

**RICHLAND COUNTY**  
**ADMINISTRATION & FINANCE**  
**COMMITTEE AGENDA**



**Tuesday, JUNE 22, 2021**

**6:00 PM**

**ZOOM MEETING**

**The Honorable Bill Malinowski**

**County Council District 1**

**The Honorable Yvonne McBride**

**County Council District 3**

**The Honorable Joe Walker**

**County Council District 6**

**The Honorable Overture Walker**

**County Council District 8**

**The Honorable Jesica Mackey**

**County Council District 9**

# RICHLAND COUNTY COUNCIL 2021



Bill Malinowski  
District 1  
2018-2022



Derrek Pugh  
District 2  
2020-2024



Yvonne McBride  
District 3  
2020-2024



Paul Livingston  
District 4  
2018-2022



Allison Terracio  
District 5  
2018-2022



Joe Walker III  
District 6  
2018-2022



Gretchen Barron  
District 7  
2020-2024



Overture Walker  
District 8  
2020-2024



Jessica Mackey  
District 9  
2020-2024



Cheryl English  
District 10  
2020-2024



Chakisse Newton  
District 11  
2018-2022





Richland County Administration & Finance Committee

June 22, 2021 - 6:00 PM  
Zoom Meeting  
2020 Hampton Street, Columbia, SC 29201

1. **CALL TO ORDER** The Honorable Bill Malinowski
  
2. **APPROVAL OF MINUTES** The Honorable Paul Livingston
  - a. Regular Session: May 25, 2021 [PAGES 7-13]
  
3. **APPROVAL OF AGENDA** The Honorable Bill Malinowski
  
4. **ITEMS FOR ACTION** The Honorable Bill Malinowski
  - a. EMS - Ambulance Purchase [PAGES 14-15]
  - b. EMS - Fire Tanker Purchase [PAGES 16-18]
  - c. Department of Public Works - Stormwater NPDES Consultant [PAGES 19-33]
  - d. Department of Public Works - Compound Parking Lot Restoration [PAGES 34-36]
  - e. Alvin S. Glenn Detention Center - HVAC Maintenance [PAGES 37-39]
  - f. Community Planning & Development - CDBG/CV FY21 Action Plan Substantial Amendment [PAGES 40-48]
  - g. Community Planning & Development – 2021-2022 Annual Action Plan [PAGES 49-53]
  - h. Community Planning & Development – Saint Bernard Project [PAGES 54-194]
  
5. **ITEMS PENDING ANALYSIS: NO ACTION REQUIRED** The Honorable Bill Malinowski

- a. Request from Chief Magistrate – Bond Court Consolidation  
[PAGES 195-236]

*\*The Chief Magistrate is compiling answers to the those inquires received from members of the Committee.*

- b. I move that Richland County Council direct the County Administrator and his staff to conduct an equity and inclusive assessment of Richland County Administrative policies and services; and provide recommendations for a comprehensive approach to advancing equity for people of color, women and others who have been historically under-served, marginalized, and adversely affected by persistent inequality. By advancing equity across Richland County Government, we can create opportunities for the improvement of businesses, communities and individuals that have been historically under-served, which will benefit all of Richland County. Appropriate assessments will better equip Richland County to develop policies and programs that deliver resources and benefits equitably to all.  
[McBride]

*\*\*Staff is still making attempts to determine if a partnership with the City of Columbia for data collection to enable determinants is possible. Additionally, they are working with other local agencies who are currently working diligently on this initiative to gain insight into processes and procedures that have been effective in moving their EID efforts forward. Staff will be coming forward with some initial recommendations in the near future.*

6. **ADJOURN**



Special Accommodations and Interpreter Services Citizens may be present during any of the County's meetings. If requested, the agenda and backup materials will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), as amended and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting the Clerk of Council's office either in person at 2020 Hampton Street, Columbia, SC, by telephone at (803) 576-2061, or TDD at 803-576-2045 no later than 24 hours prior to the scheduled meeting.



Administration and Finance Committee  
May 25, 2021 –6:00 PM  
Zoom Meeting  
2020 Hampton Street, Columbia, SC 29201

COMMITTEE MEMBERS PRESENT: Bill Malinowski, Chair, Yvonne McBride, Overture Walker, and Jesica Mackey

OTHERS PRESENT: Paul Livingston, Allison Terracio, Cheryl English, Chakisse Newton, Derrek Pugh, Gretchen Barron, Michelle Onley, Angela Weathersby, Kyle Holsclaw, Tamar Black, Ashiya Myers, Lori Thomas, Leonardo Brown, Clayton Voignier, Mike Maloney, Michael Byrd, Ronaldo Myers, Bill Davis, Randy Pruitt, Stacey Hamm, Elizabeth McLean, Dale Welch, Stephen Staley, Geo Price, Lauren Hogan, James Hayes, Andrea Mathis, John Ansell, John Thompson, Quinton Epps, Jennifer Wladischkin, Sandra Haynes, Sierra Flynn, Dwight Hanna, and Dante Roberts

1. **CALL TO ORDER** – Mr. Malinowski called the meeting to order at approximately 6:00 PM.

2. **APPROVAL OF MINUTES**

- a. **Regular Session: April 27, 2021** – Ms. McBride moved, seconded Ms. Mackey, to approve the minutes as distributed.

In Favor: Malinowski, McBride, O. Walker and Mackey

Not Present: J. Walker

The vote in favor was unanimous.

3. **ADOPTION OF AGENDA** – Mr. O. Walker moved, seconded by Ms. McBride, to adopt the agenda as published.

In Favor: Malinowski, McBride, O. Walker, and Mackey

Not Present: J. Walker

The vote in favor was unanimous.

4. **ITEMS FOR ACTION**

- a. **Request from Chief Magistrate – Bond Court Consolidation** – Mr. Malinowski noted this item started in this committee on February 25, 2020. Subsequently, the item was unanimously deferred 3 times, in order for questions by the committee to be addressed. The questions dealt with more specificity on the finances, inconsistencies on dollar amounts presented, and concerns with the legality of the Supreme Court ruling on the City of Columbia not being in compliance since 2007. The County Attorney, Mr. Smith, was concerned, if the County consolidated bond court without the issue being resolved, the County would assume the issue. Mr. Smith stated the County did not get any clarity from the City about what the Supreme Court was requiring the City to do, as it relates to bonds. Mr. Hayes also posed questions about the finances. The last deferral on this item was in May 2020, and the committee has not heard anything until it was placed on the April 2021

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**Administration & Finance Committee  
May 25, 2021**

-1-

committee agenda. The committee still has not been given the answers to the questions raised by Councilmembers.

Mr. Livingston noted we need to provide specific questions, so we can move forward on this item.

Mr. Malinowski responded the Legal Department needs to be notified as to what the State Supreme Court has asked the City to do to come into compliance, as it relates to bond court. Are the current employees going to become Richland County employees? There are a multitude of accounting discrepancies regarding the judge and staff's salaries. The briefing document stated, "The Bond Court staff, who works solely at the Bond Court, would receive an additional \$4,000 stipend." He would like to know why they get a stipend. There were questions about the average salary of the staff. He inquired about who is incurring travel expenses, when the work is being done locally. It was noted, on p. 17, there is not a line item breakdown of the operating expenses. Will Richland County need more staff if the bond courts are consolidated? If yes, that is going to increase the average costs shown on p. 19 of the agenda. The approximate cost to the County will be \$523,000/annually and the City will be paying more. It appears they took the number of detainees from the County and came up with an average cost per detainee. Then they took the number of City detainees and came up with an average cost per detainee, which is how they put forward what the new cost would be. When you divide the \$1.4M cost by the total number of detainees, the cost to Richland County is \$485,600, not \$410,000. The briefing documents refers to increase liability risks. Why would Richland County want to take on increase liability risks? The proposal appears to help the City save money, and help them get out of the situation they are in with the Supreme Court. There does not appear to be any benefits for the County. He offered to work with the Magistrate's Office regarding the discrepancies. He noted, on p. 27, there is a letter dated April 22<sup>nd</sup> from City Manager Teresa Wilson that begins, "It is my understanding Richland County Council has indicated an interest in consolidating the County and City's bond courts", but the item did not appear on the agenda until April 27<sup>th</sup>.

Mr. Livingston suggested passing these questions along, so the next time there could be answers.

Mr. Malinowski noted he would forward his questions to the Administrator.

Mr. Livingston requested any Council members with questions to forward their questions to Administration.

Ms. McBride stated there is not a full understanding of what needs to be done, and it is not fair to the new members on the committee, given the questions Mr. Malinowski raised. There needs to be a good explanation on the purpose of this, as well as the financial information. She believes we need more details to address this matter properly.

Mr. O. Walker stated he agrees with the concept of consolidating the County and the City's bond courts. His perspective is unique in that he is a practicing attorney, and has had the privilege of serving as a City judge. From a logistical standpoint and streamlining the court system in Richland County, this is a good idea and a great concept. He noted, if someone gets arrested in the County, they get a bond hearing within a couple hours, but if someone is arrested in the City, they have to wait until the next morning. The County has a 24-hour bond court, whereas the City holds bond court once a day. State law dictates bond court is to be held twice a day. The aim was, instead of the City holding bond court twice a day, to turn bond court over to the County. He noted the conversation of consolidating bond court has been ongoing for over a decade. He understands the committee still has questions that need to be answered, and perhaps deferral is the best thing, at this point.

Ms. Terracio inquired about how long it would take to get the questions answered.

Judge Coble responded they could have the answers within 24 hours.

Mr. Malinowski stated he would get his questions to the Administrator and Judge Edmond. He encouraged the other Councilmembers to do the same, so this can be resolved and forwarded on to Council.

**Administration & Finance Committee  
May 25, 2021**

Ms. McBride requested an overview at the next Council meeting.

Mr. Malinowski moved, seconded by Mr. O. Walker, to defer this item until the next committee meeting.

In Favor: Malinowski, McBride, O. Walker, and Mackey.

Not Present: J. Walker

The vote in favor was unanimous.

- b. Operational Services – Award of Township Auditorium Boiler Project** – Mr. Brown noted, on p. 58, there is information concerning the Township’s boiler request. Staff is requesting the committee to forward a recommendation for approval to Council. He noted the current boiler is about 45 years old, and is past its life expectancy. The request is a part of the Capital Improvement Plan approved by Council. This is considered a high priority item.

Ms. McBride moved, seconded by Ms. Mackey, to forward to Council with a recommendation to approve the award for Bid #RC-423-B-2021 – Township Auditorium Boiler Replacement to C&C Boiler Sales & Service Inc.

Mr. Malinowski noted the contingency is quite high due to the age of the building and the boiler. He inquired if the bidder requested this type of contingency.

Mr. Brown responded the contingency is something staff includes.

Mr. Malinowski noted he has mentioned before that he would like contractual information and dollars figures held in abeyance instead of the amounts arbitrarily being seen by everyone.

In Favor: Malinowski, McBride, O. Walker, and Mackey.

Not Present: J. Walker

The vote in favor was unanimous.

- c. Operational Services – Township Auditorium Lighting Upfit** – Mr. Brown noted this item also falls within the Capital Improvement program presented to Council. This project is a retrofit of older lights to LED-quality lights. The County will experience cost efficiencies with the upfit.

Mr. Pruitt stated the current life expectancy of the current lighting is 100 hours, and also generates a tremendous amount of heat, which overworks the HVAC systems. With the conversion to LED lighting, the heat goes away. The current lights were also outlawed by Council in 2008. The County is trying to go green and try to transfer everything in the County, so it is more energy efficient. He noted the current bulbs are only manufactured in China. With the tariffs, and COVID, it is difficult to obtain these bulbs. Whereas it took 2-3 months, it now takes 6-7 months to receive the bulbs. In addition, the price has tripled and it is not cost effective to put the project off.

Mr. Malinowski inquired if the new bulbs will be coming from China.

Mr. Pruitt responded the new bulbs are US-made, low energy consumption bulbs.

Ms. Terracio inquired if these was a secondary market for the existing bulbs, and if we have a plan for them. She noted the current lights are vintage and there may be a market for them.

Mr. Pruitt responded staff planned to properly dispose of the bulbs since they were outlawed by Council.

Ms. Terracio requested that staff reach out to see if the bulbs could be repurposed.

**Administration & Finance Committee  
May 25, 2021**

Ms. McBride inquired if we are using the most modern and best available lights for the venue, and if anyone has been in communications with Mr. Holloman.

Mr. Holloman responded the lights inside the auditorium most likely cannot be reused. Those are 500-watt bulbs located inside the ceiling and outlawed. The new lights will be more energy efficient and cost effective.

Mr. Pruitt noted, for clarification, we are not replacing the fixtures. The fixtures will be retrofitted for the LED bulbs. The antique value would be with the fixtures and the bulbs together.

Ms. Mackey moved, seconded by Ms. McBride, to forward to Council with a recommendation to contract with Productions Unlimited in the amount of \$166,400 (plus a 10% Richland County controlled contingency of \$16,640) for a total amount of \$183,040.00. The contract would be for the company to retro-fit can lights (quantity 149) with LED lights in the auditorium area and tie them into the ION Control Desk EOS control system.

In Favor: Malinowski, McBride, and Mackey.

Mr. O. Walker was unable to vote due to technical difficulties.

Not Present: J. Walker

The vote in favor was unanimous.

- d. Financial Audit Services** – Mr. Brown noted this item is associated with the annual requirement to have the financials audited. The recommendation is to approve the contract for financial audit services.

Ms. Mackey moved, seconded by Mr. Malinowski, to forward to Council with a recommendation to approve the award of a contract to Mauldin & Jenkins for Financial Audit Services in the amount of \$116,000.

In Favor: Malinowski, McBride, and Mackey.

Mr. O. Walker was unable to vote due to technical difficulties.

Not Present: J. Walker

The vote in favor was unanimous.

- e. Department of Public Works –Award of 80,000 lb. Excavator** – Mr. Ansell stated they are requesting to purchase an 80,000 lb. excavator to replace an aging 80,000 excavator currently on the property. The age, hours, and condition of the machine is making it prohibitive to own. As the machine gets older, the parts are harder to find, which causes lengthy delays when repairs are needed. He noted this machine is relied on almost daily at the landfill.

Ms. McBride moved, seconded by Ms. Mackey, to forward to Council with a recommendation to approve the award of a bid to MAY/RHI National Equipment Dealers for an 80,000 lb. excavator.

In Favor: Malinowski, McBride and Mackey

Not Present: J. Walker

Mr. O. Walker was unable to vote due to technical difficulties.

The vote in favor was unanimous.

**Administration & Finance Committee  
May 25, 2021**

- f. **Department of Public Works – County Line Trail** – Mr. Brown noted this item deals with a FEMA Disaster relief grant.

Mr. Staley stated this project addresses a long, cut through road that has been closed since the 2015 flood. He noted it took a while for staff to be satisfied with the grant funding amount, but it is now approved. Public Works has a contractor on board and they are now ready to move forward.

Ms. McBride moved, seconded by Ms. Mackey, to forward to Council with a recommendation to approve the award of a construction contract to Republic Contracting Corporation for the repair and bridge replacement on County Line Trail.

In Favor: Malinowski, McBride, and Mackey.

Not Present: J. Walker

Mr. O. Walker was unable to vote to technical difficulties.

The vote in favor was unanimous.

- g. **Department of Public Works – Danbury Drainage Improvements** – Mr. Brown noted this item was funded by CDBG-DR dollars, and is specific to improvements and drainage.

Mr. Staley stated this is a HUD Grant that is going to help alleviate some flooding in the Danbury neighborhood off North Main Street.

Ms. McBride moved, seconded by Ms. Mackey, to forward to Council with a recommendation to approve the award of a contract for construction of the CDBG-DR Grant funded Danbury Drive Drainage Improvements to L-J, Inc.

Ms. McBride noted we have been working on this project for 4 years. The constituents are happy to see this project is moving forward.

Ms. Mackey stated she is pleased to see the bidder on the contract had 13.9% minority and disadvantaged business participation.

In Favor: Malinowski, McBride, O. Walker, and Mackey.

Not Present: J. Walker

The vote in favor was unanimous.

- h. **Conservation Commission – Award of Bridge & Dirt Road Improvement Project** – Mr. Brown stated this is a request of the Conservation Commission specific to a damaged bridge they are looking to have replaced.

Mr. Epps stated the bridge was damaged in early February 2020 by flooding. Originally they want to replace the bridge and provide some enhancements for the entrance road going to the bridge. However, after consulting with the vendor it was decided to remove the road enhancements.

Mr. Malinowski inquired, if there was flooding in February 2020, has a request been made to FEMA, or another agency, to secure funding to repair the damage caused by a natural disaster.

Mr. Epps responded a natural disaster was not authorized by the State for this particular flood, so no requests were made.

Mr. Malinowski inquired, if a flood actually occurred, or if it was due to heavy rain and flooding in the area we

**Administration & Finance Committee  
May 25, 2021**

**-5-**

want to replace the bridge.

Mr. Epps responded there was a flood surge on the property, with logs behind it, which lifted the bridge up and pushed it off its beams. He noted the wear and tear caused the bridge to release.

Mr. Malinowski inquired if this was a County-maintained road.

Mr. Epps responded in the affirmative.

Mr. Malinowski inquired why this is not being handled by Public Work since it is a County road.

Mr. Epps responded the property and bridge is managed by the Conservation Commission. The Transportation Penny Program, as well as Public Works, were consulted.

Mr. Malinowski inquired whose responsibility is it to repair roads and bridges in Richland County.

Mr. Brown responded a division of Public Works will be doing roads within Richland County that come under their purview. In this particular instance, Conservation Commission, is requesting to fix damaged property they manage through the funding they are provided through the mill they receive.

Mr. Malinowski noted he could understand them using the mill, but he believes the people responsible should do the repairs and bill the Conservation Commission for the work. He noted the committee was given a separate document that showed the schedule of fees. He inquired who created the schedule and the bridge and dirt improvements.

Ms. Wladischkin responded the schedule of fees was provided by the consultant, after negotiations to change the scope and remove the road enhancements.

Mr. Malinowski noted, of the 6 respondents to the RFQ, the highest ranked offeror was Carolina Transportation Engineers. He stated, for clarification, there were no prices determined because this is a RFQ.

Ms. Wladischkin responded in the affirmative.

Mr. Malinowski noted, if the second ranked offeror was \$50,000 less, the committee would never know.

Ms. Wladischkin responded in the affirmative.

Ms. McBride requested that the policies and practices be reviewed.

Mr. Malinowski moved, seconded by Ms. McBride, to forward to Council with a recommendation to approve the award of a contract to Carolina Transportation Engineers & Associates, PC, in the amount of \$250,000 and request the Administrator to determine the policy and make sure we are not in violation with this approval.

In Favor: Malinowski, McBride, O. Walker, and Mackey

Not Present: J. Walker

The vote in favor was unanimous.

5. **ITEMS PENDING ANALYSIS: NO ACTION REQUIRED**

- a. **I move that Richland County Council direct the County Administrator and his staff to conduct an equity and inclusive assessment of Richland County Administrative policies and services; and provide recommendations for a comprehensive approach to advancing equity for people of color, women and others who have been historically under- served, marginalized, and adversely affected by persistent**

**Administration & Finance Committee  
May 25, 2021**

-6-

**inequality. By advancing equity across Richland County Government, we can create opportunities for the improvement of businesses, communities and individuals that have been historically underserved, which will benefit all of Richland County. Appropriate assessments will better equip Richland County to develop policies and programs that deliver resources and benefits equitably to all.**

**[McBride]** – Mr. Brown stated this item will remain in front of the committee until staff completes several steps associated with the motion. Currently, the County is working with the City of Columbia to see if the County can join in the City’s bid with the consultant conducting their Diversity and Equity Study. The County is trying to join with them, or use the same provider. Additionally, we have met with the Richland County Library who had communicated that they could support Ms. McBride’s motion, and give the County information they had put in place.

Ms. McBride noted the importance of moving this forward. She also noted some of her concerns about the County’s procurement process, and she wanted a study of this process done by an external contractor.

6. **ADJOURNMENT** – The meeting adjourned at approximately 6:54 PM.



**Agenda Briefing**

<b>Prepared by:</b>	Michael A. Byrd	<b>Title:</b>	Director
<b>Department:</b>	Emergency Services	<b>Division:</b>	EMS
<b>Date Prepared:</b>	June 7, 2021	<b>Meeting Date:</b>	June 22, 2021
<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	June 09, 2021
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	June 09, 2021
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	June 10, 2021
<b>Approved for consideration:</b>	Assistant County Administrator	John M. Thompson, Ph.D., MBA, CPM	
<b>Committee</b>	Administration & Finance		
<b>Subject:</b>	Purchase of Ambulance Vehicles		

**STAFF’S RECOMMENDED ACTION:**

Staff recommends approval to negotiate and award the purchase of ambulances vehicles.

Request for Council Reconsideration:  Yes

**FIDUCIARY:**

Are funds allocated in the department’s current fiscal year budget?		Yes	<input checked="" type="checkbox"/>	No
If no, is a budget amendment necessary?		Yes	<input checked="" type="checkbox"/>	No

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

Council issued a General Obligation Bond with third reading occurring on October 20, 2021. The bond included funding for the purchase of ambulances.

Funds are available in account: GL / JL Key: 1344995000 / 13442210

**COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

None.

**REGULATORY COMPLIANCE:**

None applicable.

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### **STRATEGIC & GENERATIVE DISCUSSION:**

Staff seeks to obtain approval to purchase emergency response ambulance vehicles. The ambulances and chassis being replaced have been in service for over nine years, and the patient compartments have been remounted twice. They have reached the end of their life. The modular patient compartments cannot be remounted again due to the condition and damage to the structures. EMS has not purchased new ambulances in over four years. The entire EMS ambulance fleet is aging, and the newest EMS ambulance vehicles are over four years old. This purchase begins the effort to improve the ambulance fleet. New ambulances will increase the effectiveness of EMS response, reduce down-time due to maintenance issues and reduce out-of-contract maintenance costs.

After the GO Bond was issued, the Procurement Department solicited proposals to purchase five (5) ambulances with an option to purchase an additional five (5) each year for two (2) years. The proposals were evaluated based on meeting the scope of work, delivery schedule and price. There were four vendors that responded to the RFP for the project. EMS personnel along with the Richland County Procurement and Contracting Office have reviewed the proposals received, which were submitted via Bonfire and found no discrepancies. The proposals were scored and ranked. The highest ranked Offeror is: Northwestern Emergency Vehicles. The County will seek to enter into negotiations with the top ranked Offeror. If a successful contract cannot be reached, negotiations will cease, and the process will begin with the next highest Offeror.

