14,000</u>	<u>26,307</u>	<u>(12,307)</u>
Total management expenditures	105,000	105,000	149,719	(44,719)
Grant expenditures				
Planning grants implementation				
Planning SEP	-	27,379	-	27,379
Stand-Up SEP	221,038	221,039	194,847	26,192
SEP implementation	<u>10,477,540</u>	<u>79,903,446</u>	<u>-</u>	<u>79,903,446</u>
Total grant expenditures	<u>10,698,578</u>	<u>80,151,864</u>	<u>194,847</u>	<u>79,957,017</u>
Total Expenditures	<u>10,803,578</u>	<u>80,256,864</u>	<u>344,566</u>	<u>79,912,298</u>
EXCESS DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	(34,975)	(155,046)	(79,694)	75,352
FUND BALANCE AT BEGINNING OF YEAR	<u>155,046</u>	<u>155,046</u>	<u>132,346</u>	<u>(22,700)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 120,071</u>	<u>\$ -</u>	<u>\$ 52,652</u>	<u>\$ 52,652</u>

See notes to the financial statements.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF DISTRICT

Description of District

The Gulf Consortium (the Consortium) was created in response to the United States Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act). The RESTORE Act was established as a mechanism for providing funding to the Gulf Coast region to restore ecosystems and rebuild local economies damaged by the Deepwater Horizon Oil Spill, which occurred on April 20, 2010. The RESTORE Act established the Gulf Coast Ecosystem Restoration Council (the Restoration Council), an independent entity, which is composed of certain federal officials and the Governors of Alabama, Florida, Mississippi, Louisiana, and Texas. The RESTORE Act charges the Restoration Council with developing a comprehensive plan for ecosystem restoration in the Gulf Coast region ("Council Comprehensive Plan") that identifies projects and programs aimed at restoring and protecting the natural resources and ecosystems of the Gulf Coast Region. The projects and programs are to be funded from a portion of the Gulf Coast Restoration Trust Fund. For Florida, the RESTORE Act, under 33 U.S.C. Chapter 1321(t)(3)(2012), requires a consortia of local political subdivisions to develop a State Expenditure Plan, for which the RESTORE Act provides for Trust Fund expenditures that would fund projects, programs and activities that will improve the ecosystems or economy of the Gulf Coast region that meet the criteria specified in the RESTORE Act. Therefore, pursuant to Section 163.01, *Florida Statutes*, by Inter-local Agreement among 23 Florida Gulf Coast affected counties, the Consortium was created on November 19, 2012, to: 1) develop Florida's State Expenditure Plan, 2) prepare and process proposals for funding under the competitive program to be processed and administered by the Restoration Council, and 3) act as a resource and advocate for Consortium members.

On September 29, 2015, the Restoration Council published its proposed rule on the RESTORE Act, Spill Impact component state allocation formula. The Spill Impact component represents 30% of a portion of civil fines and administrative penalties derived from the Clean Water Act and is expected to be \$1.60 billion. The proposed allocation of the Spill Impact component for the State of Florida was 18.36% of the total designated or approximately \$242 million.

During the year ended September 30, 2015, the Consortium planning grant application to prepare Florida's State Expenditure Plan ("FSEP") was submitted to the Restoration Council. The Restoration Council subsequently approved \$4.64 million of the planning grant application. The performance period of the grant is August 23, 2014 to March 31, 2020. The Consortium's State Expenditure Plan was approved in September, 2018 and the Board received approval to commence implementation activities in February, 2019. The Board approved the first group of grant applications in March, 2019. In September, 2019 the first project was awarded.

The Reporting Entity

The Consortium was incorporated as an independent special district, under the laws and regulations of the State of Florida. Membership of the Consortium is limited to the counties that were impacted by the Deepwater Horizon Oil Spill. As of September 30, 2019, the Consortium's membership consisted of the 23 Florida counties with frontage to the Gulf of Mexico. Each member appoints one Director of the Consortium to act as a representative on its behalf. The Consortium operates independently and is not subject to the oversight of any individual governmental unit, and therefore, is not a component unit of another primary government.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF DISTRICT – CONTINUED

Government-wide and Fund Financial Statements

The basic financial statements of the Consortium are composed of the following:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements

Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information on the reporting government as a whole, except for its fiduciary activities. The Consortium only has governmental activity and does not engage in any business-type activities.