#### **ADDITIONAL COMMENTS FOR CONSIDERATION:**

Information will be provided by Procurement under separate cover.

#### **ATTACHMENTS:**

**RICHLAND COUNTY  
ADMINISTRATION**

2020 Hampton Street, Suite 4069  
Columbia, SC 29204  
803-576-2050



**Agenda Briefing**

<b>Prepared by:</b>	Michael A. Byrd	<b>Title:</b>	Director
<b>Department:</b>	Emergency Services	<b>Division:</b>	Fire
<b>Date Prepared:</b>	June 7, 2021	<b>Meeting Date:</b>	June 22, 2021
<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	June 09, 2021
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	June 15, 2021
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	June 10, 2021
<b>Approved for consideration:</b>	Assistant County Administrator	John M. Thompson, Ph.D., MBA, CPM	
<b>Committee</b>	Administration & Finance		
<b>Subject:</b>	Purchase of Fire Truck Tanker		

**STAFF’S RECOMMENDED ACTION:**

Staff recommends approval of the purchase of a fire truck tanker for the Hopkins Station using CDBG funds.

Request for Council Reconsideration:  Yes

**FIDUCIARY:**

Are funds allocated in the department’s current fiscal year budget?		Yes	<input checked="" type="checkbox"/>	No
If no, is a budget amendment necessary?		Yes	<input checked="" type="checkbox"/>	No

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

Funds are available from CDBG funds:

- GL/JL 1202992010/4891000.5265 (CDBG FY17)
- GL/JL 1202992010/4891300.5265 (CDBG FY18)
- GL/JL 1202992010/4891500.5265 (CDBG FY19)
- GL/JL 1202992010/4891700.5265 (CDBG FY21)

Using CDBG funds will not impact the Fire Fund or the General Fund.

**COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

None.

**REGULATORY COMPLIANCE:**

Non-applicable.

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### STRATEGIC & GENERATIVE DISCUSSION:

The purpose of this report is to obtain Council approval to purchase a new fire tanker for the County's Hopkins Fire Station. The Community Development Office notified Emergency Services there is money available from previous Community Development Block Grant (CDBG) funds for the purchase of a fire truck – tanker. No additional funds are needed. This will be the fourth truck purchased using CDBG funds. The first pumper purchased using CDBG funds is stationed at the Hopkins Station, the second pumper is stationed at the Capital View station and the third pumper is stationed at the Gadsden station.

Richland County needs to add additional pumper and tanker trucks to the fleet to meet front-line demand and reserve truck capacity. We need to increase the number of reserve trucks to maintain our current ISO Public Protection Classification. This purchase will improve our ability to respond to fire calls in the Lower Richland area. The older tanker currently in use at Hopkins will be reassigned or become a reserve truck.

Richland County contacted fire truck manufacturers to identify available ready-built trucks. Ready- built trucks are demos and stock vehicles that reduce the delivery time. The industry standard for delivery of new vehicles built to customer specifications can be over 365 days.

The only manufacturer that had a truck meeting the minimum requirements was Pierce - Spartan Fire and Emergency Apparatus. The advantage of purchasing a stock truck is that it provides a quick delivery time verses developing specifications and having a long bid and evaluation process. It can also offer a cost savings. Building this truck to custom specifications is estimated to have cost \$400,000 up to \$450,000. Each production year has higher costs for steel and other equipment. Ready-built stock trucks are available on a first come - first purchase basis so this purchase is time sensitive.

Pierce fire trucks sold by Spartan Fire and Emergency Apparatus is on the Cooperative Sourcewell Contract (#022818 – ID#805). Richland County is a member of the Cooperative Sourcewell which is a government cooperative purchasing organization who contracts purchasing solutions that are competitively solicited nationally.

Once approved, Council is asked to reconsider this item due to the time sensitive purchase. After reconsideration, no further action is required and Procurement will issue the purchase order.

#### ADDITIONAL COMMENTS FOR CONSIDERATION:

None.

#### ATTACHMENTS:

1. Quotation



# SPARTAN FIRE

and Emergency Apparatus  
Since 1973

**QUOTATION**

**ESTIMATE**


319 Southport Road • Roebuck, S.C. 29376

Office: 864-582-2376 • Fax: 864-582-2377 • Email: spartanfire@spartanfire.com

Customer: Richland County

 Sourcewell Contract #022818  
ID #805

Product: Tanker

Date of Proposal:

F.O.B.:

Estimated Delivery:

Payment Terms:

Salesman:

May 19, 2021

Richland County

Immediate (\*)

Net Pymt at Delivery

*Robby Fore*

Item	Qty.	Description	Price	Amount
1	1	<b>2021 Pierce 2100 Gallon Tanker Built per NFPA 1901 and as per Attached Option List for Job 35436</b>		\$308,100.00
2	1	SC Sales Tax (IMF)		\$500.00
		Options Added:		
		1. 19" Front Bumper Extension with Stainless Steel Bumper and Center Deadlay Tray with Treadplate Cover		\$4,355.00
		2. Front Bumper Turret with 2.50" Outlet plumbed to Turret		\$14,157.00
		3. Husky 3 Foam System		\$17,495.00
		4. Dump Tank Rack with Treadplate Cover		\$3,884.00
		5. Husky Aluminum 2500 Gallon Dump Tank		\$1,705.00
		6. Map Box		\$340.00
		7. Lettering and Striping		\$1,000.00
		8. Warning Light/Scene Light Contingency		\$5,000.00
		9. Two (2) Rechargeable Handlights Installed		\$570.00
		(* ) Job 35436 is a Stock Unit available for immediate delivery as built. If options are requested to be added will affect delivery time frame. Please note Stock Units are subject to prior sale.		

**TOTAL COST**
**\$352,751.00**
**THIS QUOTATION EXPIRES AFTER SIXTY DAYS**



**Agenda Briefing**

<b>Prepared by:</b>	Sierra Flynn		<b>Title:</b>	Assistant Manager	
<b>Department:</b>	Finance	<b>Division:</b>	Procurement		
<b>Date Prepared:</b>	June 1, 2021	<b>Meeting Date:</b>	June 22, 2021		
<b>Legal Review</b>	Elizabeth McLean via email			<b>Date:</b>	June 09, 2021
<b>Budget Review</b>	James Hayes via email			<b>Date:</b>	June 09, 2021
<b>Finance Review</b>	Stacey Hamm via email			<b>Date:</b>	June 10, 2021
<b>Approved for consideration:</b>	Assistant County Administrator	John M. Thompson, Ph.D., MBA, CPM			
<b>Committee</b>	Administration & Finance				
<b>Subject:</b>	NPDES Consultant Contract				

**STAFF’S RECOMMENDED ACTION:**

Staff recommends approval from County Council to award the contract for National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) consulting services to Woolpert.

**REQUEST FOR COUNCIL RECONSIDERATION:**  Yes

**FIDUCIARY:**

Are funds allocated in the department’s current fiscal year budget?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
If no, is a budget amendment necessary?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

NPDES MS4 Consultant Services is funded in the Stormwater Management Division’s Professional Services account (1208302200-526500). The Stormwater Management Division budgets \$282,000 for NPDES Consulting Services. The total fee for the current year scope of service is \$245,908.

**COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

None.

**REGULATORY COMPLIANCE:**

Discharges from the County’s storm drainage network are covered by a NPDES MS4 permit issued by the SC Department of Health and Environmental Control (SCDHEC) on behalf of the Environmental Protection Agency (EPA).

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### STRATEGIC & GENERATIVE DISCUSSION:

The Stormwater Management Division oversees implementation of the County's NPDES MS4 permit. The County's NPDES MS4 permit was re-issued on July 1, 2016 and covers all areas located within the political boundary served by the storm drainage system owned or operated by Richland County. The NPDES Permit requires the County to continue the implementation of a comprehensive stormwater management program in compliance with NPDES Phase I and Phase II stormwater requirements for developing pollution prevention measures, stormwater treatment or removal techniques, stormwater and instream monitoring and other appropriate means to control the quality of stormwater discharged from the county's storm drainage system.

The Stormwater Division has worked with the engineering firm Woolpert since 2016 on continued development and implementation of the County's Stormwater Management Plan (SWMP). Woolpert's current contract for NPDES Consultant Services ends in June 2021. The Stormwater Management Division solicited Requests for Proposals (RFPs) to assist the Division with continued implementation of the NPDES MS4 Permit. Two proposals were submitted and evaluated. Woolpert received the high score and was recommended for approval.

The tasks associated with implementing this new scope of services for NPDES MS4 Permit Compliance includes: Water Quality Monitoring Plan Implementation Assistance, Illicit Discharge Detection and Elimination Services, Annual Report and TMDL Implementation Plan Assistance, Stormwater Drainage System Assessment, Industrial Program Assistance, and other stormwater management services as needed.

#### ADDITIONAL COMMENTS FOR CONSIDERATION:

None

#### ATTACHMENTS:

1. FY22 Scope of Services

# SCOPE OF SERVICES

## NPDES MS4 Compliance Services (2021-2022)

### Introduction

Richland County's Phase I, MS4 Permit (3<sup>rd</sup> Cycle) was issued with an effective date of July 1, 2016. The permit describes tasks to be completed for compliance with the terms and conditions set forth in South Carolina (SC) Regulation 61-9 122.26. Woolpert has been working since June 2016 to help the county meet these requirements. Woolpert met with Richland County near the end of the 2019/2020 fiscal year to discuss the state of the county's Storm Water Management Program and how Woolpert can continue working with the county to help meet permit requirements and further strengthen the county's Stormwater Management Program. The county submitted to SCDHEC a permit renewal application in early 2021 but has not been issued the 4<sup>th</sup> cycle permit. Since a second cycle permit will not be issued in the foreseeable future the county must begin reimplementing the first cycle permit. The requested assistance has been divided into seven (7) tasks that describe work to be completed under the NPDES MS4 Compliance Services from July 2021 to June 2022.

### Scope Outline:

#### Task 1: Water Quality Monitoring Plan Implementation Assistance

- Task 1.1 – Grab Sampling Assistance
- Task 1.2 – Technical and Field Assistance
- Task 1.3 – Quarterly Reporting and Staff Meetings

#### Task 2: Illicit Discharge Detection and Elimination Services

- Task 2.1 – Dry Weather Screening

#### Task 3: Annual Report and TMDL Implementation Plan Assistance

- Task 3.1 – Assistance with TMDL Implementation Plans
- Task 3.2 – Review of Year 5 Annual Report

#### Task 4: Storm Drainage System Assessment

- Task 4.1 – Project Identification
  - o Task 4.1.1 – Kickoff Meeting
  - o Task 4.1.2 – Initial Project Mapping
  - o Task 4.1.3 – Field Verification and Condition Assessment
- Task 4.2 – Project Prioritization
  - o Task 4.2.1 – Revise Prioritization Criteria
- Task 4.3 – Stormwater Capital Improvement Project Plan
  - o Task 4.3.1 – Develop a CIP Program Document

#### Task 5: Industrial Program Assistance

- Task 5.1 – Industrial Training
- Task 5.2 – Municipal Facility Inspections and SWPPP Review

#### Task 6: Other Services

- Task 6.1 – Stormwater CIP Dashboard

#### Task 7: Project Management

# Task 1: Water Quality Monitoring Plan Implementation Assistance

## Task 1.1 – Grab Sampling Assistance

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Richland County operates a robust and complex monitoring program that includes various sampling methods at numerous locations for a wide range of pollutants. The program includes ambient water quality monitoring, sediment sampling, benthic community sampling, wet weather monitoring, and dissolved oxygen monitoring. Portions of the program have been collecting data since 2005. Woolpert will assist the county in the collection of grab samples at various monitoring sites within the county.

**Quarterly Wet Weather Grab Sample Collection** – Woolpert will monitor weather conditions and assist county staff quarterly with sampling at designated county TMDL monitoring sites. Woolpert will collect the samples and deliver them to the designated laboratory for analysis. A chain of custody form will be sent to the county to confirm the laboratory's acceptance of each grab sample collected. *Approximately 100 hours of wet weather sample collection time will be allotted for this contract period.*

**TMDL Site Study Sample Collection** – In addition to quarterly samples required by the permit, the county has begun collecting additional *E. coli* samples at select TMDL monitoring sites to better understand the source of pollutants within those watersheds. Woolpert will assist county staff with sampling monthly at designated county TMDL monitoring sites. Woolpert will collect the samples and deliver them to the designated laboratory for analysis. A chain of custody form will be sent to the county to confirm the laboratory's acceptance of each grab sample collected. *Approximately 160 hours of wet weather sample collection time will be allotted for this contract period.*

### Task 1.1 Deliverables:

1. **Grab Sample Collection** – Collect wet weather grab samples and deliver to laboratory (260 hours total of sample collection time)
2. **Chain of Custody Forms** – Submitted for each sample delivered to laboratory

## Task 1.2 – Technical and Field Assistance

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The county employs various water quality monitoring instruments to aid in collecting water quality grab samples and has recently expressed interest in real-time data applications. Woolpert will provide telephone/in-person guidance on the setup, use, and maintenance of monitoring and telemetry equipment. Woolpert will also provide support services as the county employs the Aquarius Samples discrete data management software and migrates historical data into this platform.

### Task 1.2 Deliverables:

1. **On-Call Service** - Up to 80 hours of guidance on monitoring instrumentation, Aquarius software, and related technical tasks

### Task 1.3 – Quarterly Reporting and Staff Meetings

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**Quarterly Reports** – Each quarter, Woolpert will review the monitoring data that has been compiled by county staff. After the monthly evaluation of the collected data is conducted, Woolpert will provide the county with quarterly monitoring summaries for stations where sampling has occurred. The analysis for all sampled parameters will be summarized in a supporting narrative that can be given to staff and posted on the county's internet webpage. It is anticipated that four (4) quarterly reports will be developed during this contract period.

**Datasonde Post-Deployment Calibration Procedures** – Datasonde data collected at the county's dissolved oxygen monitoring location will be imported into Aquarius Time Series data management software for brief evaluation and processing at the end of each deployment period. Preliminary processing will include analyzing short-term trends and applying data corrections based upon post-deployment calibration information to account for equipment fouling and calibration drift. Post-processed datasets will be delivered quarterly, along with quarterly monitoring reports.

**Quarterly Staff Meetings** – After completing the monitoring data quarterly report, Woolpert will meet with staff to discuss the results of the analysis and any identified pollutant concentrations that appear unusual or that fluctuated out of normal ranges. It is anticipated that four (4) quarterly meetings will occur during this contract period.

#### Task 1.3 Deliverables:

1. **Quarterly Monitoring Data Reports** - Includes one (1) report each quarter
2. **Quarterly Staff Meetings** – Four (4) meetings over the contract period, to include meeting minutes, if necessary

## Task 2: Illicit Discharge Detection and Elimination Services

Per NPDES MS4 stormwater permit no. SCS400001, Richland County, is required to implement the field screening analysis program to detect the presence of illicit connections and eliminate improper discharges to the MS4. Since a third cycle permit will not be issued in the foreseeable future, the county must begin reimplementing the first cycle permit. The county must complete dry weather field screening and eliminate illicit discharges at all major outfalls screened in Year 1 of the first permit cycle. The county was divided into four screening areas comprised of different sub-watersheds to complete in the first four years of the permit cycle.

### Task 2.1 – Dry Weather Screening

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Woolpert will train county staff on utilizing Arc Collector to complete dry weather screening. In addition, Woolpert will assist with any dry weather screening and illicit discharge investigations on an as-needed basis and train on related processes and procedures. Any data collection Woolpert performs will be recorded in the Arc Collector database approved by the county. *Approximately 100 hours of dry weather screening and illicit discharge investigation time will be allotted for this contract period.*

#### Task 2.1 Deliverables:

1. **Dry Weather Screening, Illicit Tracking Investigations, and Staff Training** – Up to 100 hours for training and field assistance

#### NOTE:

1. This task may include project meetings. Meeting minutes will be provided, if necessary
2. If the county requests that additional areas be screened, then a fee may be transferred from other tasks at the county's request.

## Task 3: Annual Report and TMDL Implementation Plan Assistance

The county must submit reports annually to SCDHEC on the status of compliance with conditions in the county's NPDES MS4 permit, including information on monitoring data collected and analyzed during the reported period. In general, the report should consist of the following sections:

- Contacts List
- SWMP Evaluation
- Summary Table
- Narrative Report discussing the SWMP elements from part II
- Monitoring Section
- Summary of SWMP and Monitoring Modifications
- Fiscal analysis of necessary expenditures to accomplish activities of the SWMP programs
- Appendices

Other sections will be necessary to meet all the annual reporting conditions in the permit. The county should thoroughly review the permit and ensure that all required sections are included in the Year 5 Annual Report.

The Year 5 Annual Report shall include the seven months following the period covered by the Year 4 Annual Report to realign the county with the reporting schedule outlined in the letter submitted to DHEC on April 11, 2017. The annual reporting period for the 5<sup>th</sup> year annual report is as follows:

Annual Report	Period Covered	Date Due
5th Annual Report (Should expired permit continue)	December 1, 2020 - June 30, 2021	November 1, 2021

### Task 3.1 – Assistance with TMDL Implementation Plans

Per NPDES MS4 stormwater permit no. SCS400001, Richland County is required to prepare Total Maximum Daily Load (TMDL) implementation plans for each of the county's 13 TMDL water quality monitoring stations. The first annual report must prioritize TMDL stations identified in Appendix C of the permit, and the plans are to be submitted in groups with the second (4 stations), third (4 stations), and fourth (5 stations) annual reports. TMDL watersheds include Twenty-Five Mile Creek (FC), Spears and Kelly Creeks (FC), Cedar Creek (FC), Lower Broad River (FC), Gills Creek (FC & DO).

Woolpert will assist the county with gathering, reviewing, and assessing data and watersheds, identifying appropriate site-specific BMPs through research and field site visits, and the update and execution of TMDL implementation plans. Woolpert will also assist the county with updating their Water Quality Monitoring Plan with any recent updates and changes to their monitoring program. It is anticipated that the planning, review, and coordination of activities related to this task can be accomplished in the quarterly monitoring meetings (see Task 1.3).

**Task 3.1 Deliverables:**

1. **On-Call Service** – Up to 80 hours of guidance on TMDL Implementation and Monitoring Plan tasks

NOTE: On-Call Services may include project meetings. Meeting minutes will be provided, if necessary

**Task 3.2 - Review of Year 5 Annual Report**

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Woolpert will review the Year 5 annual report that county staff prepares for submission to SCDHEC on or before November 1, 2021, for compliance with the requirements in the county's permit. Woolpert will review the annual reporting requirements in the permit and compare them with the annual report content. The review intends to ensure that all applicable requirements of the permit have been addressed and to identify areas where the county may be deficient or non-compliant with the terms of permit number SCS400001. In addition to the review, Woolpert will also assist the county with the monitoring section of the report. A general editorial review of the document noting grammar/spelling errors and identifying content where revisions may be needed will also be conducted.

A memo will be prepared to outline potential revisions and submitted to the county at a meeting (if needed) for review.

**Task 3.2 Deliverables:**

1. **Monitoring Section** – Section included in annual report submittal
2. **Technical Memo** – Annual report review and comments

NOTE: This task may include project meetings. Meeting minutes will be provided, if necessary

## Task 4: Storm Drainage System Assessment

Richland County maintains over 300 miles of piped stormwater infrastructure as well as ditch sections and various other Best Management Practices (BMPs). As these assets deteriorate and /or as the capacity of these systems become overwhelmed it is necessary to refurbish or replace them. Creating a prioritized list of CIPs, Force Account projects, and planning projects ensures that asset condition and capacity issues are addressed in an efficient and effective manner.

In 2015, the county prepared a 25-year Roadmap prioritizing projects within a prioritization tool (Tool). Prioritization and weighting criteria were established for projects and activities in four categories; 1) Operations, 2) Stormwater Infrastructure, 3) Water Quality Improvement, and 4) Floodplain Management. This Tool has served the county well, however, program goals and initiatives have changed since that time.

This scope includes the continuation of work that was started in 2015 and is being updated to include the current status of stormwater drainage projects. The tasks to be completed include the following:

- Identifying viable potential capital improvement projects related to both water conveyance and quality treatment
- Reviewing the Tool's prioritization criteria and weighting and revising as appropriate
- Developing an approach and schedule for CIP/Force Account Project data collection, planning, design, and construction
- Developing budget level project costs
- Applying the revised Tool to identified projects
- Preparing a 5-year CIP program document

### Assumptions:

- Due to the nature of the work involved in completing this task, additional fee may be used from other available sources as necessary

## Task 4.1 – Project Identification

### Task 4.1.1 – Kickoff Meeting

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Following issuance of an official Notice to Proceed, Woolpert will facilitate a kickoff meeting with Stormwater Division staff to review the project goals and scope, establish the final project schedule, as well as discuss and gather information required for project completion.

As part of the kickoff meeting, Woolpert will discuss known stormwater/flooding problem areas throughout the County, current CIP and Force Account projects, and the watershed criticality analysis ranking with appropriate County staff. The kickoff meeting will also include a review of the 25-year Roadmap to identify and remove those projects that are no longer viable. An appendix will be included in the final Storm Drainage Assessment document.

The following information will be evaluated to the extent the data is readily available.

- Final copy of the Roadmap
- Project prioritization database and tool
- Criticality analysis and replacement planning documentation
- Any recent (started or completed since May 2015) watershed plans or studies
- List of projects completed since May 2015 (these may be contained within the project prioritization tool)
- List of CIP currently in planning or under design
- Current Effective Flood Insurance Rate Maps and Flood Insurance Study
- FEMA Repetitive Loss Data
- Complaint records for flooding
- Current CIP list (on-going and planned)
- Current inventory of stormwater system and BMPs
- Stormwater Division budget (2020 – current)

**Task 4.1.1 Deliverables:**

1. **Kickoff Meeting** – Attendance at the kickoff meeting and meeting minutes, if necessary (approximately a 90-minute meeting)

**Task 4.1.2 – Initial Project Mapping**

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Woolpert will review all of the data collected during the kickoff meeting and any subsequent data-gathering efforts to identify potential stormwater conveyance and treatment projects. The list of projects may also include previously identified planning level studies that have not yet been started. Additionally, areas with known flooding or water quality issues that do not yet have an identified CIP/Force Account associated with that area will be identified.

Based on the data evaluation results, Woolpert will create an initial list of potential projects (CIP/Force Account) and project areas (Planning projects). Each project will be identified on a map along with project type and source of identification (e.g., study, complaint record, etc.). A meeting will be held with the county to review the project map and identify infrastructure for condition assessment prior to Woolpert proceeding with Task 4.1.3. Field Verification and Condition Assessment. The map will be revised and adjusted according to the outcomes of the map review meeting.

**Task 4.1.2 Deliverables:**

1. **List of Potential Projects**
2. **Project Map**
3. **Meeting** – Attendance at the review meeting and meeting minutes, if necessary (approximately a 60 minute meeting)

### Task 4.1.3 – Field Verification and Condition Assessment

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Once the county has approved the project map, field visits will be conducted at most critical projects and project areas to gather additional data needed in preparing concept ideas for CIP, Force Account, and Planning projects. This may include information regarding upstream and downstream hydraulic structures, general stream bank condition, overall watershed characteristics, buildings and other infrastructure at risk, etc.

Condition of assets is a critical component of identifying an assets business risk (priority). Woolpert will train County staff to perform a condition assessment on each of the existing structures during the field visit. This assessment will be performed using the draft Richland County Condition Assessment Standard Operating Procedures (SOP) for piped and natural infrastructure. Because these SOPs have not yet been fully verified through a pilot program, potential modifications will be identified based on the results of this data collection effort. All proposed modifications will be discussed with the county prior to developing a final SOP.

Woolpert will partner with County staff to perform the condition assessment. It is anticipated that one Woolpert senior field technician will partner with a maximum of two County staff members to perform the assessment, until County staff is comfortable implementing the Condition Assessment SOP.

**Assumptions:**

- A maximum of 40 crew hours will be spent performing condition assessment and project area review

**Task 4.1.3 Deliverables:**

1. **Condition rating for all identified CIP refurbishing or replacing existing assets**
2. **Revised Condition Assessment SOPs**

### Task 4.2 – Project Prioritization

#### Task 4.2.1 – Revise Prioritization Criteria

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The Roadmap established a prioritization process for identified projects and activities. Prioritization criteria were identified and weighted for application to projects. Over time, it has become apparent that the criteria and weightings no longer support the overall program goals. *Further, the criteria for infrastructure projects does not consider existing infrastructure condition.*

The Roadmap contains 18 metrics divided into six primary categories with each primary category containing three associated metrics that are considered in scoring. Below are the current six categories and their associated weighting.

1. Improves Stormwater Drainage: 60
2. Improves Customer Services: 50
3. Improves Floodplain Management: 40
4. Improves Water Quality: 40
5. Improves Fiscal Responsibility: 30
6. Improves Workforce: 20

Woolpert will meet with staff to review and redefine the prioritization and weighting criteria. Considerations like asset condition will be reviewed for applicability as either a separate criteria or modifier of existing criteria. It is anticipated that the prioritization criteria meeting will last approximately two (2) hours.

The new criterion will then be applied to the CIP, Force Account, and Planning projects identified in Task 2, Initial Project Mapping. The project prioritization will be submitted to the county for review and comment. The list will be revised as appropriate based on comments from the county.

**Assumptions:**

- The Tool has open code and is in working condition

**Task 4.2.1 Deliverables:**

1. **Meeting** - Attendance at the review meeting and meeting minutes, if necessary (approximately a 2-hour meeting)
2. **Updated Prioritization Tool with New Projects**

## Task 4.3 – Storm Drainage System Assessment Report

### Task 4.3.1 – Develop a Storm Drainage Assessment Report

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The Storm Drainage Assessment Report should be succinct to facilitate ease of use and understanding. The plan will contain a brief introduction and description of the project identification and evaluation process and Project Cutsheets similar to those in the 25-year Roadmap.

**Project Description** - Each project will contain a brief description of the project, area, and purpose.

**Cost Data** - Budget level costs will be calculated for each project, including design, permitting, and construction costs. Land costs will not be included.

**Implementation Schedule** - A phased approach to implementation will also be developed. An implementation schedule will be created to balance the need for additional project identification, planning level studies, design, and construction. The schedule will consider the priority of each project while attempting to have projects in process for each phase of implementation. In other words, for each budget year there should be project areas under evaluation, project areas under study, and projects in the design, bidding, and construction phases. This helps ensure an effective flow of projects across budget years and across watershed and political boundaries. The existing watershed criticality analysis will be utilized to schedule additional watersheds for condition assessment and project identification.

Woolpert will meet with the county to review the initial phasing plan. Comments from this meeting will be used to adjust the plan appropriately.

**Funding Source** - Potential funding sources will be identified for each project. For example, some projects may be suited for Hazard Mitigation Grant Funding, while others may be eligible for South Carolina Section 319 grants.

**Assumptions:**

- The Roadmap Cutsheet Template will be used with some modifications to accommodate the needs of this project

**Task 4.2.1 Deliverables:**

1. **Meeting** - Attendance at the review meeting and meeting minutes, if necessary (approximately a 60-minute meeting)
2. **Prioritized Storm Drainage Assessment Plan** - containing a brief introduction and description of the project identification and evaluation process and Project Cutsheets similar to those in the Roadmap

## Task 5: Industrial Program Assistance

The county is required to implement the industrial general permit (IGP) at all facilities with stormwater discharges associated with industrial activity. Since the start of the county's existing permit Woolpert has assisted with various industrial-related tasks including training, inspections, and protocols. Woolpert will continue to assist county staff with activities associated with industrial permit requirements.

### Task 5.1 – Industrial Training

On an annual basis, Woolpert has assisted with training county staff on IGP requirements. Woolpert will hold a presentation that includes background on the IGP, details on Stormwater Pollution Prevention Plan (SWPPP) development, facility inspections and monitoring, as well as other IGP related tasks.

**Task 5.1 Deliverables:**

1. **IGP Training** – Virtual or in-person training presentation on the IGP

### Task 5.2 – Municipal Facility Inspections and SWPPP Review

Woolpert will perform inspections on County and public works facilities, including County camps (i.e. Eastover, Ballentine, and Blythewood) to ensure permitted facilities are meeting requirements. Inspections will determine potential sources of polluted runoff and the well-being of stormwater controls and conveyance systems at each facility. Woolpert will also be checking for the implementation of good housekeeping practices to avoid spills and prevent stormwater pollution. Woolpert will use the county's designated inspection form to complete each inspection. As a part of the inspections, Woolpert will review each facility's SWPPP to ensure it includes all contents required by the IGP. If a SWPPP does not exist, Woolpert will work with the county to develop a SWPPP for that facility.

**Task 5.2 Deliverables:**

1. **Facility Inspection Forms** – Four (4) completed inspection forms for the County Public Works facility and County Camps (Eastover, Ballentine, and Blythewood)
2. **Revised SWPPPs** – Revised version of each inspected facility's SWPPP or a completed SWPPP if one does not exist.

## Task 6: Other Services

During the project term tasks related to the implementation of the county's Stormwater Management Program, and not identified in this scope of services, may be requested by the county. Fee estimates and schedules for completing these tasks will be developed as they are assigned.

### Task 6.1 – Stormwater CIP Dashboard

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Included in this task is the development of a stormwater CIP dashboard. Woolpert will utilize the county's ESRI platform to develop an ArcGIS dashboard to help make decisions, visualize trends, monitor status in real time, and inform the public. The dashboard will display proposed stormwater CIPs the county plans to implement. The dashboard will display general information about stormwater projects including, but not limited to: project description, objectives, timeline, council district, cost, design consultant/construction firm, and public outreach information and meetings.

Woolpert will first meet with County staff to determine what information should be displayed on the project dashboard. Once this is determined a database including all relevant project information will be developed in coordination with County staff. Upon completion the database will be sent to the County for review. Woolpert will then develop a dashboard template and facilitate a meeting with county staff to review proposed project information and make any necessary requested revisions. If necessary, Woolpert will coordinate with county GIS staff to acquire relevant project data and address any publishing concerns.

#### Task 6.1 Deliverables:

1. **Stormwater CIP Dashboard**- CIP dashboard published to the County's website

NOTE: Depending on the complexity and the estimated time to complete requested tasks, fee may be transferred from other tasks to accommodate costs

## Task 7: Project Management

This project will require routine project management needs such as monthly progress meetings, project setup, scheduling, client correspondence, team management, scope development, and invoicing. This task also includes sub-consultant management and the development of progress reports if requested by the county. Other tasks may arise during the contract period, and Woolpert will address these tasks on a needed basis as requested by the county. This task also includes one additional client meeting, if needed.

#### Task 9 Deliverables:

1. **Monthly Invoices**
2. **Progress Reports** (One for each invoice)
3. **Monthly Progress Meetings**, with meeting minutes provided, as requested

## Fee Estimate / Project Schedule

Task	Fee	Fee Subtotals
<b>Task 1: Water Quality Monitoring Plan Implementation Assistance</b>		
Task 1.1 – Grab Sampling Assistance	\$30,260	\$67,620
Task 1.2 – Technical and Field Assistance	\$6,300	
Task 1.3 – Quarterly Reporting and Staff Meetings	\$31,060	
<b>Task 2: Illicit Discharge Detection and Elimination Services</b>		
Task 2.1 – Dry Weather Screening	\$9,440	\$9,440
<b>Task 3: Annual Report and TMDL Implementation Plan Assistance</b>		
Task 3.1 – Assistance with TMDL Implementation Plans	\$10,850	\$18,140
Task 3.2 – Review of Year 4 Annual Report	\$7,290	
<b>Task 4: Storm Drainage System Assessment</b>		
Task 4.1.1 – Kickoff Meeting	\$1,573	\$31,238
Task 4.1.2 – Initial Project Mapping	\$6,875	
Task 4.1.3 – Field Verification and Condition Assessment	\$9,690	
Task 4.2.1 - Revise Prioritization Criteria	\$3,670	
Task 4.3.1 – Develop a Storm Drainage Assessment Report	\$9,430	
Task 4.3.2 – Review and Update Storm Drainage Assessment Report	\$10,000	
<b>Task 5: Industrial Program Assistance</b>		
Task 5.1 – Industrial Training	\$7,320	\$22,170
Task 5.2 – Municipal Facility Inspections and SWPPP Review	\$14,850	
<b>Task 6: Other Services</b>		
On Call Consulting Services	\$35,880	\$54,980
Task 6.1 – Stormwater CIP Dashboard	\$19,100	
<b>Task 7: Project Management</b>		
General Project Management Duties	\$37,870	\$37,870
Reimbursable Expense:	\$4,450	\$4,450
<b>Total Fee:</b>		<b>\$245,908</b>

Note: This includes labor/material expenses including routine travel expenses, such as mileage and/or Woolpert truck rental charges as needed. It is anticipated that the work will span over the course of 1 year from the notice to proceed (NTP).



**Agenda Briefing**

<b>Prepared by:</b>	Jennifer Wladischkin	<b>Title:</b>	Procurement Manager
<b>Department:</b>	Finance	<b>Division:</b>	Procurement
<b>Department:</b>	Public Works	<b>Davison:</b>	Engineering
<b>Date Prepared:</b>	June 2, 2021	<b>Meeting Date:</b>	June 22, 2021
<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	June 14, 2021
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	June 14, 2021
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	June 10, 2021
<b>Approved for consideration:</b>	Assistant County Administrator	John M. Thompson, Ph.D., MBA, CPM	
<b>Committee</b>	Administration & Finance		
<b>Subject:</b>	Approval of award of Engineering Services; DPW Compound Parking Lot Restoration		

**STAFF'S RECOMMENDED ACTION:**

Staff recommends approval of the award of a contract for engineering services for the DPW Compound Parking Lot Restoration Project to Michael Baker International.

**REQUEST FOR COUNCIL RECONSIDERATION:**  Yes

**FIDUCIARY:**

Are funds allocated in the department's current fiscal year budget?	<input checked="" type="checkbox"/>	Yes		No
If no, is a budget amendment necessary?		Yes		No

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

This project will be paid for through the Road Maintenance Fund. These funds are in the current operating budget 1216302000.530700 and are encumbered on requisition R2101062.

**COUNTY ATTORNEY'S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

None.

**REGULATORY COMPLIANCE:**

None.

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### STRATEGIC & GENERATIVE DISCUSSION:

This project is to provide Engineering Services for the restoration and improvement of the Department of Public Works (DPW) Main Compound located at 400 Powell Road (see attached Site Map). This project will consist of pavement restoration of the approximate 25,000 SF parking lot and driveways, design of an additional entrance off of Powell Road separating vehicles being serviced at First Vehicle Services from DPW administration traffic, design of two (2) state of the art security gates for both entrances, and finally restripe the parking areas to be more efficient and therefore gaining additional parking spaces. Ancillary services will include field survey of the existing property, geotechnical evaluations and recommendations for repair of failing pavement areas, and also pavement designs for the new pavement.

Request for Proposals RC-408-P-2021 was issued and there were three (3) responses. An evaluation team scored each submittal and Michael Baker International was the highest ranked offeror.

#### ADDITIONAL COMMENTS FOR CONSIDERATION:

None

#### ATTACHMENTS:

1. Site Exhibit



Richland County, SC

**Legend**

<b>Roads</b>	SCDOT	Parcels
Other	Interstate	
County Paved	Proposed	
County Unpaved	None	
Private / Other	Residential Complex	

**Richland County Public Works**  
**400 Powell Rd**  
**Map Page: 34D3**

1 inch = 175 feet



**DISCLAIMER:** This is a product of the Richland County Public Works Department. The data depicted here have been developed with extensive cooperation from other county departments, as well as other federal, state and local governments agencies. Reasonable efforts have been made to ensure the accuracy of this map. Richland County expressly disclaims responsibility for damages or liability that may arise from the use of this map.

**PROPRIETARY INFORMATION:** Any resale of this information is prohibited, except in accordance with a licensing agreement.

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 Richland County Public Works  
 400 Powell Rd.  
 Columbia, SC 29203





**Agenda Briefing**

<b>Prepared by:</b>	Ronaldo D Myers	<b>Title:</b>	Director
<b>Department:</b>	Alvin S. Glenn Detention Center	<b>Division:</b>	
<b>Date Prepared:</b>	May 24, 2021	<b>Meeting Date:</b>	June 22, 2021
<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	June 14, 2021
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	June 09, 2021
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	June 10, 2021
<b>Approved for consideration:</b>	Assistant County Administrator	John M. Thompson, Ph.D., MBA, CPM	
<b>Committee</b>	Administration & Finance		
<b>Subject:</b>	Contract for Alvin S. Glenn Detention Center-HVAC Maintenance		

**STAFF’S RECOMMENDED ACTION:**

County Council is requested to approve the HVAC (Heating, Ventilation, and Air Conditioning systems) Maintenance Contract at the Detention Center, in the amount of \$210,216.00. Scope package includes all services and equipment to be covered in maintenance contract.

Request for Council Reconsideration: Yes

**FIDUCIARY:**

Are funds allocated in the department’s current fiscal year budget?	<input checked="" type="checkbox"/>	Yes		No
If no, is a budget amendment necessary?		Yes		No

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

The funds were requested in biannual budget and is part of the ASGDC previous budgets in 1100210000.522600.

**COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

None

**REGULATORY COMPLIANCE:**

Non-applicable.

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### STRATEGIC & GENERATIVE DISCUSSION:

In January 2021 Procurement conducted Solicitation # RC-398-B-2021, "ALVIN S. GLENN DETENTION CENTER-HVAC MAINTENANCE" which was publicly advertised.

There was (1) respondent to the Request for Bid. Upon review, WB Guarmin was deemed the lowest, responsive, responsible bidder on this project.

A maintenance contract have been in place previously since the facility opened in 1995.

The contractor selection is based on experience in Industrial systems HVAC, and costs relating to labor rates and material markups combined. WB Guarmin also has service history with correctional facilities, including the detention center.

All services, including materials and equipment, will be in accordance with current OSHA and National Building Code regulations for I3 Institutional facilities, and will remain in compliance with current and revisions to regulations as they are posted. The contract provider will be certified and maintain certification for OSHA, Fire and Building Code regulations, as they pertain to Air Control and Monitoring systems, and keep the Detention Center in compliance with all OSHA, Fire Marshal and South Carolina Department of Corrections Compliance, Standards and Inspections.

WB Guarmin will provide the following equipment and services:

- Quality Assurance  
All work shall be performed in strict accordance with the manufacturer's written instructions.
- Test and Inspect:
- Predictive Maintenance
- Repair And Replace
- Emergency Calls
- Continuous Emergency Service  
24 hours per day, seven days per week, federal holidays included.

#### ADDITIONAL COMMENTS FOR CONSIDERATION:

None.

#### ATTACHMENTS:

1. HVAC Bid Tabulation Sheets

**RC-398-B-2021, ALVIN S. GLENN DETENTION CENTER-HVAC MAINTENANCE****COMPANY: W.B. Guimarin & Co.**

Item Number	Item	Quantity Required	Unit Price	Total
HVAC (1)				
#1-1	MONTHLY MAINTENANCE FOR 12 Months, Equivalent 1 YEAR	12	17518	\$210,216.00



**Agenda Briefing**

<b>Prepared by:</b>	Sara Scheirer	<b>Title:</b>	Grants & Community Development Manager		
<b>Department:</b>	Community Planning & Development	<b>Division:</b>	Community Development		
<b>Date Prepared:</b>	June 08, 2021	<b>Meeting Date:</b>	June 22, 2021		
<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	June 10, 2021		
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	June 10, 2021		
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	June 11, 2021		
<b>Approved for consideration:</b>	County Administrator	Leonardo Brown, MBA, CPM			
<b>Committee</b>	Administration & Finance				
<b>Subject:</b>	2020-2021 Action Plan Substantial Amendment (CDBG- CV Funds)				

**STAFF’S RECOMMENDED ACTION:**

Staff recommends approval of the substantial amendment to FY 20-21 Annual Action Plan budget and projects for the Community Development Block Grant (CDBG-CV) federal funds.

Request for Council Reconsideration: Yes

**FIDUCIARY:**

Are funds allocated in the department’s current fiscal year budget?		Yes	<input checked="" type="checkbox"/>	No
If no, is a budget amendment necessary?	<input checked="" type="checkbox"/>	Yes		No

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

The County will need to expend 80% of these funds by the end of the third program year. Because we are amending the FY20-21 AAP, this means that funds need to be expended by the end of FY22-23.

**COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

None.

**REGULATORY COMPLIANCE:**

Non-applicable.

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### STRATEGIC & GENERATIVE DISCUSSION:

On March 27, 2020, the CARES Act was signed into law. HUD has notified the County that we are eligible to receive \$2,197,908 in CDBG-CV funds to undertake activities that prepare, prevent, or respond to the local community impacts of the coronavirus. An amendment to the 2020-2021 Action Plan is necessary to add CDBG-CV funded activities.

At the April 21, 2020 meeting of County Council, the Council approved the utilization of \$2.8 million of CDBG funding, inclusive of FY 2020-2021 and CDBG-CV funds, as allowed by the Federal government, to aid in the County's response to COVID-19, and directed the County Administrator and his staff to draft and/or amend the necessary Action Plans to detail the use of these funds for approval by Council and HUD. In addition to County Council approval of this AAP amendment, a 5 day public comment period is required prior to submitting to HUD on August 16, 2021.

From April 27 until June 30, 2020, Richland County opened applications in response to the Coronavirus to help address the economic downturn caused by COVID-19. Richland County allocated \$750,000 in financial support to small businesses and nonprofits in Richland County, as well as \$250,000 in senior funds. To date, \$944k has been expended and we intend to reimburse the County with a portion of this funding as reflected in the proposed budget below.

This request affects essential programs/projects that prevent, prepare for, and respond to, Coronavirus. These projects impact the Richland County community's ability to successfully move past the pandemic. If denied, the County will lose the opportunity to obtain the CDBG-CV funds due to time constraints, therefore losing the opportunity to be reimbursed for formerly implemented programs as well as losing the funding to implement future CV specific programs.

#### ADDITIONAL COMMENTS FOR CONSIDERATION:

#### ATTACHMENTS:

1. Proposed Budget
2. County Council Minutes (April 21, 2020)
3. HUD Award Letters

<b>FY 20-21 CDBG-CV BUDGET</b>		
<i>Program/Project</i>	<i>Amount</i>	<i>Comment</i>
Economic Development Grants	\$300,000	
Economic Development Grants (County Reimbursement for Small Business Grants)	\$464,124	Total submitted to HUD for Economic Development Grants is \$764,124
Public Service Grants	\$500,000	
Public Service Grants (County Reimbursement for Senior and Non-Profit Grants)	\$480,000	Total submitted to HUD for Public Service Grants is \$980,000
Program Administration Costs	\$439,581	Cannot exceed 20%
<b>TOTAL BUDGET</b>	<b>\$2,197,908</b>	
<b>CV-1 ALLOCATION</b>	<b>\$957,993</b>	
<b>CV-3 ALLOCATION</b>	<b>\$1,239,915</b>	
EXCESS	\$14,203	

Ms. Newton stated, for clarification, the amount for the community-based grant program is \$250,000.

Ms. Powell responded that is correct.

Ms. Newton moved, seconded by Ms. McBride, to reconsider this item.

In Favor: Malinowski

Opposed: Dickerson, McBride, Livingston, Terracio, Kennedy, Manning, Jackson, Myers and Newton

Abstain: Walker

The motion for reconsideration failed.

- b. COVID-19 Recovery Consultant – Mr. Brown stated during the committee meeting we presented a recovery consultant, and staff’s recommendation was to engage TetraTech to assist the County.

Ms. Powell stated the committee’s recommendation was to engage TetraTech through December 31<sup>st</sup>.

Ms. McBride noted the response and recovery strategy does not include a public health strategy. Therefore, we are still without a public strategy as to how Richland County will move to address COVID-19. We have not addressed testing, social service needs, etc. She is concerned that this particular consultant does not have the expertise, or it is not included in the contract, and if we are going to look at those efforts with another contractor.

Mr. Livingston suggested including that item on the next Coronavirus Ad Hoc Committee agenda.

In Favor: Malinowski, Dickerson, McBride, Livingston, Terracio, Walker, Kennedy, Jackson, Myers and Newton

Opposed: Manning

The vote was in favor.

Ms. Dickerson moved, seconded by Ms. D. Myers, to reconsider this item.

Opposed: Malinowski, Dickerson, McBride, Livingston, Terracio, Walker, Kennedy, Manning, Jackson, Myers and Newton

The motion for reconsideration failed.

- c. Updated CDBG Allocation – Ms. Powell stated the recommendation of the committee was to allocate \$2.8M of CDBG for COVID response, on behalf of Richland County. She stated the funding is a combination of uncommitted balances from 2019/2020 CDBG funds, as well as the CDBG-CV funds of approximately \$1M from the Cares Act.

Ms. Dickerson inquired if any of these funds can be utilized to assist with testing.

Ms. Powell responded under the allowable uses for COVID-19 response there is things like constructing a facility for testing, diagnostic and treatment. In order to use these funds, the staff would have to compile an update to the Action Plan for Council's approval.