The Statement of Activities shows the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly related to a specific function or segment. *Program revenue* consists of contributions that are restricted to meeting specific requirements of a particular function or segment.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the Consortium considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to claims and judgments are recorded only when payment is due.

Intergovernmental revenues during the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The Consortium reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Consortium and is used to account for all financial resources, except for those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the Consortium's policy to use restricted resources first, then unrestricted resources, as they are needed.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF DISTRICT – CONTINUED

Intergovernmental Revenues

The Consortium's intergovernmental revenues consist of dues and revenues received per the Inter-local Agreement and federal grant funding.

Cash and Cash Equivalents

The Consortium's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments purchased within three months of maturity.

Budgetary Requirement and Basis

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Consortium's Board policy. The budgeted revenues and expenditures reflect all amendments approved by the Board. Budgetary control is required at the fund (or grant) level. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America ("GAAP").

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH

Deposits at year-end were held by financial institutions designated as a "qualified public depository" by the State Treasurer. All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. At September 30, 2019, the reported amount of the deposits and the bank balance was \$78,666.

3. DUE FROM OTHER GOVERNMENTS

The Consortium's receivable from other governments as of September 30, 2019, is \$47,304. Of which \$43,169 is due from the Gulf Coast Ecosystem Restoration Council and \$4,135 is due from one of the participating Counties.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

4. RELATED PARTIES AND CONTRACT COMMITMENTS

State of Florida

On June 12, 2013, the Consortium entered into a Memorandum of Understanding (MOU) with the Governor of the State of Florida to collaborate for the benefit of the Gulf of Mexico and the State of Florida with a focus on maximizing Florida's attainment of funds under the RESTORE Act to restore the Gulf Coast resources and energize the economic recovery in the region. The MOU establishes the process of coordinating with the Governor's office on projects in the State Expenditure Plan for Florida, which will be certified, if appropriate, by the Governor to the Gulf Coast Ecosystem Restoration Council for approval (see Note 1 for information on the Restoration Council). As part of the MOU, the Governor shall appoint six individuals to provide input and guidance to the Consortium on policies and criteria used to determine projects, activities and programs for consideration in the State Expenditure Plan (the Plan). Additionally, the Consortium will consult with the State on the development of the Plan and provide the Plan to the Governor for review prior to submission to the Restoration Council.

The Balmoral Group, LLC

On May 1, 2017, The Balmoral Group, LLC was contracted to serve as the Consortium's full-time manager. Services provided include administration of Consortium operations, as well as other administrative duties, including financial management, accounting services and the annual budget preparation. The compensation for these services is at a rate of \$170 per hour not to exceed \$7,642 per month. The contract also recognizes certain management services may be eligible for grant reimbursement which can also be billed to the grant at a rate of \$170 per hour not to exceed \$299,880 per fiscal year. The contract term will continue until April 30, 2020. The contract can be extended at the sole option of the Consortium for one additional year. Management expenses relating to general operations and grant management for the year ended September 30, 2019, totaled \$188,562.

Leon County, Florida Procurement Services

The Consortium has an inter-local agreement with Leon County, Florida to provide all necessary personnel to develop a competitive procurement policy and procurement services as needed. The level of effort related to these services was not significant during the year ended September 30, 2019, and as such, no expenses or related in-kind revenue have been recorded.

Leon County, Florida Fiscal Management Services

The Consortium has an interlocal agreement with the Leon County Clerk of Circuit Court and Comptroller (Clerk) to provide distribution and paying agent services for payment of costs and expenses associated with developing and implementing the State Expenditure Plan. Effective March of 2019, the Clerk agrees to perform these responsibilities for three (3) basis points on each transaction processed. The level of effort related to these services was not significant during the year ended September 30, 2019, and as such, no expenses or related in-kind revenue have been recorded.

**GULF CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

5. CONCENTRATIONS

The Consortium's revenue is generated from two sources: membership dues and federal grant funds relating to the Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program. During the year ended September 30, 2019, 26% of the Consortium's revenue was generated from membership dues and 74% from federal grant awards. The Consortium is fiscally dependent upon the federal grant funding and membership revenue sources.

6. FUND BALANCE

The Consortium's fund balance is classified as follows:

Unassigned Fund Balance – represents all spendable amounts available for general use of the Consortium. There was a \$52,652 unassigned fund balance at September 30, 2019.

7. CONTINGENCY

Amounts received or receivable from the grantor agency is subject to audit and adjustment by the grantor agency. If expenditures are disallowed as a result of these audits, the claim for reimbursement to the grantor agency would become a liability of the Consortium. In the opinion of management, any such adjustments would not be significant, and therefore do not have a material adverse effect on the financial position of the Consortium.

COMPLIANCE SECTION

**GULF CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Contract Number</u>	<u>Expenditures</u>	<u>Pass-Through to Subrecipients</u>
FEDERAL AWARDS				
Gulf Coast Ecosystem Restoration Council (RESTORE Council)				
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	GNTSP16FL0021	\$ 194,847	\$ -
TOTAL FEDERAL AWARDS			<u>\$ 194,847</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

**GULF CONSORTIUM
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of Gulf Consortium (the Consortium) under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Consortium, it is not intended to and does not present the net position or changes in net position of the Consortium.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

C. DE MINIMIS INDIRECT COST RATE ELECTION

The Consortium has elected to use the ten percent de minimis indirect cost rate, as allowed under *Uniform Guidance*.

D. PROGRAM SPECIFIC AUDIT

Since the Consortium's total federal expenditures are less than \$750,000, an audit under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is not required. However, the Consortium elected to have a program specific audit on the Consortium's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program for the year ended September 30, 2019.

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**INDEPENDENT ACCOUNTANTS' REPORT ON AN EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER
10.550, RULES OF THE AUDITOR GENERAL**

To the Members of the Gulf Consortium

We have examined the Gulf Consortium's (the Consortium) compliance with Florida Statute 218.415, in regard to investments for the year ended September 30, 2019.

Management is responsible for the Consortium's compliance with those requirements. Our responsibility is to express an opinion on the Consortium's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Consortium complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Consortium complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Consortium's compliance with specified requirements.

In our opinion, the Consortium complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Warren Averett, LLC

Fort Walton Beach, Florida
January 22, 2020

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

To the Members of the Gulf Consortium

We have audited, 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, the financial statements of governmental activities and general fund of the Gulf Consortium (the Consortium), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements and have issued our report thereon dated January 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Consortium's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of the Consortium's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Warren Averett, LLC

Fort Walton Beach, Florida
January 22, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR A FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Members of the Gulf Consortium

Report on Compliance for Oil Spill Impact Program

We have audited the compliance of Gulf Consortium (the Consortium) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Consortium's Oil Spill Impact Program (the Program) for the year ended September 30, 2019.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal and state awards applicable to the Program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Consortium's Program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the Consortium's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Consortium's Oil Spill Impact Program. However, our audit does not provide a legal determination of the Consortium's compliance with those requirements.

Opinion on Major Federal Program

In our opinion, the Consortium complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Oil Spill Impact Program for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the Consortium is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the internal control over compliance with requirements that could have a direct and material effect on the Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for its Program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Consortium's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Fort Walton Beach, Florida
January 22, 2020

**GULF CONSORTIUM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that is/are not considered to be material weaknesses? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over federal program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that is/are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditors' report issued on compliance for federal program: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ Yes X No

Identification of federal program:

CFDA Number/ Name of Federal Program or Cluster	Federal CFDA Number
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052

**GULF CONSORTIUM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

B. FINDINGS – FINANCIAL STATEMENTS

There were no findings, which were required to be reported in accordance with government auditing standards generally accepted in the United States of America.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings, which were required to be reported in accordance with the Uniform Guidance.

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**GULF CONSORTIUM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

There were no findings for the fiscal year ended September 30, 2018, which were required to be reported in accordance with government auditing standards generally accepted in the United States of America and in accordance with the Uniform Guidance.

MANAGEMENT LETTER

To the Members of the Gulf Consortium

Report on the Financial Statements

We have audited the financial statements of the Gulf Consortium (the Consortium), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2020.

Auditors' Responsibility

We conducted our audit 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; the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, And the Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance of Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 22, 2020, 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 corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no such findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title and legal authority for the Consortium has been disclosed in Note 1 to the financial statements. The Consortium has no component units.

Financial Condition and Management

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

Financial Condition and Management – Continued

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

We greatly appreciate the assistance and cooperation extended to us during our audit.

Warren Averett, LLC

Fort Walton Beach, Florida
January 22, 2020

AGENDA ITEM 13

**Gulf Consortium Board Meeting
June 10, 2020**

**Agenda Item 13
Manager's Report**

Statement of Issue:

Consortium staff provides a report on updates to Consortium activities since the last Board meeting, or that require Board action or approval.