In Favor: Malinowski, Dickerson, McBride, Livingston, Terracio, Walker, Kennedy, Jackson, Myers and Newton

The vote in favor was unanimous.

Ms. Dickerson moved, seconded by Ms. D. Myers, to reconsider this item.

Opposed: Malinowski, Dickerson, McBride, Livingston, Terracio, Walker, Kennedy, Manning, Jackson, Myers and Newton

The motion for reconsideration failed.

## 17. OTHER ITEMS

- a. Comprehensive Road Maintenance Program with Subdivision Abandoned Paved Road Relief – Mr. Maloney stated this is the effort to get started on a plan that will take approximately 8 months to complete. In the agenda briefing document, there is a schedule. One of the longest lead time issues, in the schedule, is obtaining County right-of-way on the roads. Step one would be to utilize County staff for survey documentation, as well as the County's Legal Department and Register of Deeds to begin the land transfer of the right-of-ways. Once that is done, we would begin to do routine maintenance where we are hearing about large potholes, and other issues on those roads. We would be using County staff for that as well. Once the entire plan is complete, and we have identified all the roads in the County that need various levels of maintenance, we would develop a 5-year capital plan that would include these roads, as well as all County roads that need improvement. The roads will be prioritized on the basis of traffic, Council districts, distribution and wear and tear. We would not be expending any funds, other than the routine maintenance on the abandoned roads, until we have the entire capital plan completed.

Ms. D. Myers stated she believes this has come before us twice before, and she thought this was supposed to be a part of a more comprehensive plan, as a part of the larger roads plan across the County. It was her understanding that we would not be just dealing with roads in subdivisions, but that we would be dealing with a comprehensive plan for how to get Richland County's roads paved, and how to allocate funds across the needs of the County. She understands this is not asking for money today. It is asking for the right for planning to go forward, but she is concerned that means we will be planning these roads in a vacuum from the rest of the roads. She stated this was supposed to be a part of a workshop.

Dr. Thompson responded this is supposed to be a part of work session. The work session was being scheduled, but because of COVID-19, and our focus on that, we have not had an opportunity to have that work session. Director Maloney is willing and able to facilitate a discussion, but because this item was before you previously we did not want to stall this item any longer.

Ms. D. Myers moved, seconded by Ms. Dickerson, to defer this item to the larger plan.

In Favor: Dickerson, McBride, Myers and Newton

Opposed: Malinowski, Livingston, Terracio, Walker, Kennedy, Manning and Jackson



ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

April 2, 2020

The Honorable Paul Livingston  
Chair, County Council of Richland County  
2020 Hampton Street  
P.O. Box 192  
Columbia, SC 29201

Dear Chair, County Council Livingston:

I am pleased to inform you of a special allocation to your jurisdiction of Community Development Block Grant funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, the Department is immediately allocating \$2 billion based on the fiscal year 2020 CDBG formula. The remaining \$3 billion shall be allocated based on needs using best available data, in the following tranches: \$1 billion shall be allocated to States and insular areas within 45 days of enactment of the Cares Act, and \$2 billion shall be distributed to states and local governments at the discretion of the Secretary. Up to \$10 million will be set aside for technical assistance. Given the immediate needs faced by our communities, the Department has announced the first allocation of funds. Your jurisdiction's allocation is \$957,993.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2020 CDBG grants in these unprecedented times. The public comment period is reduced to not less than 5 days, grantees may use virtual public hearings when necessary for public health reasons, the public services cap is suspended during the emergency, and States and local governments may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

In addition, the CARES Act authorizes the Secretary to grant waivers and alternative requirements of statutes and regulations the Secretary administers in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements can be granted when necessary to expedite and facilitate the use of funds to prevent, prepare for, and respond to coronavirus.

The Department is developing a notice that will further describes the CARES Act's provisions, a Quick Guide to the CARES Act flexibilities and other provisions, and other resources

to enable swift implementation of CDBG-CV grants. As these become available, they will be posted on HUD's website and distributed to grantees. The Department will also support grantees with technical assistance.

As you develop your plan for the use of these grant funds, we encourage you to consider approaches that prioritize the unique needs of low- and moderate-income persons and the development of partnerships between all levels of government and the private for-profit and non-profit sectors. You should coordinate with state and local health authorities before undertaking any activity to support state or local pandemic response. CDBG-CV grants will be subject to oversight, reporting, and requirements that each grantee have adequate procedures to prevent the duplication of benefits. HUD will provide guidance and technical assistance on DOB and regarding prevention of fraud, waste, and abuse and documenting the impact of this program for beneficiaries.

The Office of Community Planning and Development (CPD) is looking forward to working with you to successfully meet the urgent and complex challenges faced by our communities. If you or any member of your staff has questions, please contact your local CPD Field Office Director or [CPDQuestionsAnswered@hud.gov](mailto:CPDQuestionsAnswered@hud.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'John Gibbs', written in a cursive style.

John Gibbs  
Acting Assistant Secretary  
for Community Planning and Development  
U.S. Department of Housing and Urban Development



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

September 11, 2020

The Honorable Paul Livingston  
Chair, County Council of Richland County  
2020 Hampton Street  
P.O. Box 192  
Columbia, SC 29201

Dear Chair, County Council Livingston:

I am pleased to inform you of a special allocation to your jurisdiction of Community Development Block Grant funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, the Department immediately allocated \$2 billion on March 27, 2020, the same day President Trump signed the Act, based on the fiscal year 2020 CDBG formula; this constituted the first round of CDBG-CV funds. Next, \$1 billion was required by the Act to be allocated to States and insular areas within 45 days of enactment of the Act; HUD accomplished this on May 11, 2020, and this constituted the second round of CDBG-CV funds. Finally, the remaining \$2 billion in CDBG-CV funds was required by the Act to be allocated to states and local governments at the discretion of the Secretary on a rolling basis; HUD accomplished this on September 11, 2020, and this constituted the third round of CDBG-CV funds. Additionally, up to \$10 million will be set aside for technical assistance.

Accordingly, this letter informs you that your jurisdiction's allocation for the third round is \$1,239,915. Your cumulative amount for all allocation rounds is \$2,197,908.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2019 and FY2020 CDBG grants in these unprecedented times. The public comment period is reduced to not less than 5 days, grantees may use virtual public hearings when necessary for public health reasons, the public services cap is suspended during the emergency, and States and local governments may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

In addition, the CARES Act authorizes the HUD Secretary to grant waivers and alternative requirements of statutes and regulations the HUD Secretary administers in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative

requirements can be granted when necessary to expedite and facilitate the use of funds to prevent, prepare for, and respond to coronavirus.

The CDBG CARES Act Federal Register Notice (FR-6218-N-01) was released on August 10, 2020. The notice describes the allocations and grant procedures applicable to the CDBG-CV grants. It also describes the program flexibilities, waivers, and alternative requirements that apply to the CDBG-CV grants as well as the fiscal year 2019 and 2020 CDBG grants. As further such flexibilities become available, they will be posted on HUD's website and distributed to grantees. The Department will also support grantees with technical assistance.

As you develop your plan for the use of these grant funds, we encourage you to consider approaches that prioritize the unique needs of low- and moderate-income persons and the development of partnerships between all levels of government and the private for-profit and non-profit sectors. You should coordinate with state and local health authorities before undertaking any activity to support state or local pandemic response. CDBG-CV grants will be subject to oversight, reporting, and the requirement that each grantee have adequate procedures to prevent the duplication of benefits (DOB). HUD will provide guidance and technical assistance on DOB, the prevention of fraud, waste, and abuse, and on documenting the impact of this program for beneficiaries.

Reminder, all CPD Grantees must ensure they maintain active Dun and Bradstreet Numbering System (DUNS) numbers in the System for Award Management (SAM) system. Entities must have an active and unexpired DUNS before execution of grant agreements to avoid delays in the obligation of funds- which will delay your ability to drawdown funds in the Integrated Disbursement & Information System (IDIS). Grantees are required to maintain an active SAMs registration by re-activating their DUNS number annually in the SAM system for the entire drawdown period of their grants. DUNS numbers can be registered and renewed each year at the following website: <https://www.sam.gov/SAM/>.

The Office of Community Planning and Development (CPD) is looking forward to working with you to successfully meet the urgent and complex challenges faced by our communities. If you or any member of your staff has questions, please contact your local CPD Field Office Director or [CPDQuestionsAnswered@hud.gov](mailto:CPDQuestionsAnswered@hud.gov).

Sincerely,



John Gibbs  
Acting Assistant Secretary  
for Community Planning and Development  
U.S. Department of Housing and Urban Development



**Agenda Briefing**

<b>Prepared by:</b>	Sara Scheirer	<b>Title:</b>	Grants & Community Development Manager	
<b>Department:</b>	Community Planning and Development	<b>Division:</b>	Community Development	
<b>Date Prepared:</b>	June 07, 2021	<b>Meeting Date:</b>	June 22, 2021	
<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	June 10, 2021	
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	June 10, 2021	
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	June 11, 2021	
<b>Approved for consideration:</b>	County Administrator	Leonardo Brown, MBA, CPM		
<b>Committee</b>	Administration & Finance			
<b>Subject:</b>	FY2021-2022 CDBG and HOME Annual Action Plan			

**STAFF’S RECOMMENDED ACTION:**

Staff recommends approval of the FY 21-22 Annual Action Plan budget and projects for the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) federal funds.

Request for Council Reconsideration:  Yes

**FIDUCIARY:**

Are funds allocated in the department’s current fiscal year budget?		Yes	<input checked="" type="checkbox"/>	No
If no, is a budget amendment necessary?		Yes	<input checked="" type="checkbox"/>	No

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

Funds for the \$186,027 HOME Match have been approved by County Council on April 29, 2021. The County has provided the required match amount since the HOME program began in 2002.

**COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

None.

**REGULATORY COMPLIANCE:**

The County is required to submit the AAP to HUD at least 45 days before the start of its program year, the latest submission deadline is August 16, 2021.

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### **STRATEGIC & GENERATIVE DISCUSSION:**

The proposed FY20-21 Annual Action Plan budgets and projects for CDBG and HOME will be the basis of the Annual Action Plan (AAP) that will be sent to the U.S. Department of Housing and Urban Development (HUD) for approval. The AAP is used to identify housing and development needs and to develop CDBG and HOME budgeting for the next annual period. The AAP implements the County's final year of the 5 year Consolidated Plan, approved in July 2017, which enables the County to continue to receive federal housing and community development funds. The Richland County AAP will cover the fiscal period of October 1, 2021-September 30, 2022.

Upon approval, a public hearing needs to be advertised and held via Zoom conference, following a 30 day public comment period. (Please note this public hearing is not required to be a part of a Council meeting, but is still open to Council and the public to attend.) The AAP must be submitted to HUD by August 16, 2021.

This budget proposal allows the County to continue rehabilitation of existing affordable owner-occupied housing units, public improvements and infrastructure, revivification of dilapidated and/or abandoned commercial and/or residential properties, council-approved eligible master planned area improvements, and collaboration with community partners to coordinate development activities and public services as identified in the 5 year Consolidated Plan.

This request allows the County to continue delivering a wide range of programs and projects to benefit low/mod income residents of Richland County and improve County Master Planned Areas. If denied, the County risks delays or reductions in millions of federal dollars that are vital to the Richland County community.

#### **ADDITIONAL COMMENTS FOR CONSIDERATION:**

Citizens must be given 30 days to comment on the FY 2021 Action Plans. We are requesting that permission be granted to submit for public comment after Committee Meeting on June 22, 2021, rather than waiting until after County Council Meeting on July 20, 2021, as this will not allow the 30 day public comment period necessary to meet the August 16th deadline. Failure to submit an Action Plan for FY 2021 by August 16, 2021, will result in the automatic loss of FY 2021 CDBG funds to the grantee.

#### **ATTACHMENTS:**

1. Proposed Budget
2. Award Letter

<b>FY 21-22 CDBG BUDGET</b>		
<i>Program/Project</i>	<i>Amount</i>	<i>Comment</i>
Public Service Projects (Zoom Grants)	\$250,571	Cannot exceed 15%
Program Administration Costs	\$334,095	Cannot exceed 20%
HOME Project Delivery Costs	\$120,000	
Economic Development Activities	\$250,000	
Public Improvements and Facilities	\$700,000	
<i>TOTAL BUDGET</i>	\$	
<b>TOTAL ALLOCATION</b>	<b>\$1,670,479</b>	
EXCESS	\$15,813	
<b>FY20-21 HOME BUDGET</b>		
<i>Program/Project</i>	<i>Amount</i>	<i>Comment</i>
Richland County Homeownership Assistance (RCHAP)	\$150,000	
Owner-Occupied Rehabilitation	\$298,082	
Community Housing Development Organizations (CHDO)	\$111,616	Cannot fall below 15%
Richland Rebuilds	\$360,000	
Program Administration Costs	\$74,410	Cannot exceed 10%
<i>TOTAL BUDGET</i>	<i>\$930,135</i>	
<b>TOTAL ALLOCATION</b>	<b>\$744,108</b>	
HOME 25% Required Match	\$186,027	
EXCESS	\$36,027	



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING  
AND DEVELOPMENT

May 13, 2021

The Honorable Paul Livingston  
Chair, County Council of Richland County  
2020 Hampton Street  
Suite 4058  
Columbia, SC 29201

Dear Chair, County Council Livingston:

I am pleased to inform you of your jurisdiction's Fiscal Year (FY) 2021 allocations for the Office of Community Planning and Development's (CPD) formula programs, which provide funding for housing, community and economic development activities, and assistance for low- and moderate-income persons and special needs populations across the country. Public Law 116-260 includes FY 2021 funding for these programs. Please note that this letter reflects a revised amount for the Community Development Block Grant and Section 108 borrowing authority. Your jurisdiction's FY 2021 available amounts are as follows:

Community Development Block Grant (CDBG)	\$1,670,479
Recovery Housing Program (RHP)	\$0
HOME Investment Partnerships (HOME)	\$744,108
Housing Opportunities for Persons With AIDS (HOPWA)	\$0
Emergency Solutions Grant (ESG)	\$0

Individuals and families across the country are struggling in the face of four converging crises: the COVID-19 pandemic, the resulting economic crisis, climate change, and racial inequity. Through these bedrock programs, CPD seeks to develop strong communities by promoting integrated approaches that provide decent housing and suitable living environments while expanding economic opportunities for low- and moderate-income and special needs populations, including people living with HIV/AIDS. We urge grantees to strategically plan the disbursement of grant funds to provide relief for those affected by these converging crises and help move our country toward a robust recovery.

Based on your jurisdiction's CDBG allocation for this year, you also have \$8,352,395 in available Section 108 borrowing authority. Since Section 108 loans are federally guaranteed, this program can leverage your jurisdiction's existing CDBG funding to access low-interest, long-term financing to invest in Opportunity Zones or other target areas in your jurisdiction.

HUD continues to emphasize the importance of effective performance measurements in all its formula grant programs. Proper reporting in the Integrated Disbursement and Information System (IDIS) is critical to ensure grantees comply with program requirements and policies, provide demographic and income information about the persons that benefited from a community's

activities, and participate in HUD-directed grantee monitoring. Your ongoing attention to ensuring complete and accurate reporting of performance measurement data continues to be an invaluable resource with regard to the impact of these formula grant programs.

The Office of Community Planning and Development is looking forward to working with you to promote simple steps that will enhance the performance of these critical programs and successfully meet the challenges that our communities face. If you or any member of your staff have questions, please contact your local CPD Office Director.

Sincerely,



James Arthur Jemison II  
Principal Deputy Assistant Secretary  
for Community Planning and Development



**Agenda Briefing**

<b>Prepared by:</b>	Sara Scheirer	<b>Title:</b>	Grants & Community Development Manager	
<b>Department:</b>	Community Planning and Development	<b>Division:</b>	Community Development	
<b>Date Prepared:</b>	June 07, 2021	<b>Meeting Date:</b>	June 22, 2021	
<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	June 10, 2021	
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	June 14, 2021	
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	June 11, 2021	
<b>Approved for consideration:</b>	County Administrator	Leonardo Brown, MBA, CPM		
<b>Committee</b>	Administration & Finance			
<b>Subject:</b>	Saint Bernard Project			

**STAFF’S RECOMMENDED ACTION:**

Staff recommends approval of the Professional Services Contract between Richland County Government and The St. Bernard Project, Inc. for owner-occupied Rebuild and Rehabilitation services.

Request for Council Reconsideration: Yes

**FIDUCIARY:**

Are funds allocated in the department’s current fiscal year budget?	<input checked="" type="checkbox"/>	Yes		No
If no, is a budget amendment necessary?		Yes	<input checked="" type="checkbox"/>	No

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

The budget lines for this contract are as follows:

- 1202992010 / 4891700.526705 (\$225,000)
- 1202992010 / 4891700.532200 (\$117,000), and
- 1202992010 / 4891800.526705 (\$360,000)

**COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

The contract will be reviewed after approval and before execution.

**REGULATORY COMPLIANCE:**

Non-applicable.

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### STRATEGIC & GENERATIVE DISCUSSION:

SBP responded to the County's Notice of Funding Availability Application for Fiscal Year 2020-2021 CDBG funding to provide eligible services to a mini-mum of fifty-one percent of Low-to-Moderate Income (LMI) individuals. Upon Council approval, the contract will be formally executed and SBP will immediately begin to perform the services agreed upon. The approval will allow Owner-Occupied Rebuilds and Owner-Occupied Rehabilitation to Richland County residents.

Since 2015, SBP has had an extensive presence in our region solely focusing on repairing and fortifying flood and storm damaged homes. SBP has consistently received multiple calls each week requesting rehabilitation assistance and resiliency services. Due to their expertise, SBP can streamline delivery and execution of the Rehab and Rebuild programs.

This contract includes Rebuild Services in the amount of \$360,000, Rehabilitation Services in the amount of \$225,000, and Overhead and Management in the amount \$117,000.

If denied, this will impact Richland County's ability to efficiently provide critical rebuilding and rehabilitation to owner-occupied homes. The County is also currently behind on expending these funds and must find a project to invest them in, or risk HUD recapturing.

#### ADDITIONAL COMMENTS FOR CONSIDERATION:

#### ATTACHMENTS:

1. SBP Response – Management Services for Owner-Occupied Rehabilitation
2. Professional Services Contract

**APPLICATION FOR FUNDING  
FOR OWNER-OCCUPIED REHABILITATION PROGRAM MANAGEMENT  
October 1, 2019 - September 30, 2020**



CONTACT INFORMATION		
APPLICANT: <b>SBP</b>		
ADDRESS: <b>418 Biddle Road</b>		
CITY: <b>Columbia</b>	STATE: <b>SC</b>	ZIP: <b>29212</b>
CONTACT PERSON/TITLE: <b>Thomas Corley - Continuous Improvement Officer</b>		
E-MAIL ADDRESS: <b>tcorley@sbpusa.org</b>		
FEDERAL TAX ID#: <b>26-2189665</b>		
DUNS #: <b>826415809</b>		

CERTIFYING REPRESENTATIVE	
To the best of my knowledge and belief, information in this application is true and correct and the governing body of this organization has duly authorized this document. I am authorized to negotiate and sign legal contracts for the organization.	
NAME: <b>Thomas Corley</b>	TITLE: <b>Continuous Improvement Officer</b>
<i>(Please Print)</i>	
SIGNATURE:	DATE: <b>11/25/2020</b>

PROGRAM REQUIREMENTS
Applications are for funding rehabilitation of owner-occupied residential units for low- to moderate-income persons.
All activities must be consistent with both Richland County Neighborhood Master Plans, Annual Action Plan and the 2016-2020 Community Development Consolidated Plan.
All funding will be for activities within unincorporated areas of Richland County.

## Executive Summary – In the space below, please provide a brief summary of the proposal, including partnerships, funding requested, previous experience, etc.

While over five years have passed since historical flooding affected Richland County, many homes remain unfit for habitation and in desperate need of rehabilitation and resiliency measures. Many assume that because five years have passed since the historic floods that the recovery must be complete. However, SBP is keenly aware that recovery needs remain long after the spotlight and media attention shift. Each week our teams meets a new homeowner, and hears a new story, that explains why hundreds continue to suffer in flood damaged properties.

Since 2015, SBP has leveraged over \$5.9M to impact 205 homes in South Carolina. SBP's Repair and Resiliency Program serves as the only option for families in Richland County, as SBP is the only non-profit in our region solely focused on repairing and fortifying flood and storm damaged homes. Over the last five years, SBP has consistently received multiple calls each week requesting rehabilitation assistance and resiliency services.

SBP's Repair and Resiliency program exists to perform critical repair and rehabilitation services to homeowners affected by disasters. In this, SBP aims not only to repair but also to fortify the homes and lived of disaster-affected families most at risk to future storm events. Through recent certifications via the Insurance Institute for Building and Housing Standards, SBP is one of the only non-profits capable of achieving the FORTIFIED standard on roofs. With minor home modifications, typically costing \$3,000 to \$6,000, homes can withstand hurricane force winds and driving rain - ultimately diminishing after-storm repair needs.

Focusing on code-compliance and safety/accessibility, improvements address storm and flood damage, ensuring total livability of the home as well as resiliency against future storms and flooding. This includes, but is not limited to, framing, insulation, drywall, plumbing/electric/utility work, painting, repairing exterior structures, and repairing roof systems. These repairs will ensure the home is safe and livable for homeowners, and be better prepared to withstand future storms.

Partnership - SBP has deep roots and relationships within Richland County. Since 2015, SBP has been a leader in providing critical home-repair and rehabilitation services to vulnerable homeowners. With this, SBP has leveraged strategic partnerships to ensure proper prioritizations of needs, avoiding duplication of benefits and stretching every dollar to make maximum impact.

SBP is a proud partner of the United Way of the Midlands, Mungo Foundation, Habitat for Humanity, Catholic Charities, Lutheran Services Carolinas, United Methodist Conference on Relief, The South Carolina Baptist Convention, University of South Carolina, Palmetto Disaster Recovery, local and statewide Long Term Recovery Group, City of Columbia, Lexington County, Richland County and South Carolina Disaster Recovery Office.

Our partnerships focus on identifying the unmet home repair needs for those affected by the historic 2015 flood event. Through referrals, data sharing, and strong communication, SBP has consistently filled the gap for vulnerable homeowners. Moreover, SBP understands the breadth of funding available for homeowners, both past and present, allowing SBP to execute a thorough duplication of benefits and services review before qualifying any applicant. An expanded explanation of SBP's partnerships, force multiplying power and duplication of benefit review can be found in Exhibit 5 and 6.

Funding Request - SBP's Home Repair and Resiliency Program exists to provide critical home repair/rebuild services to homeowners. Uniquely, SBP's program prioritizes vulnerable homeowners with storm-related damages. SBP is the only NGO serving Richland County with a focus on disaster recovery. Today, this program is in jeopardy. Without financial support, the enduring and unmet needs in the community will remain, leaving many homeowners unable to live in their home fully and safely.

SBP requests \$225,000 to provide rehabilitation and resiliency services 15 homeowners in Richland County. Funding will be used to provide rebuild services for LMI homeowners, as well as resiliency measures to position homeowners to better withstand future storm events. Prioritization will be given to homeowners with additional vulnerabilities - including persons with disabilities, the elderly, veterans and families with young children.

Today, SBP has secured \$133,000 in additional support through national partnerships. With a commitment of \$225,000 SBP will also seek matching funding and in-kind through both local and national partners. Amplified by SBP's deep network of volunteers, SBP stands ready to leverage grant funds. SBP has a long history of successful fundraising and development for our important work in disaster impacted communities. We have utilized CDBG and CDBG-DR funds in various disasters across the country and are very familiar with the impact these funds make possible. In addition to available local, state, and federal subsidies we also work with major corporations, charitable foundations, wealthy individuals, and our network of generous volunteers and donors to make sure that our work around the country is executed at optimal capacity. A detailed explanation of SBP's ability to match funds with volunteer labor, in-kind and financial support can be found in Exhibit 5 and 7.

Previous Experience - SBP's mission is to shrink time between disaster and recovery. We do this via five interventions:

- \*Build innovatively, driving efficiency
- \*Share SBP's proven effective model with other organizations to increase efficacy across the disaster rebuilding sector
- \*Train home and business owners in resilience and risk mitigation prior to disaster
- \*Advise local and state government officials so they can deploy federal dollars sooner, and in a way that empowers an efficient recovery
- \*Advocate so that what is measured is what matters – a complete recovery

Since its founding in 2006 in St. Bernard Parish, Louisiana following the devastation wrought by Hurricane Katrina, SBP has rebuilt homes for more than 2,500 families with the help of 300,000 volunteers in New Orleans, LA; Joplin, MO; Staten Island, NY; Queens, NY; Brooklyn, NY; Monmouth and Ocean Counties, NJ; San Marcos, TX; Columbia, SC; Richland County SC; Lexington County, SC; Puerto Rico; Baton Rouge, LA; Lake Charles, LA; Panama City, FL; Houston TX and Brazoria County TX. SBP is deeply supported by AmeriCorps which provides 240 members annually to manage worksites and clients, and train the organization's volunteers nationally.

SBP has been hard at work rebuilding homes in South Carolina for over five years. To date, we have brought over 205 low-income families home. We are passionate about our work. When we say we're going to do it, we do it well and we do it right. We do it for our clients. We do it for the homeowners and business owners. We take it personally and that's what sets us apart. SBP is renowned for going the extra mile to ensure that the quality standard, milestones and budgets expected by our clients and partners or stakeholders are met or exceeded.

In the last three years, SBP has leveraged over \$1,800,000 in state and federal money across South Carolina. Nationally, SBP has utilized \$34,485,000 in that same time, \$12,500,000 of which was federal funding. SBP is well versed in the obligations and demands in delivering on government funded programs.

SBP consistently meets timelines. In the last three years, SBP has not once requested an extension on any contract - even through the delays of COVID-19. SBP's network of subcontractors, volunteers, and time-tested efficiencies can assure Richland County that SBP will operate a prompt, predictable and successful program.

SBP and our staff stand ready to go. With an existing list of homeowners in Richland County, and our partner network, SBP is prepared to begin construction immediately. A detailed explanation of staff roles, responsibilities and experience can be found in Exhibit 3.

## I. APPLICANT INFORMATION

### A. Organizational Documents

- Articles of Incorporation\*
- Bylaws\*
- IRS 501(c)(3) determination letter\*
- Current list of all members of the board of directors, including name, address, and beginning and ending dates of term

\* If a currently-funded partner or CHDO with Richland County, only submit if information has changed.

### B. Administrative Restrictions

Has the Applicant organization received an unsatisfactory rating on a publicly-funded program or been debarred for any period of time?

Yes      No

Has the Applicant organization been involved in any lawsuits?

Yes      No

Are there any outstanding judgments against the Applicant?

Yes      No

Has the Applicant organization been involved in mortgage default within the last 5 years on any federally or state funded program?

Yes      No

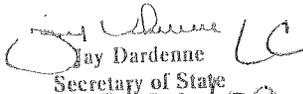
If any of the above responses was "Yes," provide a short explanation (attach additional sheets if necessary): SBP manages a fleet of over 50 vehicles across multiple states, resulting in occasional traffic accidents which have become litigious. SBP's policies protect both our organization and partners.

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### C. Audit

Attach as *Exhibit 2*, the Applicant's two most recent annual **audited** financial statements (or certified statement of Revenues and Expenses if there are no audits available for the Applicant organization). Proof of approval of financial statements from the organization's board of directors must also be submitted.

STATE OF LOUISIANA  
Office of the Secretary of State  
I hereby certify that this is a true and correct copy,  
as taken from the original on file in this office.

  
Jay Dardenne  
Secretary of State  
Date: 2/29/08

2008 FEB 29 PM 1:28  
SECRETARY OF STATE

ARTICLES OF INCORPORATION  
OF  
THE ST. BERNARD PROJECT, INC.

STATE OF LOUISIANA  
PARISH OF St Bernard

BE IT KNOWN AND REMEMBERED, that on this the 22<sup>nd</sup> day of February 2008, before me, the undersigned Notary Public in and for the Parish of St. Bernard, State of Louisiana, in the presence of the undersigned competent witness(es), personally came and appeared the undersigned persons as incorporators who declared that, availing themselves of the provisions of the laws of Louisiana they hereby create a corporation subject to the terms and conditions hereinafter set forth.

**FIRST.** The name of the Corporation is THE ST. BERNARD PROJECT, INC. (the "Corporation").

**SECOND.** This corporation is formed for the purpose of engaging in any lawful activity for which corporations may be formed under Chapter 2, Title 12, of the Louisiana Revised Statutes ("LA Non-Profit Corporation Law").

**THIRD.** The address of the registered office of the Corporation is 8324 Parc Place, Chalmette, LA 70043.

**FOURTH.** The Corporation is organized and shall be operated exclusively for charitable, religious, educational, and scientific purposes within the meaning of § 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended ("the Code").

In furtherance thereof, the Corporation may receive property by gift, devise or bequest, invest or reinvest the same, and apply the income and principal thereof, as the Board of Directors may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for charitable purposes, and engage in any lawful act or activity for which corporations may be organized under LA Non-Profit Corporation Law.

In furtherance of its corporate purposes, the Corporation shall have all the general powers enumerated in LA Non-Profit Corporation Law as now in effect or as may hereafter be amended, together with the power to solicit grants and contributions for such purposes.

**FIFTH.** The Corporation is organized on a non-stock basis, but the Directors of the Corporation may issue certificates evidencing membership, as and if desired, or as provided by the By-Laws.

**SIXTH.** The name and address of the Corporation's registered agent is

Zachary Rosenberg  
8324 Parc Place  
Chalmette, LA 70043

**SEVENTH.** The names and addresses of the incorporators are as follows:

<u>Name</u>	<u>Address</u>
Elizabeth McCartney	8324 Parc Place, Chalmette, LA 70043
Zachary Rosenberg	8324 Parc Place, Chalmette, LA 70043

**EIGHTH.** The Corporation shall have one class of Members. The initial Members of the Corporation shall be Elizabeth McCartney and Zachary Rosenberg. Additional Members may be appointed by vote of a majority of the Members. No dues shall be imposed on Members. The Members shall have such rights, powers and duties as are provided by the Louisiana Non-Profit Corporation Law, by these Articles of Incorporation and by the By-Laws, as in effect from time to time.

**NINTH.** The qualifications, elections, number, tenure, powers and duties of the Directors shall be as provided in the By-Laws. The initial Directors shall hold office until the first annual meeting or until such time as their successors shall have been elected and have qualified. Thereafter, the Directors shall hold office for a term of one year or until such time as their successors shall have been elected and have qualified. Upon filing of these Articles of Incorporation, the names and mailing addresses of the persons who are to serve as initial Directors are as follows:

<u>Name</u>	<u>Address</u>
Elizabeth McCartney	8324 Parc Place, Chalmette, LA 70043
Zachary Rosenberg	8324 Parc Place, Chalmette, LA 70043
Marion McCartney	3809 Kanawha St. NW, Washington, DC 20015

**TENTH.** Except as otherwise provided by law, or in any By-Law of the Corporation, the business of the Corporation shall be managed and all of the powers of the Corporation shall be exercised by or under the direction of the Board of Directors of the Corporation.

**ELEVENTH.** Any Director absent from a meeting of the Board or any committee thereof, may be represented by any other Director or Member, who may cast the vote of the absent Director according to the written instructions, general or special, of the absent Director.

**TWELFTH.** No member, director, or officer of the Corporation shall be held financially liable or responsible for any obligation of the Corporation, nor shall any mere informality in organization render these Articles of Incorporation null or expose the members, directors or officers to any liability. The Corporation and its members, directors, officers, and employees, including volunteers, avail themselves to the fullest extent possible of all limitations on liability afforded to them under applicable law, including but not limited to the protections provided by La. R.S. 9:2792, 9:2792.1, 9:2793, and 12:219.A.

**THIRTEENTH.** Subject to the provisions of Article FOURTH of these Articles of Incorporation, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative, or investigative (including, but not limited to, any action by or in the right of the Corporation) by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, to the fullest extent permitted by Section 227 of the Louisiana Nonprofit Corporation Law, as the same exists or may hereafter be amended, or any other applicable provision of law.

This right shall be a contract right and shall include that right to be paid by the Corporation expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Louisiana Nonprofit Corporation Law, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring a suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the Louisiana Nonprofit Corporation Law, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its board of directors or any committee thereof, or special legal counsel, if any) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Corporation (including its board of directors or any committee thereof, special legal counsel, if any) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advancement of not permissible. In the event of the death of any person having a right to indemnification under the foregoing provisions, such right shall inure to the benefit of his heirs, executors, administrators, and personal representatives.

The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, by-law, board resolution, agreement or otherwise. The grant of mandatory indemnification to any person pursuant to this article shall extend to proceedings involving the negligence of such persons. The Corporation may additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the

fullest extent permitted by law. Notwithstanding the foregoing, no person shall be indemnified pursuant to the provisions of this Article in relation to any tax asserted against such person under Chapter 42 of the Code.

**FOURTEENTH.** The duration of the existence of the Corporation is perpetual.

**FIFTEENTH.** No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any Member or Director of the Corporation in that capacity or any other private person, and the Corporation shall not be authorized or empowered to pay compensation for services rendered to or for the Corporation, except that the Corporation shall be authorized or empowered to reimburse any Member or Director for reasonable expenses incurred in carrying out his duties and to make payments and distributions in furtherance of the purposes set forth in Article FOURTH hereof.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise permitted by § 501(h) of the Code and in any corresponding laws of the State of Louisiana), and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements concerning) any political campaign on behalf of (or in opposition to) any candidate for public office.

The Corporation shall not provide an economic benefit defined as an excess benefit under § 4958 of the Code. During such period, or periods, of time, if any, as the Corporation is treated as a "private foundation" pursuant to § 509 of the Code, the Directors must distribute the Corporation's income at such time and in such manner so as not to subject the Corporation to tax under § 4942 of the Code, and the Corporation is prohibited from engaging in any act of self-dealing (as defined in § 4941(d) of the Code), from retaining any excess business holdings (as defined in § 4943(c) of the Code) which would subject the Corporation to tax under § 4943 of the Code, from making any investments or otherwise acquiring assets in such manner so as to subject the Corporation to tax under § 4944 of the Code, from retaining any assets which would subject the Corporation to tax under § 4944 of the Code if the Directors have acquired such assets, and from making any taxable expenditures (as defined in § 4945(d) of the Code).

Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not directly or indirectly carry on any activity which would prevent it from obtaining exemption from federal income taxation as a corporation described in § 501(c)(3) of the Code, or cause it to lose such exempt status, or carry on any activity not permitted to be carried on by a corporation, contributions to which are deductible under § 170(c)(2) of the Code.

The Corporation and the Directors shall not engage, participate or intervene in any activity or transaction that will cause the Corporation to lose its status as a tax-exempt organization under the provisions of Section 501(a) of the Code or corresponding provisions of any successor federal tax laws, and the use, directly or indirectly, of any part of the Corporation's assets in any such activity or transaction is hereby expressly prohibited. Furthermore, no loans shall be made by the Corporation to the Directors or Officers of the Corporation.

**SIXTEENTH.** In the event of dissolution or final liquidation of the Corporation, all of the remaining assets and property of the Corporation shall, after paying or making provision for the payment of all of the liabilities and obligations of the Corporation and for necessary expenses thereof, be distributed to such organization or organizations organized and operated exclusively for charitable, religious, literary, educational or scientific purposes as shall at the time qualify as an exempt organization or organizations under § 501(c)(3) of the Code as the Board of Directors shall determine. In no event shall any of such assets or property be distributed to any Member, Director or Officer, or any private individual. Any such assets not so disposed of shall be disposed of by the District Court of the parish in which the principal office of the Corporation is then located, exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Code or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

**SEVENTEENTH.** To the fullest extent permitted by the LA Non-Profit Corporation Law, as now in effect or as may hereafter be amended, no Director of the Corporation shall be personally liable to the Corporation or to its Members for monetary damages for any breach of fiduciary duty as a Director or Officer; provided, however, such relief from liability shall not apply:

- (1) in any instance where such relief is inconsistent with any provision of the Code applicable to corporations described in § 501(c)(3) of the Code,
- (2) to any breach of the Director's or Officer's duty of loyalty to the Corporation or its Members,
- (3) to acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law,
- (4) to liability under Section 226(d) of the Louisiana Nonprofit Corporation Law, or
- (5) any transaction from which the Director or Officer derived an improper personal benefit.

**EIGHTEENTH.** Notwithstanding any other provision of these Articles of Incorporation or the By-Laws, the affirmative vote of two-thirds of the Members shall be required and sufficient to amend, alter or repeal any provision of these Articles of Incorporation. The notice of such meeting must be transmitted to the Members not less than five (5) days prior to the meeting.

**NINETEENTH.** Each provision of these Articles of Incorporation shall be severable from all other provisions. If a provision of this instrument shall be determined to be invalid or ineffective for any reason, that determination shall not invalidate the remaining provisions, each of which shall continue in full force and effect.

THIS DONE AND SIGNED in duplicate originals, in Chalmette, Louisiana, on this 27th day of February, 2008.

**INCORPORATORS**

*Zachary Rosenberg*  
Zachary Rosenberg

*Elizabeth McCartney*  
Elizabeth McCartney

**WITNESSES**

*Pamela A Riess*  
Print Name: Pamela A Riess

*Angela L Serpas*  
Print Name: Angela L Serpas

**NOTARY**

By: *Cynthia M. Tujague*  
Print Name: \_\_\_\_\_

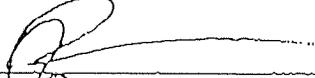
Notary Number: \_\_\_\_\_

CYNTHIA M. TUJAGUE  
NOTARY PUBLIC #59439  
ST. BERNARD PARISH, LOUISIANA  
MY COMMISSION IS ISSUED FOR LIFE

Agent's Affidavit and Acknowledgement of Acceptance

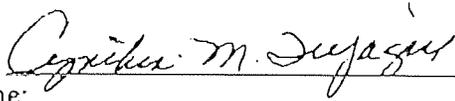
I hereby acknowledge and accept the appointment of registered agent for and on behalf of The St. Bernard Project.

REGISTERED AGENT

  
\_\_\_\_\_  
Zachary Rosenberg

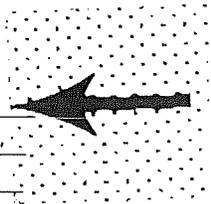
Sworn to and subscribed before me this 27<sup>th</sup> day of February, 2008.

NOTARY

By:   
Name: \_\_\_\_\_

Notary Number: \_\_\_\_\_

CYNTHIA M. TUJAGUE  
NOTARY PUBLIC #59439  
ST. BERNARD PARISH, LOUISIANA  
MY COMMISSION IS ISSUED FOR LIFE



AMENDED AND RESTATED  
BY-LAWS  
OF  
THE ST. BERNARD PROJECT, INC.  
Adopted June \_\_, 2014

ARTICLE I  
**NAME, PURPOSE AND LOCATION**

SECTION 1. **NAME.** The name of the corporation shall be THE ST. BERNARD PROJECT, INC. (the "Corporation").

SECTION 2. **PURPOSES.** The purpose of the Corporation, as set forth in the Articles of Incorporation, is to operate exclusively for charitable, religious, educational, and scientific purposes as will qualify it to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States federal tax law (the "Code"). Such purposes shall be accomplished by providing decent housing assistance that is affordable to residents, focusing on those who are low-to-moderate income.

SECTION 3. **LOCATION.** The registered office of the Corporation shall be in the State of Louisiana, but the Corporation may have such other offices within or without the State of Louisiana as the Board of Directors may designate from time to time.

SECTION 4. **ANTI-DISCRIMINATION.** Full participation in the services provided by this Corporation shall not be denied to any person on account of race, color, religion, sex, gender identity, sexual orientation, age, national origin, or disability.

ARTICLE II  
**MEMBERSHIP**

SECTION 1. **TERM OF MEMBERSHIP.** Each Member shall remain a Member of the Corporation for his life or until his earlier death, incompetency, or resignation. Upon death, incompetency or resignation of all of the Members, the Corporation shall operate without Members.

SECTION 2. **TRANSFERABILITY OF MEMBERSHIP.** Membership in the Corporation shall not be transferable or assignable.

SECTION 3. **PLACE OF MEETINGS.** Meetings of the Members may be held at such place, either within or without the State of Louisiana, as may be designated by the Chief

Executive Officer ("CEO"), the Board of Directors or the Members calling the meeting and provided in the notice of the meeting. If no designation is made, the place of meeting shall be the registered office of the Corporation.

SECTION 4. ANNUAL MEETING. The annual meeting of the Members shall be held on November 1 in each year, or such other date as the CEO may determine, for the purpose of electing Directors and for the transaction of such other business as may properly come before the meeting. If the day fixed for the annual meeting is a legal holiday in the State of Louisiana, such meeting shall be held on the next succeeding business day. If the election of Directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as conveniently may be.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Members may be called by the CEO, a majority of the Board of Directors or any Member. The business transacted at any special meeting shall be limited to the purpose or purposes stated in the notice referred to in Section 6.

SECTION 6. NOTICE OF MEETINGS. Written notice of meetings of the Members stating the place, date and hour and, if a special meeting, purpose or purposes of the meeting shall be given to each Member at least five (5) days prior to the date of such meeting. Notice may be waived pursuant to Section 3 of Article VIII.

SECTION 7. QUORUM. A majority of the Members of the Corporation shall constitute a quorum for the transaction of business at any meeting of the Members.

SECTION 8. VOTING RIGHTS. Each of the Members shall be entitled to one (1) vote on each matter required to be or otherwise submitted to a vote of the Members, including, without limitation, (i) amendments to these By-Laws; (ii) the election and removal of Directors as provided in Article III; (iii) mergers and consolidations; (iv) sales, leases, exchanges, mortgages, pledges or other dispositions of all, or substantially all, the property and assets of the Corporation; and (v) dissolution: provided, however, that the Members shall not have any voting rights in connection with charitable distributions made and charitable activities conducted by the Corporation in furtherance of the Corporation's purposes. The Members' majority affirmative vote on any of the items in this Section shall be a prerequisite to and sufficient for action being taken by the Corporation.

SECTION 9. PROXIES. Each Member shall be entitled at every meeting of Members to one (1) vote in person or by proxy executed in writing by the Member or the Member's duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

SECTION 10. VOTE REQUIRED FOR ADOPTION OF MATTER. Except as otherwise specifically provided for in these By-Laws, the affirmative vote of the majority of the Members present (either physically present, present by teleconference, or represented by proxy) at a meeting of the Members at which a quorum is present is required and sufficient for the adoption of a matter voted upon by the Members.

SECTION 11. INFORMAL ACTION BY MEMBERS. Any action which is required to be taken, or which may be taken, at a meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by all Members having voting power on the particular question. This consent together with a certificate by the secretary of the corporation to the effect that the subscribers to the consent constitute all of the Members entitled to vote on the particular question, shall be filed with the records of proceedings of the Members.

SECTION 12. LIABILITIES OF THE MEMBERS. The Members shall not be liable for the debts or obligations of the Corporation.

SECTION 13. RESIGNATIONS. A Member may resign at any time by giving written notice to the CEO of the Corporation. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 14. PROCEDURE FOR DETERMINING INCOMPETENCY. If deemed appropriate by the Board of Directors, a determination of whether a Member is incompetent shall be made by the principal physician then attending to the Member's care. If such physician certifies that because of physical or mental disability or illness the Member is unable to manage his financial affairs, then the Member shall be treated as incompetent for purposes of these By-Laws and therefore shall be deemed to have resigned as a Member. If a Member has been declared incompetent hereunder, he will resume his status as a Member upon written acceptance of such status after the Board of Directors' receipt of written certification from the principal physician then attending to the Member's care that the Member has regained the ability to manage his financial affairs.

### ARTICLE III BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS AND DUTIES. The property, business and affairs of the Corporation shall be managed by the Board of Directors. Without limiting the generality of the foregoing, the Board of Directors may exercise all such powers of the Corporation as are provided by the Articles of Incorporation and these By-Laws, as in effect from time to time that are not reserved to the Members.

SECTION 2. NUMBER. The initial Board of Directors shall consist of five (5) natural persons. The number of directors on the Board of Directors may be changed from time to time by the Members, provided that the minimum number of Directors shall be five (5) with no maximum number.

SECTION 3. ELECTION AND TERM. The Directors shall be elected by the Members at a meeting of the Members. Each Director shall serve for a term of one year or until his or her successor is elected and qualified or until his or her earlier death, resignation or removal. Directors may be removed at any time, with or without cause, by the vote of a majority of the Members.

SECTION 4. VACANCIES. When a vacancy occurs, the remaining Directors, even though not constituting a quorum, may, by a majority vote, fill any vacancy on the Board (including any vacancy resulting from an increase in the authorized number of Directors, or from failure of the Members to elect the full number of authorized Directors) for an unexpired term, provided that the Members shall have the right to fill the vacancy at any special meeting called for the purpose prior to such action by the board.