Discussion:

Additional Grant Activity: Based on current activity, we expect award this year of about \$22 million. This is about half the activity level we expected this year, of \$40 million, and well under the originally budgeted amount of \$56 million. While we anticipate additional grant applications being approved at the September Board Meeting, new grants are unlikely to be awarded during the current fiscal year if they have not been submitted yet.

Internal Controls Review Visit: On February 19, 2020, RESTORE staff visited with staff. In-depth discussion was held regarding operations, including grants software, grant application processes, accounting and finance systems, IT security, payment requests and drawdown processing, and segregation of duties. RESTORE Staff was complimentary of the controls that had been put in place.

Additional discussion was held regarding risk assessments conducted by the Consortium of individual counties. During the policy development and Stand up SEP phase, Staff developed a risk rubric, on the advice of RESTORE Council and following their lead with the OSA, which has been used to determine the level of risk individual counties pose as federal subrecipients. This means that counties with historical audit findings that have not been addressed, or findings of inadequate internal controls, pose a higher than average risk to the Consortium of potentially being non-compliant with federal rules, and exposing the Consortium to the risk of having to pay back funds. Some counties will fall into this category, and as their grant applications work their way through the system, it is important to keep in mind that we may have to impose additional controls on disbursements and reporting to Counties that pose additional risk.

Following the review, staff has been working on updating and better documenting the risk assessment process we are using.

1. Some SEP projects have inherently more risk, including distribution of cash to many parties, ongoing use of multiple lower-level subrecipients, and other high-administrative-cost scenarios. These projects will require additional monitoring to ensure risk management is in place throughout the life of the project, and additional management either at the County or staff level, or in some cases, both. The costs associated with additional monitoring have to be accounted for in the project grant and properly documented and tracked throughout the life of the project.
2. Questions have arisen on the use of CCNA procurements (professional services, as per Florida statute, meaning Professional Engineers, Professional Architects,

and others as defined in F.S. etc.) in Continuing Services Contracts for SEP projects. Because other states do not have this type of procurement, Council has asked the Consortium for its position on the use of CCNA procurements in the context of Continuing Services Contracts for SEP projects. Management, after consultation with Consortium General Counsel and a variety of sources experienced in Florida procurement practice, has taken the position that so long as the procurement was conducted in compliance with CCNA and 2 CFR Part 200 rules, task work orders for professional services (engineering design, etc.) will be deemed fair and open competition for purposes of risk assessment. Consortium staff will (and have been) requesting complete records of the procurement process to ensure compliance. If your County intends to use a continuing services-bid professional, it is important that this is identified upfront, so we can determine early on if there is any issue that could require a fresh procurement. For example, if the procurement is ten years old, it may be difficult to consider that fair and open competition occurred for purposes of a new grant application.

For those members who were around this table four years ago, this is a major step forward, as initially we were advised that all new procurements would have to occur. We have worked hard to gain this level of trust from Council, and we now must maintain careful compliance with the risk management policies.

Fiscal Agent Review: As delegated by the Board last March, staff met with Leon County to review the status of the fiscal agent contract. No increase in basis points was requested by the County, due to the ongoing low volume of transactions. The County is able to address the concern about federal records retention extending longer than the language in the existing contract, and is implementing this change.

Budgeting: At the next Board meeting, it will be time to consider the budget for next fiscal year. As already noted, the volume of work is uncertain and we believe will continue to be, owing to the varied nature of individual counties, their projects, and their internal capacity to bring projects forward.

We will bring forward a variety of scenarios for consideration by the Finance Committee, and then a recommended budget to the Board. We will schedule Finance Committee earlier than normal to accommodate any revisions they may request and allow ample time for discussion. One activity that will be occurring next fiscal year is the expiration of the management contract. By the September Board meeting, the procurement schedule will need to be approved to allow sufficient time prior to the expiration of the current contract on April 30, 2021.

The Finance Committee composition is as follows:

Chair:	Commissioner Scott Carnahan, Citrus County
Vice Chair:	Commissioner Lane Lynchard, Santa Rosa County
Committee Member:	Commissioner Smokey Parrish, Franklin County
	Matt Posner, Escambia County
	Yana Matiyuk, Pinellas County
	Heather Larson, Sarasota County

RESTORE Council Updates: Grant Solutions is up and running, and a few live items are left on RAAMS for transition.

Attachments:

- 1) None

Action Required:

- 1) None

Prepared by:

Valerie Seidel, The Balmoral Group
On: June 2, 2020