SECTION 5. ORGANIZATION. In their first meeting, the Board of Directors shall elect a Chair. The Chair shall serve until his or her successor is elected and qualified or until his or her earlier death, resignation or removal. The Chair shall preside at all meetings and perform all duties incident to the office.

SECTION 6. MEETINGS. The annual meeting of the Board of Directors shall always be held immediately following the annual meeting of the Members at the same place as the annual meeting of the Members. Additional regular meetings of the Board of Directors may be held at such time and place as may be fixed by the Board of Directors. Special meetings of the Board of Directors may be called by the CEO or by any two Directors, and shall be held at such time and place as may be designated in the notice of such meeting.

SECTION 7. NOTICES. No notice shall be required for annual meetings of the Board of Directors. Written notice of special meetings of the Board of Directors stating the place, date and hour of the meeting shall be given to each Director at least five (5) days prior to the date of such meeting. Notice may be waived pursuant to these By-Laws.

SECTION 8. QUORUM. A majority of the Directors of the Corporation shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

SECTION 9. MANNER OF ACTING. Except as otherwise specifically provided for in these By-Laws, the affirmative vote of a majority of the Directors present (either physically present, present by teleconference, or represented by another Director in accordance with written instructions) at a meeting of the Board of Directors at which a quorum is present is required and sufficient for the adoption of a matter voted upon by the Directors.

SECTION 10. INFORMAL ACTION BY DIRECTORS. Any action which is required to be taken, or which may be taken, at a meeting of the Board of Directors or of any Committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic means and any such writings or electronic transmissions are filed with the minutes of proceedings of the Board, or Committee. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors.

Unless otherwise restricted by the Articles of Incorporation or these By-Laws, members of the Board of Directors or any Committee designated by the Board, may participate in a meeting of such Board or Committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear and communicate with each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at the meeting.

SECTION 11. COMMITTEES. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of one (1) or more Directors, which, to the extent provided in such resolution, shall have and may exercise the powers of the Board of Directors in the management and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the Members, any action or matter (other than the election or removal of Directors) expressly required by law to be submitted to Members for approval or (ii) adopting, amending or repealing any bylaw of the corporation. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified members at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Any members of a committee may be removed by the Board of Directors whenever in their judgment the best interests of the Corporation would be served by such removal. Unless a committee member dies, resigns or is removed, he shall serve on the committee to which he was appointed until his successor is appointed or the committee is terminated.

SECTION 12. RESIGNATIONS. Any Director may resign at any time upon notice given in writing or by electronic transmission to the CEO, the Board of Directors, or its chair. Such resignation shall take effect when the notice is delivered, unless a future date is specified therein, in which case such future date shall be the effective date of resignation, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 13. COMPENSATION. Other than reimbursements authorized pursuant to these By-Laws, no Director is entitled to compensation or remuneration for his services as a Director.

SECTION 14. LOW INCOME REPRESENTATION. The Board of Directors must maintain either (1) at least one-third of its membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations; (2) no more than one-third of the governing board members serve as public officials.

#### ARTICLE IV OFFICERS

SECTION 1. OFFICERS. The Officers of the Corporation shall consist of a CEO, defined above as the Chief Executive Officer, a Chief Operating Officer (“COO”), a Secretary and such other Officers as appointed by the Board of Directors from time to time. The CEO and COO must also serve as Directors on the Board of Directors. One person may hold more than one office in the Corporation. No instrument required to be signed by more than one officer may be signed by one person in more than one capacity.

SECTION 2. ELECTION AND TERM. The Officers shall be elected by the Directors at the annual meeting of the Directors, and each shall continue in office until his or her successor shall have been elected and qualified, or until his or her death, resignation or removal.

SECTION 3. CEO. The CEO shall be the chief executive officer and statutory President of the Corporation. The CEO shall in general supervise and control all of the business and affairs of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The CEO shall keep the Board of Directors fully informed, and shall freely consult with the Board of Directors concerning the activities of the Corporation. The CEO may enter into and execute contracts and other documents in the name of the Corporation in the regular course of business, and may enter into and execute contracts and other instruments in the name of the corporation not in the regular course of business which are authorized, generally or specifically, by the board. The CEO shall perform all duties incident to the office of CEO, subject, however, to the control of the Board of Directors.

SECTION 4. COO. The COO shall be the chief operating officer of the Corporation. The COO shall perform those duties and have such authority as the CEO or Board of Directors may, from time to time, delegate to him or her. In the event of the CEO's death or disability, the COO shall perform the duties and be vested with the authority of the CEO.

The COO will be the statutory Treasurer of the Corporation. The COO will oversee the keeping of a full and correct account of receipts and disbursements in the books belonging to the Corporation, and shall deposit all monies and other valuable effects to the credit of the Corporation in such banks, trust companies or other depositories as may be designated by the Board of Directors.

SECTION 5. SECRETARY. The Secretary shall keep minutes of all meetings of the Members and all meetings of the Board of Directors. The Secretary shall attend the meetings of the Members and of the Board and act as clerk thereof and record all the acts and votes and the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law, and shall perform such other duties and have such other powers as the Board of Directors or the CEO may from time to time prescribe. The Secretary shall have custody of the corporate seal and shall affix the same to all papers and documents whenever the seal is required to be so affixed. The Secretary shall have custody of and properly keep all the record books of the Corporation.

SECTION 6. RESIGNATIONS. Any Officer may resign at any time by giving written notice to the Board of Directors or to the CEO of the Corporation. Any such resignation shall take effect when the notice is delivered, unless a future date is specified therein, in which case such future date shall be the effective date of resignation, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 7. REMOVAL. Any Officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby. The removal of an Officer shall be without prejudice to the contract rights, if any, of the Officer so removed.

SECTION 8. VACANCIES. Any vacancy among the Officers shall be filled by the Board of Directors. Any Officer so elected shall hold office until the election of Officers at the next annual meeting of the Board of Directors for the unexpired term of his predecessor in office, and until the qualification of his or her successor.

SECTION 9. COMPENSATION. The Board of Directors will set the compensation of the Officers.

## ARTICLE V LIMITED LIABILITY

The Corporation and its members, directors, officers, and employees, including volunteers, avail themselves to the fullest extent possible of all limitations on liability afforded to them under applicable law, including but not limited to the protections provided by La. R.S. 9:2792, 9:2792.1, 9:2793, and 12:219.A.

## ARTICLE VI CONFLICT OF INTEREST

SECTION 1. POLICY. It is the policy of this Corporation that directors and officers not use their offices for individual personal advantage and that they avoid conflicts of interest. By way of illustration and not limitation, a director or officer of the Corporation shall not, directly or indirectly, receive anything of material economic value (1) from a person or organization to whom the director or officer has directed business of the Corporation, or (2) for assisting a person or entity engaged in a covered transaction or event with the Corporation.

SECTION 2. DISCLOSURE OF CONFLICTS. Directors and officers should be conscious of the potential for conflicts of interest to arise and should act with candor and care in dealing with such situations. Directors and officers shall disclose to the Board of Directors any conflict of interest of which they are aware involving the Corporation.

SECTION 3. CONFLICT OF INTEREST. A conflict of interest exists when a director or officer, directly or indirectly, has a material personal interest in a contract or transaction to which the Corporation may be or is proposed to be a party, or in an event or activity sponsored or promoted, or proposed to be sponsored or promoted, by the Corporation (each a "covered transaction or event").

SECTION 4. MATERIAL PERSONAL INTEREST. A material personal interest of a director or officer in a covered transaction or event may be direct, such as when the director or officer is a party or participant in the covered transaction or event; or it may be indirect, such as when he or she is an employee, officer, director, shareholder; partner or member of a corporation or other organization that is a party to or participant in a covered transaction or event. A conflict of interest may also exist if a close family member of a director or officer, including parents, grandparents, children, grandchildren and siblings, directly or indirectly, has a material personal interest in a covered transaction or event.

SECTION 5. BOARD POWER TO DETERMINE. The existence and effect of a conflict of interest shall be determined by the disinterested Board of Directors after full disclosure. The decision of the Board of Directors shall be final.

SECTION 6. CONTRACTS INVOLVING DIRECTORS AND OFFICERS. Notwithstanding the foregoing, members of the Board of Directors and officers of the Corporation shall be permitted to maintain a direct or indirect interest in any contract relating to or incidental to the operations of the Corporation, and may freely make contracts, enter into transactions, or otherwise act for and on behalf of the Corporation, notwithstanding that at such time they may also be acting as individuals, or directors of trusts, or beneficiaries of trusts, members or associates, or as agents, officers or directors for other persons or corporations, or may be interested in the same matter as shareholders, officers, directors or otherwise provided, however that prior to consummating any contract, transaction or action taken on behalf of the Corporation involving any matter in which a director or officer is personally interested as a shareholder, officer, director, trust, beneficiary, trustee, trust advisor, or otherwise, that contract, transaction or action must be authorized and approved in good faith by a majority of the disinterested directors then in office, only after providing the Board of Directors with knowledge of the material facts concerning the transaction and the director's or officer's interest in the contract, transaction, or action, and only if the entering into of such contract, transaction or action is not violative of the proscription of the Articles of Incorporation, which prohibit the Corporation's use or application of its fund for private benefit. Notwithstanding any provision contained herein, no contract, transaction, or action shall be taken on behalf of the Corporation if such contract, transaction, or action would result in denial of the Corporation's exemption from federal income taxation or subject the Corporation to intermediate sanctions under the Internal Revenue Code, and the regulations promulgated thereunder, as they now exist or as they may hereafter be amended. In no event, however, shall any person or entity dealing with the Board of Directors or officers of the Corporation be obligated to inquire into the authority of the Board of Directors and officers to enter into and consummate any contract, transaction or other action taken.

ARTICLE VII  
CONTRACTS, BANKING, GIFTS, RECORDS

SECTION 1. CONTRACTS. The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the Officers so authorized by these By-Laws, to enter into any contract and to execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances or transactions.

SECTION 2. VOTING SHARES OF OR MEMBERSHIP INTERESTS IN OTHER CORPORATIONS. Unless otherwise ordered by the Board of Directors, the CEO shall have full power and authority on behalf of the Corporation to vote either in person or by proxy at any meeting of shareholders of any corporation in which this Corporation may hold shares, or at any meeting of members of any nonprofit corporation of which this Corporation is a member, and at such meeting may possess and exercise all of the rights and powers incident to the ownership of such shares which, as the owner thereof, this Corporation might have possessed and exercised if

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present, or incident to such membership which, as the member, this Corporation might have possessed and exercised if present. The Board of Directors may confer like powers upon any other person and may revoke any such powers as granted at its pleasure.

SECTION 3. CHECKS, DRAFTS, ETC. The Board of Directors may authorize any Officer or Officers or agent or agents of the Corporation to issue checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, and in such manner as shall be determined by resolution of the Board of Directors.

SECTION 4. DEPOSITS AND INVESTMENTS. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories, or invested for the account of the Corporation in such manner, as the Board of Directors may determine from time to time. The Board of Directors may designate such fiscal agents, investment advisors, and custodians to direct the management of the Corporation's assets. The Board of Directors may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor or custodian.

SECTION 5. GIFTS. The Board of Directors or any Officer may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any specific purpose of the Corporation.

SECTION 6. BOOKS AND RECORDS. The Corporation shall keep at its office correct and complete books and records of account, the activities and transactions of the Corporation, minutes of the proceedings of the Members, the Board of Directors and any committee of the Corporation, and a current list of the Members, Directors, and Officers of the Corporation and their residence addresses. Any of the books, minutes and records of the Corporation may be in written form or in any other form capable of being converted into written form within a reasonable time.

SECTION 7. LOANS. No Officer or Director shall be authorized to obtain loans on behalf of the Corporation without the prior approval of the Board of Directors.

## ARTICLE VIII MISCELLANEOUS PROVISIONS

SECTION 1. FISCAL YEAR. The fiscal year of the Corporation shall be determined by the Board of Directors.

~~SECTION 2. REIMBURSEMENT. The CEO may authorize the reimbursement of expenditures reasonably incurred by Officers and Directors or other employees on behalf of activities for the benefit of the Corporation.~~

SECTION 3. WAIVER OF NOTICE. Whenever notice is required to be given under any provision of the Articles of Incorporation or these By-Laws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the

person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members, directors or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Articles of Incorporation or the By-Laws.

SECTION 4. CORPORATE SEAL. The Board Of Directors may adopt a corporate seal, which seal shall have inscribed thereon the name of the Corporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Failure to affix the seal shall not, however, affect the validity of any instrument.

SECTION 5. INVALID PROVISIONS. If any part of these By-Laws shall be held invalid or inoperative for any reason, the remaining parts, so far as it is possible and reasonable, shall remain valid and operative.

SECTION 6. PROVISIONS INCONSISTENT WITH ARTICLES. If any provision of these By-Laws is contrary to or inconsistent with the Articles of Incorporation of the Corporation, such provision of the By-Laws shall be invalid and inoperative.

SECTION 7. HEADINGS. The headings used in these By-Laws are for convenience only and do not constitute matter to be construed in the interpretation of these By-Laws.

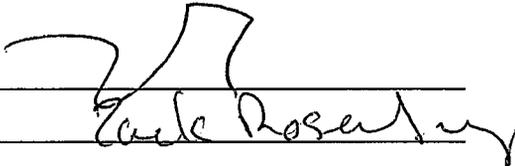
SECTION 8. SERVICE AREA. The Corporation shall serve the Greater New Orleans Community, defined as an urban area, which includes Orleans and St. Bernard Parishes, as well as Jasper County, Mo., defined as a rural area, but the Corporation may have such other service areas within or without the State of Louisiana as the Board of Directors may designate from time to time.

SECTION 9. LOW-INCOME INPUT. SBP must receive input from low income program beneficiaries regarding its decisions on design, location, development and management of all HOME-assisted affordable housing projects by (1) holding widely publicized meetings, for proposed neighbors of the development site (2) creating an ad-hoc advisory counsel of neighbors of proposed development site.

SECTION 10. AMENDMENTS TO THESE BY-LAWS. These By-Laws may be amended, altered or repealed, and new By-Laws to be adopted shall be approved, by a majority vote of the Members or by a majority vote of the Board of Directors if the amendment does not relate to the number of Directors, the composition of the board, the term of office of Directors, or the method or way in which Directors are elected or selected.

CERTIFICATE

I HEREBY CERTIFY that the foregoing By-Laws were adopted by the Board of Directors of the Corporation on the \_\_\_<sup>st</sup> day of June, 2014.

  
Name: \_\_\_\_\_  
Title: CEO, St. Bernard Project

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAY 30 2008

THE ST BERNARD PROJECT INC  
C/O ELIZABETH MCCARTNEY  
8324 PARC PL  
CHALMETTE, LA 70043

Employer Identification Number:  
26-2189665  
DLN:  
408152000  
Contact Person:  
NANCY L HEAGNEY ID# 31306  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
December 31  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
February 29, 2008  
Contribution Deductibility:  
Yes  
Advance Ruling Ending Date:  
December 31, 2012  
Addendum Applies:  
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

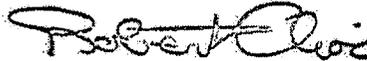
Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

THE ST BERNARD PROJECT INC

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures: Publication 4221-PC  
Statute Extension

Letter 1045 (DO/CG)

**SBP Board of Directors**

<b>NAME</b>	<b>COMPANY/TITLE</b>	<b>COMPANY ADDRESS</b>	<b>CURRENT</b>	<b>CURRENT</b>
Ann Limberg	Head of Philanthropic Solutions and Family	Bank of America, 208 Harristown Road, Fourth	Nov 2019	Nov 2022
Courtenay LaRoche	Former SBP Client / Nurse Assistant, PACE	2711 Jonquil Street, New Orleans, LA 70112	Nov 2019	Nov 2022
Derrick Johnson	President Mid South District, UPS	35 Glenlake Pkwy NE, Atlanta, GA 30328	Nov 2018	Nov 2021
Elie Khoury	Principal, KFK Group	KFK Group, 1201 Canal Street C, New Orleans,	Nov 2020	Nov 2023
Francis Bouchard	Group Head of Communications & Public	Zurich Insurance Company Ltd	Nov 2020	Nov 2023
Jackie Alexander, JD	Know Your Fruit	3993 Highway 35, Hood River, Oregon 97031	Nov 2019	Nov 2022
Jennifer Enderlin	President – AT&T Employee Relief Fund	1228 Paladin Trail, Spring Branch, TX 78070	Jun 2020	Nov 2022
John Solon, CPA	Matrix Financial, LLC	Matrix Financial, 60 Walnut Street, Wellesley MA	Nov 2018	Nov 2021
Keith Daly	President of Personal Lines, Farmers	Farmers Insurance, 6301 Owensmouth Avenue	Nov 2020	Nov 2023
Lee Carter	Partner and President, maslansky + partners	maslansky + partners	Nov 2020	Nov 2023
Lisa Eisenstein		3 Rocky Hollow Drive, Larchmont, NY 10538	Jun 2020	Nov 2022
Mary Jones	Former SBP Client / Abstractor, City of NOLA	425 S. Alexander Street, New Orleans, LA 70119	Nov 2018	Nov 2021
Mike Goss	General Manager, Social Innovation, Toyota	Toyota Motors, 5360 Legacy Drive, Building 1,	Nov 2019	Nov 2022
Pete Forlenza	Global Head of Equities, Jefferies	Jefferies, 520 Madison Avenue, NY NY 10022	Nov 2020	Nov 2023
Ron Guerrier	Chief Information Officer, Express Scripts Inc.	One Express Way St. Louis, MO 63121	Nov 2018	Nov 2021
Scott Couvillon	Partner   Director of Strategy, Trumpet	Trumpet Advertising, 2803 St. Philip, NOLA	Nov 2019	Nov 2022
Trevor Colhoun	Managing Member, Humilis Holdings	900 Camp, Suite 356	Nov 2020	Nov 2023
Zack Rosenburg	CEO & Co-founder, SBP	SBP, 2645 Toulouse Street, NOLA 70119	Nov 2018	Nov 2021

## Exhibit 2



THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2018 (Restated) and 2017 (Restated)



## CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1-2
Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-23
Supplementary Information	
Independent Auditors' Report on Supplementary Information	24
Consolidating Statements of Financial Position	25-26
Consolidating Statements of Activities	27-28
Consolidating Statements of Functional Expenses	29-30
Uniform Guidance Compliance and Government Auditing Standards Reports	
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 <i>Government Auditing Standards</i>	31-32
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance required by Uniform Guidance	33-34
Schedule of Expenditures of Federal Awards	35
Notes to the Schedule of Expenditures of Federal Awards	36
Schedule of Findings and Questioned Costs	37
Other Supplementary Information	
Summary of Compensation, Benefits and Other Payments to Agency Head	38



**WEGMANN DAZET & COMPANY**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The St. Bernard Project, Inc. d/b/a SBP, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**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 audits. We conducted our audits 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 consolidated 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 financial position of SBP, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 May 15, 2019, on our consideration of SBP, Inc.'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 SBP, Inc.'s internal control over financial reporting and compliance.

May 15, 2019  
(Except for Note 21, as to which the date is August 5, 2019)

Wegmann Dayet + Company

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2018 (Restated) and 2017 (Restated)

	2018	2017
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,437,443	\$ 10,865,670
Investments	6,528,170	5,956,464
Accounts receivable	2,320,191	2,345,137
Other receivables	-	143,196
Grants receivable	3,182,792	1,177,511
Construction in process	810,505	365,914
Real estate held for sale	70,680	879,351
Other current assets	584,884	447,384
Total current assets	<u>18,934,665</u>	<u>22,180,627</u>
Property and equipment, at cost less accumulated depreciation	6,497,439	6,450,832
Notes receivable - promissory notes	198,867	274,383
Notes receivable	6,946,000	6,946,000
Deposits	7,100	7,175
Total assets	<u><u>\$ 32,584,071</u></u>	<u><u>\$ 35,859,017</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Line of credit	\$ 382,221	\$ 40,000
Accounts payable and accrued expenses	1,050,206	625,742
Accrued payroll and related liabilities	129,418	117,653
Deferred revenue	3,635	75,000
Due to related party	563,866	702,350
Current portion of long-term debt	-	86,853
Total current liabilities	<u>2,129,346</u>	<u>1,647,598</u>
Long-term debt, less current portion and unamortized issuance costs	<u>7,772,062</u>	<u>9,162,100</u>
Total liabilities	<u><u>9,901,408</u></u>	<u><u>10,809,698</u></u>
<b>NET ASSETS</b>		
Without donor restrictions	12,311,305	10,433,527
With donor restrictions	<u>10,371,358</u>	<u>14,615,792</u>
Total net assets	<u><u>22,682,663</u></u>	<u><u>25,049,319</u></u>
Total liabilities and net assets	<u><u>\$ 32,584,071</u></u>	<u><u>\$ 35,859,017</u></u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018 (Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 4,201,708	\$ 5,567,661	\$ 9,769,369
Grants	2,681,213	11,861,449	14,542,662
Property management fees	615,920	53,192	669,112
Homeowner funding	-	1,722,577	1,722,577
Sale of properties	540,000	-	540,000
Opportunity housing income	106,889	-	106,889
Vendor incentives	64,092	26,998	91,090
Other income	576,530	330	576,860
Net assets released from restrictions	23,476,641	(23,476,641)	-
Total revenues	32,262,993	(4,244,434)	28,018,559
Expenses			
Program services			
Rebuilding	25,366,911	-	25,366,911
Opportunity housing	1,223,208	-	1,223,208
Disaster resilience and recovery lab	736,798	-	736,798
Supporting services			
General and administrative	2,263,340	-	2,263,340
Fundraising	794,958	-	794,958
Total expenses	30,385,215	-	30,385,215
Change in net assets	1,877,778	(4,244,434)	(2,366,656)
Net assets			
Beginning of year	10,433,527	14,615,792	25,049,319
End of year	\$ 12,311,305	\$ 10,371,358	\$ 22,682,663

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017 (Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues			
Contributions	\$ 4,059,581	\$ 16,185,581	\$ 20,245,162
Grants	2,393,501	7,053,961	9,447,462
Property management fees	490,707	88,605	579,312
Homeowner funding	-	1,585,480	1,585,480
Sale of properties	978,800	22,500	1,001,300
Opportunity housing income	56,148	-	56,148
Vendor incentives	106,572	-	106,572
Other income	224,970	45,682	270,652
Net assets released from restrictions	13,149,717	(13,149,717)	-
	<u>21,459,996</u>	<u>11,832,092</u>	<u>33,292,088</u>
Expenses			
Program services			
Rebuilding	16,462,263	-	16,462,263
Opportunity housing	1,774,680	-	1,774,680
Disaster resilience and recovery lab	622,731	-	622,731
Supporting services			
General and administrative	1,725,095	-	1,725,095
Fundraising	438,078	-	438,078
	<u>21,022,847</u>	<u>-</u>	<u>21,022,847</u>
Change in net assets	437,149	11,832,092	12,269,241
Net assets			
Beginning of year	<u>9,996,378</u>	<u>2,783,700</u>	<u>12,780,078</u>
End of year	<u>\$ 10,433,527</u>	<u>\$ 14,615,792</u>	<u>\$ 25,049,319</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2018 (Restated)

	Program Services					Total Expenses
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative	
Auto	\$ 24,483	\$ -	\$ -	\$ -	\$ 1,340	\$ 25,823
Bad debt expense	23,490	214,933	-	-	-	238,423
Bank service charges	5,423	471	7,668	5,282	6,760	25,604
Construction	10,635,300	510,233	-	-	-	11,145,533
Depreciation	154,434	30,434	-	-	130,682	315,550
Dues and subscriptions	870	145	-	-	3,127	4,142
Employee benefits	-	-	-	-	26,008	26,008
Fundraising	11	-	-	147,167	-	147,178
Grants awarded	1,707,835	-	(80,000)	-	-	1,627,835
Information technology	18,222	655	10,053	7,374	32,019	68,323
Insurance	1,689,631	79,411	18,839	8,381	180,884	1,977,146
Interest expense	11,553	2,294	33,698	23,107	154,115	224,767
In-kind labor	5,340,098	231,987	-	-	-	5,572,085
Licenses and permits	49,947	22,728	3,978	1,339	136,721	214,713
Marketing	38,261	442	46,652	20,370	3,713	109,438
Office supplies	48,487	2,207	41,495	11,313	9,667	113,169
Other expense	148,583	6,063	29,254	(19,224)	73,371	238,047
Occupancy	323,122	6,326	2,779	2,365	59,727	394,319
Payroll taxes	380,745	4,903	22,599	24,932	92,800	525,979
Postage and delivery	23,495	1,030	-	2,432	4,511	31,468
Program expense	-	-	4,119	-	-	4,119
Professional services	137,559	24,421	102,915	168,825	149,378	583,098
Property tax	-	-	-	-	6,256	6,256
Repairs and maintenance	13,680	23,125	3	56	18,397	55,261
Salaries	4,162,251	59,359	334,589	348,248	1,070,889	5,975,336
Seminars	41,852	550	-	316	4,533	47,251
Travel	213,465	108	157,504	41,624	76,753	489,454
Workers comp insurance	174,114	1,383	653	1,051	21,689	198,890
<b>Total expenses</b>	<b>\$ 25,366,911</b>	<b>\$ 1,223,208</b>	<b>\$ 736,798</b>	<b>\$ 794,958</b>	<b>\$ 2,263,340</b>	<b>\$ 30,385,215</b>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2017 (Restated)

	Program Services				General & Administrative	Total Expenses
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising		
Auto	\$ 7,206	\$ -	\$ -	\$ -	\$ 413	\$ 7,619
Bad debt expense	61,667	172,231	-	-	-	233,898
Bank service charges	15,479	75	750	5,410	2,358	24,072
Construction	6,179,215	1,471,143	-	-	79,464	7,729,822
Depreciation	135,785	22,182	1,232	-	126,934	286,133
Employee benefits	-	-	-	-	8,444	8,444
Fundraising	-	-	-	29,960	-	29,960
Grants awarded	456,220	-	4,559	45,400	-	506,179
Information technology	8,039	-	-	-	5,674	13,713
Insurance	1,231,946	27,965	20,129	(4,530)	67,856	1,343,366
Interest expense	93,375	10,644	-	-	142,926	246,945
In-kind labor	4,279,339	-	-	-	-	4,279,339
Licenses and permits	69,326	23,915	2,519	17,283	2,172	115,215
Marketing	75,137	100	50,194	217	90	125,738
Office supplies	37,241	560	7,877	3,013	3,408	52,099
Other expense	237,317	7,562	3,264	2,563	1,054	251,760
Occupancy	163,985	-	411	-	30,712	195,108
Payroll taxes	233,332	2,915	32,814	14,394	77,874	361,329
Postage and delivery	18,152	7	-	2,269	729	21,157
Program expense	-	-	4,807	-	-	4,807
Professional services	225,684	1,029	7,057	61,737	164,913	460,420
Repairs and maintenance	7,127	-	-	-	15,486	22,613
Salaries	2,498,853	33,477	439,742	238,100	930,484	4,140,656
Seminars	36,624	-	-	21	568	37,213
Travel	261,185	116	45,681	21,507	38,651	367,140
Workers comp insurance	130,029	759	1,695	734	24,885	158,102
Total expenses	<u>\$ 16,462,263</u>	<u>\$ 1,774,680</u>	<u>\$ 622,731</u>	<u>\$ 438,078</u>	<u>\$ 1,725,095</u>	<u>\$ 21,022,847</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ (2,366,656)	\$ 12,269,241
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	315,550	286,134
Deferred loan costs	23,109	23,109
Donated vehicles and furniture included in contributions	(3,000)	(144,594)
Forgiveness of debt	-	(125,000)
(Gain) loss on disposal of assets	(7,464)	-
(Increase) decrease in operating assets:		
Accounts receivable	24,946	182,123
Other receivables	143,196	1,198
Grants receivable	(2,005,281)	(84,887)
Construction in process	(444,591)	(273,009)
Real estate held for sale	490,513	962,941
Other current assets	(137,500)	(20,147)
Deposits	75	400
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	424,463	(27,617)
Accrued payroll and related liabilities	11,765	(19,392)
Deferred revenue	(71,365)	(118,750)
Due to related party	(138,484)	66,451
Net cash (used) provided by operating activities	<u>(3,740,724)</u>	<u>12,978,201</u>
Cash flows from investing activities:		
Advances on notes receivable - promissory notes	75,516	184,531
Proceeds from disposal of assets	20,153	-
Purchase of property and equipment	(53,687)	(89,497)
Purchase of investments	(5,000,000)	(6,000,000)
Proceeds from sale of investments	4,428,294	69,728
Net cash used by investing activities	<u>(529,724)</u>	<u>(5,835,238)</u>
Cash flows from financing activities:		
Borrowings under line of credit	382,221	-
Repayments of line of credit	(40,000)	(60,000)
Repayments of long-term debt	(1,500,000)	-
Net cash used by financing activities	<u>(1,157,779)</u>	<u>(60,000)</u>
Net (decrease) increase in cash	(5,428,227)	7,082,963
Cash and cash equivalents at beginning of year	<u>10,865,670</u>	<u>3,782,707</u>
Cash and cash equivalents at end of year	<u>\$ 5,437,443</u>	<u>\$ 10,865,670</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

1) Nature of activities

The St. Bernard Project, Inc. d/b/a SBP, Inc. (SBP, Inc.) is a non-profit organization established to shrink the time between disaster and recovery. The St. Bernard Project, Inc. is a community based organization that carries out its mission through three primary programs: Rebuilding Programs, Disaster Resilience and Recovery Lab, and Opportunity Housing Program.

Toulouse Commercial, Inc. is a non-profit organization established on March 27, 2015 to operate exclusively for the benefit of, to perform the functions of, and to carry out the purposes of The St. Bernard Project, Inc.

2) Summary of significant accounting policies

The significant accounting policies followed by the Organization are summarized as follows:

(a) Financial statement presentation

The Organization's policy is to prepare its financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

The accompanying consolidated financial statements present the consolidated statements of financial position and changes in net assets and cash flows of The St. Bernard Project, Inc. and Toulouse Commercial, Inc. (together referred to as the "Organization"). Toulouse Commercial, Inc. is a supporting organization of SBP, Inc. All significant inter-company accounts and transactions have been eliminated.

(b) Basis of presentation

Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for two classifications – without donor restrictions and with donor restrictions based on the existence or absence of donor imposed restrictions.

The Organization reports gifts of cash and other assets as with donor restrictions if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions.

(c) Revenue recognition

Contributions are recorded as revenue when received and are generally available for unrestricted use unless specifically restricted by the donor. Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met. Unreimbursed expenses are recorded as revenue and as grants receivable when requests for reimbursement are submitted to the grantors. Real estate sales are recognized at the time the sale is complete and title has transferred to the buyer.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

2) Summary of significant accounting policies (continued)

(d) Cash and cash equivalents  
All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

(e) Investments  
Investments in equity securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investments with a maturity of one year or less are classified as current.

(f) Accounts receivable  
Accounts are considered overdue if uncollected within ninety days of original invoice. The Organization considers grant receivables to be fully collectible and when a balance becomes uncollectible, they are written off.

An allowance for uncollectible accounts has been maintained for estimated losses resulting from the inability of its customers to make required payments. The Organization's estimate for the allowance for doubtful accounts is based on a review of the current accounts receivable. Accounts receivable is presented net of an allowance for doubtful accounts of \$24,413 and \$123,634 as of December 31, 2018 and 2017, respectively.

(g) Property and equipment  
Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	<u>Useful Lives</u>
Building	39 years
Real Estate Held for Rental	39 years
Equipment	5 years
Vehicles	5 years

(h) Construction in process  
Construction in process includes houses owned by the Organization that are in the process of being rehabilitated and are carried at cost plus construction costs and an overhead allocation. The property is transferred to real estate held for sale once it is completed and ready to be put on the market for sale.

(i) Real estate held for sale  
Real estate held for sale is carried at cost plus construction costs and an overhead allocation. The real estate has been acquired to be rehabilitated and sold to qualified homeowners.

(j) Real estate held for rental  
Real estate held for rental is carried at cost plus construction costs and an overhead allocation. The real estate has been acquired to be rehabilitated and rented to qualified homeowners.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

2) Summary of significant accounting policies (continued)

(k) Income taxes

SBP, Inc. is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. SBP, Inc.'s determination letter is as of May 30, 2008.

Toulouse Commercial, Inc. is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Toulouse Commercial, Inc.'s determination letter is as of March 27, 2015.

The Organization adopted the provisions of ASC 740, *Income Taxes*. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits. With few exceptions, the Organization is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

(l) Functional expenses

The costs of providing the various programs and activities has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(m) Fundraising

All expenses associated with fundraising events are expensed as incurred.

(n) Use of 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.

(o) Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Organization has not experienced any losses in such accounts. The Organization has no policy requiring collateral or other security to support its deposits.

The Organization generally requires a deed of trust to support its notes receivable.

(p) Donated services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization received volunteer help to renovate homes destroyed by natural disasters. The estimated value of the contributed services for the years ended December 31, 2018 and 2017 was \$5,572,000 and \$4,673,000, respectively.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

2) Summary of significant accounting policies (continued)

(q) Donated property and equipment

Noncash donations are recorded as contributions at their fair value at the date of donations. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

(r) Financing and loan acquisition costs

Certain costs related to the New Market Tax Credit Financing Commitment have been capitalized and are being amortized over the estimated life of the related note payable. Financing and loan acquisition costs totaled \$808,820 as of December 31, 2018 and 2017. Accumulated amortization totaled \$80,882 and \$57,773 as of December 31, 2018 and 2017, respectively.

(s) New accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, "Leases." This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2019. The Organization is currently assessing the impact of these pronouncements on its financial statements.

(t) Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

3) Property and equipment

Property and equipment is summarized as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,080,000	\$ 1,080,000
Building	4,198,759	4,187,464
Equipment	72,824	32,232
Real estate held for rental	1,268,662	950,503
Vehicles	793,936	818,417
Total costs	<u>7,414,181</u>	<u>7,068,616</u>
Less: accumulated depreciation	916,742	617,784
Property and equipment	<u>\$ 6,497,439</u>	<u>\$ 6,450,832</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

4) Notes receivable - promissory notes

The Organization has various notes receivable totaling \$198,867 and \$274,383 in connection with the sale of various properties as of December 31, 2018 and 2017, respectively. The promissory notes become due and payable if the borrower fails to occupy the residence for a five or ten year period after initial purchase date, fails to maintain homeowner's and flood insurance during the five or ten years or fails to pay property taxes when they become due during the five or ten year period. There has been no breach of the promissory notes as of December 31, 2018.

The Organization will reduce the balance on the notes over the next ten years as outlined in the notes based on compliance with the terms of the agreement. A total of \$75,516 and \$184,531 was written off in 2018 and 2017, respectively.

5) Notes receivable

SBP, Inc. entered into an agreement on January 16, 2014, as part of a New Markets Tax Credit Transaction, to lend FNBC NMTC Hybrid Fund, LLC, \$2,122,500 in the form of a subordinate loan note. The outstanding principal as of December 31, 2018 and 2017 totaled \$2,122,500. The note accrues interest at a rate of 1.41% and interest is paid quarterly. Interest earned and received on the loan as of December 31, 2018 and 2017 was \$30,000 and \$30,000, respectively.

SBP, Inc. entered into an agreement on June 30, 2015, as part of a New Markets Tax Credit Transaction, to lend GSNMF SUB-CDE 13, LLC, \$4,823,500 in the form of a subordinate loan note. The outstanding principal as of December 31, 2018 and 2017 totaled \$4,823,500. The note accrues interest at a rate of 2.02% and interest is paid quarterly. Interest earned and received on the loan as of December 31, 2018 and 2017 was \$97,500 and \$97,500, respectively.

6) Commitments and contingencies

SBP, Inc. is the guarantor in a New Markets Tax Credit Indemnity Agreement between SBP Real Estate, Inc. and a bank. Should a recapture event occur, SBP, Inc. could be obligated to pay the recapture amount according to the agreement. Management believes there are no breaches of the agreement as of December 31, 2018.

SBP, Inc. is a guarantor in a credit agreement between SBP Real Estate, Inc. and a lender. The note payable balance at December 31, 2018 and 2017 was \$3,000,000.

SBP, Inc. is the guarantor in a New Markets Tax Credit Indemnity Agreement between Toulouse Commercial, Inc. and a bank. Should a recapture event occur, SBP, Inc. could be obligated to pay the recapture amount according to the agreement. Management believes there are no breaches of the agreement as of December 31, 2018.

SBP, Inc. is a guarantor in a credit agreement between Toulouse Commercial, Inc. and a lender. The note payable balance at December 31, 2018 and 2017 was \$7,000,000.

Any breach of the loan agreement between Toulouse Commercial, Inc. and GSNMF SUB-CDE 13, LLC may require the Organization to pay a recapture amount according to the agreement. Management believes there are no breaches of the agreement as of December 31, 2018.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

7) New markets tax credit

Toulouse Commercial, Inc. acquired land and developed of a commercial facility located in New Orleans. In order to obtain the land and start development of the building a credit agreement was executed on June 30, 2015 by and among Toulouse Commercial, Inc. and GSNMF SUB-CDE 13, LLC, a Delaware limited liability company (“Lender”). The loans qualify as a “quality low income community investment” and generate certain tax credits called New Markets Tax Credits (“NMTC”) under Section 45D of the Internal Revenue Code. To qualify, Toulouse Commercial must comply with certain representations, warranties, and covenants, including but not limited to, maintaining its’ non-profit status and will continue to qualify as a qualified low-income community business. Toulouse Commercial, Inc. will potentially realize benefits from the New Markets Tax Credit Program of the Community Development Financial Institution Fund (“CDFI”), a branch of the U.S. Department of Treasury.

8) Investments

Investments are carried at fair value and consist of the following at December 31, 2018 and 2017:

	<u>2018</u> <u>Fair Value</u>	<u>2017</u> <u>Fair Value</u>
Equity securities	\$ 24,869	\$ 16,106
U.S. treasury securities	794,082	1,297,432
U.S. government bonds	1,041,426	878,821
Corporate bonds	<u>4,667,793</u>	<u>3,764,105</u>
Total investments	<u>\$ 6,528,170</u>	<u>\$ 5,956,464</u>

A summary of return on investments consists of the following for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 270,211	\$ 380
Net unrealized loss	<u>(53,330)</u>	<u>(1,227)</u>
Total return	<u>\$ 216,881</u>	<u>\$ (847)</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

9) Grants receivable

SBP, Inc. was awarded various grants through federal, state and other agencies. Most of the grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Balances due from the grants at year end are included in grants receivable. Grants receivable for the year ended December 31, 2018 consists of the following:

	Due from grant at beginning of year	Grant Receipts	Grant Expenditures	Due from grant at end of year
<u>Federal financial assistance</u>				
AmeriCorp national grant from				
Corporation for National and Community Service	\$ 564,905	\$ 2,930,206	\$ 2,893,107	\$ 527,806
U.S. Dept. of Housing and Urban				
Development - City of New Orleans	303,768	631,515	458,485	130,738
U.S. Dept. of Housing and Urban				
Development - New York	253,572	702,418	2,393,921	1,945,075
U.S. Dept. of Housing and Urban				
Development - City of New Orleans	-	-	211,527	211,527
U.S. Dept. of Housing and Urban				
Development - County of Lexington	18,550	64,286	90,176	44,440
U.S. Dept. of Housing and Urban				
Development - City of San Marcos	36,716	36,726	10	-
U.S. Dept. of Housing and Urban				
Development - City of New Orleans	-	66	323,272	323,206
Total federal financial assistance	<u>\$ 1,177,511</u>	<u>\$ 4,365,217</u>	<u>\$ 6,370,498</u>	<u>\$ 3,182,792</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

9) Grants receivable (continued)

Grants receivable for the year ended December 31, 2017 consists of the following:

	Due from grant at beginning of year	Grant Receipts	Grant Expenditures	Due from grant at end of year
<u>Federal financial assistance</u>				
AmeriCorp national grant from				
Corporation for National and Community Service	\$ 219,216	\$ 1,122,880	\$ 1,468,569	\$ 564,905
U.S. Dept. of Housing and Urban				
Development - City of New Orleans	9,467	539,036	833,337	303,768
U.S. Dept. of Housing and Urban				
Development - City of New Orleans	61,738	61,738	-	-
U.S. Dept. of Housing and Urban				
Development - New York	305,753	808,786	756,605	253,572
U.S. Dept. of Housing and Urban				
Development - City of New Orleans	366,450	366,450	-	-
U.S. Dept. of Housing and Urban				
Development - County of Lexington	-	-	18,550	18,550
U.S. Dept. of Housing and Urban				
Development - City of San Marcos	-	157,717	194,433	36,716
Total federal financial assistance	<u>962,624</u>	<u>3,056,607</u>	<u>3,271,494</u>	<u>1,177,511</u>
<u>Other Grants</u>				
The American National Red Cross	60,000	60,000	-	-
Louisiana Housing Corporation / HRP	70,000	70,000	-	-
Total	<u>\$ 1,092,624</u>	<u>\$ 3,186,607</u>	<u>\$ 3,271,494</u>	<u>\$ 1,177,511</u>

10) Line of credit

The Organization has an \$850,000 unsecured line of credit with a bank for its working capital needs with a maturity date of September 24, 2019. The interest rate on the line is determined based on the LIBOR base rate. The balance at December 31, 2018 and 2017 was \$382,221 and \$40,000, respectively.

11) Grant note payable

SBP, Inc. was awarded a grant from the New Orleans Redevelopment Authority (“NORA”) to assist with the development of single family housing for low income families. The grant awarded up to \$100,000 of assistance per property and of this total \$75,000 per property is payable back to NORA. As of December 31, 2018 and 2017, SBP, Inc. had a \$207,892 and \$143,256 payable to NORA, respectively, recorded in accrued expenses.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

12) Long-term debt

Long-term debt of the Organization at December 31, 2018 and 2017 consists of the following:

	<u>2018</u>	<u>2017</u>
Notes payable to a bank with interest at a rate of 5.5%, payable in quarterly interest only payments through the maturity date and full principal balance due at maturity, secured by the assets of the Organization. The note matures July 29, 2022.	\$ 1,500,000	\$ 1,500,000
Notes payable to a lender with interest at a rate of 1%, payable in monthly principal and interest payments of \$10,855 starting April 10, 2018, secured by the assets of the Organization. The notes mature June 10, 2030.	-	1,500,000
Note payable to GSNMF SUB-CDE 13, LLC with interest at a rate of 1.50%, payable in quarterly interest only payments through June 2022 and remaining principal and interest due on maturity date of the loan, secured by the assets of the Organization. The notes mature in July 2022.	1,500,000	1,500,000
Note payable to GSNMF SUB-CDE 13, LLC with interest at a rate of 1.50%, payable in quarterly interest only payments through June 2022 and quarterly principal and interest payments commencing in September 2022, secured by the assets of the Organization. The notes mature in June 2050.	1,500,000	1,500,000
Note payable to GSNMF SUB-CDE 13, LLC with interest at a rate of 1.50%, payable in quarterly interest only payments through June 2022 and quarterly principal and interest payments commencing in September 2022, secured by the assets of the Organization. The notes mature in June 2050.	1,823,500	1,823,500

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

12) Long-term debt (continued)

	<u>2018</u>	<u>2017</u>
Note payable to GSNMF SUB-CDE 13, LLC with interest at a rate of 1.50%, payable in quarterly interest only payments through June 2022 and quarterly principal and interest payments commencing in September 2022, secured by the assets of the Organization. The notes mature in June 2050.	2,176,500	2,176,500
Total long-term debt	8,500,000	10,000,000
Less current portion	-	86,853
Less unamortized issuance costs	727,938	751,047
Long-term debt, less current portion	<u>\$ 7,772,062</u>	<u>\$ 9,162,100</u>

The maturities of long-term debt are as follows:

2019	\$	-
2020		-
2021		-
2022		3,000,000
2023		-
Thereafter		5,500,000

13) With donor restrictions on net assets

Net assets with donor restrictions are available for the following programs:

	<u>2018</u>	<u>2017</u>
AmeriCorp Grant	\$ -	\$ 856,062
Disaster Resilience & Recovery Lab	1,391,334	976,721
Capital Campaign	82,604	82,604
Rebuild West Virginia	-	50,000
Rebuild Baton Rouge	161,714	659,027
Rebuild Texas	8,370,544	11,694,551
Rebuild New Orleans	219,412	296,827
Rebuild Florida	145,750	-
Total net assets with donor restrictions	<u>\$ 10,371,358</u>	<u>\$ 14,615,792</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

14) Operating leases

SBP, Inc. leases office space for its headquarters and warehouse space from Toulouse Commercial, Inc. The lease runs through 2050. Total rent expense, which is included in occupancy expense under the lease was \$359,972 and \$249,097 for the years ended December 31, 2018 and 2017, respectively. The rent expense associated with this lease agreement has been eliminated on the consolidated statements of activities.

Future minimum rental payments under the leases are as follows:

2019	\$ 279,188
2020	287,564
2021	296,191
2022	305,076
2023	314,229
Thereafter	12,652,432

The Organization leases office space for its New York, South Carolina, Baton Rouge, Louisiana, Texas, Puerto Rico and New Jersey locations. The leases expire at various dates through March 2021. Total rent expense, which is included in occupancy expense; under the leases was \$204,997 and \$58,120 for the years ended December 31, 2018 and 2017, respectively.

Future minimum rental payments under the leases are as follows:

2019	\$ 80,900
2020	60,134
2021	14,909

SBP, Inc. subleases office space to various other non-profit organizations. The leases expire at various dates through December 2022.

Future minimum rental income under the leases are as follows:

2019	\$ 67,500
2020	68,864
2021	70,229
2022	71,636

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

15) Fair value measurement

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
  
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

Equity securities and U.S. treasury securities: Valued at net asset value, which approximates fair value.

U.S. government bonds and Corporate bonds: Valued at net asset value, which approximates fair value.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

15) Fair value measurement (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2018:

	Total Fair Value Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	\$ 24,869	\$ 24,869	\$ -	\$ -
U.S. treasury securities	794,082	794,082	-	-
U.S. government bonds	1,041,426	1,041,426	-	-
Corporate bonds	4,667,793	4,667,793	-	-
Total	<u>\$ 6,528,170</u>	<u>\$ 6,528,170</u>	<u>\$ -</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2017:

	Total Fair Value Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	\$ 16,106	\$ 16,106	\$ -	\$ -
U.S. treasury securities	1,297,432	1,297,432	-	-
U.S. government bonds	878,821	878,821	-	-
Corporate bonds	3,764,105	3,764,105	-	-
Total	<u>\$ 5,956,464</u>	<u>\$ 5,956,464</u>	<u>\$ -</u>	<u>\$ -</u>

16) Economic dependence

In 2018, the Organization received approximately 52% of its revenue from federal, state and other grants and 15% from contributions. Another 20% of the Organization's revenue was volunteer labor that was contributed in 2018.

In 2017, the Organization received approximately 28% of its revenue from federal, state and other grants and 47% from contributions. Another 14% of the Organization's revenue was volunteer labor that was contributed in 2017.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

17) Supplementary disclosures of cash flows information

Cash paid during the year for:

	<u>2018</u>	<u>2017</u>
Interest	<u>\$ 201,658</u>	<u>\$ 216,153</u>

The Organization had noncash financing transactions of \$1,500,000 relating to the refinancing of a loan in 2017.

18) Related party transactions

SBP, Inc. has an economic interest in SBP Real Estate, Inc., it does not have control. Therefore, the operations of SBP Real Estate, Inc. are not consolidated in the financial statements of the Organization.

SBP, Inc. and SBP Real Estate, Inc. share a common focus on providing assistance to disaster-impacted communities through the construction, renovation and promotion of affordable housing.

SBP, Inc. received property management fees from SBP Real Estate, Inc. in the amount of \$75,077 for the year ended December 31, 2018.

SBP, Inc. received property management fees from SBP Real Estate, Inc. in the amount of \$38,226 for the year ended December 31, 2017.

SBP, Inc. had a balance of \$563,866 due to SBP Real Estate, Inc. and a \$913,255 balance due from SBP Real Estate, included in accounts receivable, at December 31, 2018. SBP, Inc. had a balance of \$702,350 due to SBP Real Estate, Inc. and a \$1,040,242 balance due from SBP Real Estate, included in accounts receivable, at December 31, 2017.

19) Employee benefit plan

The Organization maintains a 401(k) retirement plan for the benefit of all eligible employees, whereby the employees may elect to defer compensation pursuant to a salary reduction agreement. The Organization contributes a match as described in the plan documents. For the years ended December 31, 2018 and 2017, the Organization contributed \$26,008 and \$8,444, respectively.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2018 (Restated) and 2017 (Restated)

20) Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets:

Cash and cash equivalents	\$ 5,437,443
Investments	6,528,170
Grants receivable	3,182,792
Accounts receivable	<u>2,320,191</u>
Financial assets, at year end	17,468,596
Less those unavailable for general expenditure within one year, due to:	
Restricted by donor purpose restrictions	<u>(10,371,358)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 7,097,238</u>

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments.

21) Restatement

The Organization has restated its previously issued financial statements for December 31, 2018 and 2017 to reclassify the change in real estate held for sale, real estate held for rental, and construction in process on the statements of cash flows. This change had no effect on net assets or the change in net assets as of December 31, 2018 and 2017.

22) Subsequent events

Management has evaluated subsequent events through the date of the auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities is presented for purposes of additional analysis and is not a required part of the 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

May 15, 2019

Wegmann Dazet & Company

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

12/31/2018 (Restated)

	SBP, Inc.	Toulouse Commercial, Inc.	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 5,190,175	\$ 247,268	\$ 5,437,443	\$ -	\$ 5,437,443
Investments	6,528,170	-	6,528,170	-	6,528,170
Accounts receivable	2,320,191	790	2,320,981	(790)	2,320,191
Grants receivable	3,182,792	-	3,182,792	-	3,182,792
Construction in process	810,505	-	810,505	-	810,505
Real estate held for sale	70,680	-	70,680	-	70,680
Other current assets	520,347	64,537	584,884	-	584,884
<b>Total current assets</b>	<b>18,622,860</b>	<b>312,595</b>	<b>18,935,455</b>	<b>(790)</b>	<b>18,934,665</b>
Property and equipment, at cost less accumulated depreciation	1,531,331	5,818,565	7,349,896	(852,457)	6,497,439
Notes receivable - promissory notes	198,867	-	198,867	-	198,867
Notes receivable	6,946,000	-	6,946,000	-	6,946,000
Deposits	1,000	6,100	7,100	-	7,100
<b>Total assets</b>	<b>\$ 27,300,058</b>	<b>\$ 6,137,260</b>	<b>\$ 33,437,318</b>	<b>\$ (853,247)</b>	<b>\$ 32,584,071</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Line of credit	\$ 382,221	\$ -	\$ 382,221	\$ -	\$ 382,221
Accounts payable and accrued expenses	1,042,294	8,702	1,050,996	(790)	1,050,206
Accrued payroll and related liabilities	129,418	-	129,418	-	129,418
Deferred revenue	3,635	-	3,635	-	3,635
Due to related party	563,866	-	563,866	-	563,866
<b>Total current liabilities</b>	<b>2,121,434</b>	<b>8,702</b>	<b>2,130,136</b>	<b>(790)</b>	<b>2,129,346</b>
Long-term debt, less current portion	1,500,000	6,272,062	7,772,062	-	7,772,062
<b>Total liabilities</b>	<b>3,621,434</b>	<b>6,280,764</b>	<b>9,902,198</b>	<b>(790)</b>	<b>9,901,408</b>
<b>NET ASSETS</b>					
Without donor restrictions	13,307,266	(143,504)	13,163,762	(852,457)	12,311,305
With donor restrictions	10,371,358	-	10,371,358	-	10,371,358
<b>Total net assets</b>	<b>23,678,624</b>	<b>(143,504)</b>	<b>23,535,120</b>	<b>(852,457)</b>	<b>22,682,663</b>
<b>Total liabilities and net assets</b>	<b>\$ 27,300,058</b>	<b>\$ 6,137,260</b>	<b>\$ 33,437,318</b>	<b>\$ (853,247)</b>	<b>\$ 32,584,071</b>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

12/31/2017 (Restated)

	SBP, Inc.	Toulouse Commercial, Inc.	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 10,786,776	\$ 78,894	\$ 10,865,670	\$ -	\$ 10,865,670
Investments	5,956,464	-	5,956,464	-	5,956,464
Accounts receivable	2,345,137	52,645	2,397,782	(52,645)	2,345,137
Other receivables	143,196	-	143,196	-	143,196
Grants receivable	1,177,511	-	1,177,511	-	1,177,511
Construction in process	365,914	-	365,914	-	365,914
Real estate held for sale	879,351	-	879,351	-	879,351
Due from related party	-	32,851	32,851	(32,851)	-
Other current assets	413,335	34,049	447,384	-	447,384
<b>Total current assets</b>	<b>22,067,684</b>	<b>198,439</b>	<b>22,266,123</b>	<b>(85,496)</b>	<b>22,180,627</b>
Property and equipment, at cost less accumulated depreciation	1,394,925	5,908,364	7,303,289	(852,457)	6,450,832
Notes receivable - promissory notes	274,383	-	274,383	-	274,383
Notes receivable	6,946,000	-	6,946,000	-	6,946,000
Deposits	1,075	6,100	7,175	-	7,175
<b>Total assets</b>	<b>\$ 30,684,067</b>	<b>\$ 6,112,903</b>	<b>\$ 36,796,970</b>	<b>\$ (937,953)</b>	<b>\$ 35,859,017</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Line of credit	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 40,000
Accounts payable and accrued expenses	678,387	-	678,387	(52,645)	625,742
Accrued payroll and related liabilities	117,653	-	117,653	-	117,653
Deferred revenue	75,000	-	75,000	-	75,000
Due to related party	735,201	-	735,201	(32,851)	702,350
Current portion of long-term debt	86,853	-	86,853	-	86,853
<b>Total current liabilities</b>	<b>1,733,094</b>	<b>-</b>	<b>1,733,094</b>	<b>(85,496)</b>	<b>1,647,598</b>
Long-term debt, less current portion	2,913,147	6,248,953	9,162,100	-	9,162,100
<b>Total liabilities</b>	<b>4,646,241</b>	<b>6,248,953</b>	<b>10,895,194</b>	<b>(85,496)</b>	<b>10,809,698</b>
<b>NET ASSETS</b>					
Without donor restrictions	11,422,034	(136,050)	11,285,984	(852,457)	10,433,527
With donor restrictions	14,615,792	-	14,615,792	-	14,615,792
<b>Total net assets</b>	<b>26,037,826</b>	<b>(136,050)</b>	<b>25,901,776</b>	<b>(852,457)</b>	<b>25,049,319</b>
<b>Total liabilities and net assets</b>	<b>\$ 30,684,067</b>	<b>\$ 6,112,903</b>	<b>\$ 36,796,970</b>	<b>\$ (937,953)</b>	<b>\$ 35,859,017</b>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018 (Restated)

	SBP, Inc. Without Donor Restrictions	SBP, Inc. With Donor Restrictions	Toulouse Commercial, Inc. Without Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>Revenues</b>						
Contributions	\$ 4,201,708	\$ 5,567,661	\$ -	\$ 9,769,369	\$ -	\$ 9,769,369
Grants	2,681,213	11,861,449	-	14,542,662	-	14,542,662
Property management fees	615,920	53,192	-	669,112	-	669,112
Homeowner funding	-	1,722,577	-	1,722,577	-	1,722,577
Sale of properties	540,000	-	-	540,000	-	540,000
Opportunity housing income	106,889	-	-	106,889	-	106,889
Vendor incentives	64,092	26,998	-	91,090	-	91,090
Rental income	-	-	359,972	359,972	(359,972)	-
Other income	576,530	330	-	576,860	-	576,860
Net assets released from restrictions	23,476,641	(23,476,641)	-	-	-	-
<b>Total revenues</b>	<b>32,262,993</b>	<b>(4,244,434)</b>	<b>359,972</b>	<b>28,378,531</b>	<b>(359,972)</b>	<b>28,018,559</b>
<b>Expenses</b>						
<b>Program services</b>						
Rebuilding	25,517,505	-	-	25,517,505	(150,594)	25,366,911
Opportunity housing	1,270,005	-	-	1,270,005	(46,797)	1,223,208
Disaster resilience and recovery lab	799,793	-	-	799,793	(62,995)	736,798
<b>Supporting services</b>						
General and administrative	1,951,097	-	367,426	2,318,523	(55,183)	2,263,340
Fundraising	839,361	-	-	839,361	(44,403)	794,958
<b>Total expenses</b>	<b>30,377,761</b>	<b>-</b>	<b>367,426</b>	<b>30,745,187</b>	<b>(359,972)</b>	<b>30,385,215</b>
Change in net assets	1,885,232	(4,244,434)	(7,454)	(2,366,656)	-	(2,366,656)
<b>Net assets</b>						
Beginning of year	11,422,034	14,615,792	(136,050)	25,901,776	(852,457)	25,049,319
End of year	<u>\$ 13,307,266</u>	<u>\$ 10,371,358</u>	<u>\$ (143,504)</u>	<u>\$ 23,535,120</u>	<u>\$ (852,457)</u>	<u>\$ 22,682,663</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017 (Restated)

	SBP, Inc. Without Donor Restrictions	SBP, Inc. With Donor Restrictions	Toulouse Commercial, Inc. Without Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>Revenues</b>						
Contributions	\$ 4,209,581	\$ 16,185,581	\$ -	\$ 20,395,162	\$ (150,000)	\$ 20,245,162
Grants	2,393,501	7,053,961	-	9,447,462	-	9,447,462
Property management fees	490,707	88,605	-	579,312	-	579,312
Homeowner funding	-	1,585,480	-	1,585,480	-	1,585,480
Sale of properties	978,800	22,500	-	1,001,300	-	1,001,300
Opportunity housing income	56,148	-	-	56,148	-	56,148
Vendor incentives	106,572	-	-	106,572	-	106,572
Rental income	-	-	249,097	249,097	(249,097)	-
Other income	224,970	45,682	-	270,652	-	270,652
Net assets released from restrictions	13,149,717	(13,149,717)	-	-	-	-
<b>Total revenues</b>	<b>21,609,996</b>	<b>11,832,092</b>	<b>249,097</b>	<b>33,691,185</b>	<b>(399,097)</b>	<b>33,292,088</b>
<b>Expenses</b>						
<b>Program services</b>						
Rebuilding	16,462,263	-	-	16,462,263	-	16,462,263
Opportunity housing	1,774,680	-	-	1,774,680	-	1,774,680
Disaster resilience and recovery lab	622,731	-	-	622,731	-	622,731
<b>Supporting services</b>						
General and administrative	1,657,807	-	466,385	2,124,192	(399,097)	1,725,095
Fundraising	438,078	-	-	438,078	-	438,078
<b>Total expenses</b>	<b>20,955,559</b>	<b>-</b>	<b>466,385</b>	<b>21,421,944</b>	<b>(399,097)</b>	<b>21,022,847</b>
Change in net assets	654,437	11,832,092	(217,288)	12,269,241	-	12,269,241
<b>Net assets</b>						
Beginning of year	10,767,597	2,783,700	81,238	13,632,535	(852,457)	12,780,078
End of year	\$ 11,422,034	\$ 14,615,792	\$ (136,050)	\$ 25,901,776	\$ (852,457)	\$ 25,049,319

THE ST. BERNARD PROJECT, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2018 (Restated)

	SBP, Inc.					Toulouse Commercial, Inc.	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services					General & Administrative			
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative				
Auto	\$ 24,483	\$ -	\$ -	\$ -	\$ 1,340	\$ -	\$ 25,823	\$ -	\$ 25,823
Bad debt expense	23,490	214,933	-	-	-	-	238,423	-	238,423
Bank service charges	5,423	471	7,668	5,282	6,760	-	25,604	-	25,604
Construction	10,635,300	510,233	-	-	-	-	11,145,533	-	11,145,533
Depreciation	154,434	30,434	-	-	292	130,390	315,550	-	315,550
Dues and subscriptions	870	145	-	-	3,127	-	4,142	-	4,142
Employee benefits	-	-	-	-	26,008	-	26,008	-	26,008
Fundraising	11	-	-	147,167	-	-	147,178	-	147,178
Grants awarded	1,707,835	-	(80,000)	-	-	-	1,627,835	-	1,627,835
Information technology	18,222	655	10,053	7,374	32,019	-	68,323	-	68,323
Insurance	1,689,631	79,411	18,839	8,381	120,706	60,178	1,977,146	-	1,977,146
Interest expense	11,553	2,294	33,698	23,107	25,995	128,120	224,767	-	224,767
In-kind labor	5,340,098	231,987	-	-	-	-	5,572,085	-	5,572,085
Licenses and permits	49,947	22,728	3,978	1,339	136,706	15	214,713	-	214,713
Marketing	38,261	442	46,652	20,370	3,713	-	109,438	-	109,438
Office supplies	48,487	2,207	41,495	11,313	9,547	120	113,169	-	113,169
Other expense	148,583	6,063	29,254	(19,224)	73,371	-	238,047	-	238,047
Occupancy	473,716	53,123	65,774	46,768	91,354	23,556	754,291	(359,972)	394,319
Payroll taxes	380,745	4,903	22,599	24,932	92,800	-	525,979	-	525,979
Postage and delivery	23,495	1,030	-	2,432	4,511	-	31,468	-	31,468
Program expense	-	-	4,119	-	-	-	4,119	-	4,119
Professional services	137,559	24,421	102,915	168,825	147,208	2,170	583,098	-	583,098
Property tax	-	-	-	-	-	6,256	6,256	-	6,256
Repairs and maintenance	13,680	23,125	3	56	1,776	16,621	55,261	-	55,261
Salaries	4,162,251	59,359	334,589	348,248	1,070,889	-	5,975,336	-	5,975,336
Seminars	41,852	550	-	316	4,533	-	47,251	-	47,251
Travel	213,465	108	157,504	41,624	76,753	-	489,454	-	489,454
Workers comp insurance	174,114	1,383	653	1,051	21,689	-	198,890	-	198,890
<b>Total expenses</b>	<b>\$ 25,517,505</b>	<b>\$ 1,270,005</b>	<b>\$ 799,793</b>	<b>\$ 839,361</b>	<b>\$ 1,951,097</b>	<b>\$ 367,426</b>	<b>\$ 30,745,187</b>	<b>\$ (359,972)</b>	<b>\$ 30,385,215</b>

THE ST. BERNARD PROJECT, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2017 (Restated)

	SBP, Inc.					Toulouse Commercial, Inc.			
	Program Services						Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative	General & Administrative			
Auto	\$ 7,206	\$ -	\$ -	\$ -	\$ 413	\$ -	\$ 7,619	\$ -	\$ 7,619
Bad debt expense	61,667	172,231	-	-	-	-	233,898	-	233,898
Bank service charges	15,479	75	750	5,410	2,358	-	24,072	-	24,072
Construction	6,179,215	1,471,143	-	-	79,464	-	7,729,822	-	7,729,822
Depreciation	135,785	22,182	1,232	-	-	126,934	286,133	-	286,133
Donations	-	-	-	-	-	150,000	150,000	(150,000)	-
Employee benefits	-	-	-	-	8,444	-	8,444	-	8,444
Fundraising	-	-	-	29,960	-	-	29,960	-	29,960
Grants awarded	456,220	-	4,559	45,400	-	-	506,179	-	506,179
Information technology	8,039	-	-	-	5,674	-	13,713	-	13,713
Insurance	1,231,946	27,965	20,129	(4,530)	21,588	46,268	1,343,366	-	1,343,366
Interest expense	93,375	10,644	-	-	14,806	128,120	246,945	-	246,945
In-kind labor	4,279,339	-	-	-	-	-	4,279,339	-	4,279,339
Licenses and permits	69,326	23,915	2,519	17,283	2,172	-	115,215	-	115,215
Marketing	75,137	100	50,194	217	90	-	125,738	-	125,738
Office supplies	37,241	560	7,877	3,013	3,408	-	52,099	-	52,099
Other expense	237,317	7,562	3,264	2,563	1,054	-	251,760	-	251,760
Occupancy	163,985	-	411	-	266,739	13,070	444,205	(249,097)	195,108
Payroll taxes	233,332	2,915	32,814	14,394	77,874	-	361,329	-	361,329
Postage and delivery	18,152	7	-	2,269	729	-	21,157	-	21,157
Program expense	-	-	4,807	-	-	-	4,807	-	4,807
Professional services	225,684	1,029	7,057	61,737	164,913	-	460,420	-	460,420
Repairs and maintenance	7,127	-	-	-	13,493	1,993	22,613	-	22,613
Salaries	2,498,853	33,477	439,742	238,100	930,484	-	4,140,656	-	4,140,656
Seminars	36,624	-	-	21	568	-	37,213	-	37,213
Travel	261,185	116	45,681	21,507	38,651	-	367,140	-	367,140
Workers comp insurance	130,029	759	1,695	734	24,885	-	158,102	-	158,102
<b>Total expenses</b>	<b>\$ 16,462,263</b>	<b>\$ 1,774,680</b>	<b>\$ 622,731</b>	<b>\$ 438,078</b>	<b>\$ 1,657,807</b>	<b>\$ 466,385</b>	<b>\$ 21,421,944</b>	<b>\$ (399,097)</b>	<b>\$ 21,022,847</b>

UNIFORM GUIDANCE COMPLIANCE AND  
GOVERNMENT AUDITING STANDARD REPORTS



**WEGMANN DAZET & COMPANY**

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 Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of SBP, Inc. (the Organization), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 15, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered SBP, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SBP, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 SBP, Inc.'s consolidated 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Wegmann Daxet + Company*

Metairie, Louisiana  
May 15, 2019



**WEGMANN DAZET & COMPANY**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited SBP, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SBP, Inc.'s major federal programs for the year ended December 31, 2018. SBP, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of SBP, Inc.'s major federal programs 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about SBP, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SBP, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, SBP, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

## Report on Internal Control over Compliance

Management of SBP, Inc. 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 SBP, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal 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 SBP, Inc.'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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Metairie, Louisiana  
May 15, 2019

Wegmann Dayet + Company

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2018 (Restated)

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Corporation for National and Community Service ARRA – AmeriCorp Grant	94.006	\$2,893,107
U.S. Department of Housing and Urban Development		
Passed through the City of San Marcos Community Development Block Grant	14.218	10
Passed through the County of Lexington Community Development Block Grant	14.218	90,176
Passed through the Housing Trust Fund Corporation Community Development Block Grant	14.269	2,393,921
Passed through the City of New Orleans Community Development Block Grant	14.239	323,272
Passed through the City of New Orleans Community Development Block Grant	14.218	211,527
Passed through the City of New Orleans HOME Investment Partnerships Act	14.239	<u>458,485</u>
Total Expenditures of Federal Awards		<u>\$6,370,498</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2018 (Restated)

Note 1 General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of SBP, Inc. The reporting entity is defined in Note 1 to SBP, Inc.'s consolidated financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. 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.)* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. SBP, Inc. has not applied for its own indirect cost rate.

Note 3 Risk-based audit approach

The dollar threshold used to distinguish between Type A and Type B programs is \$750,000. The Organization does qualify as a low-risk auditee.

Note 4 Possible ineligible, disallowed and questioned costs

SBP, Inc. is subject to audit(s) and investigation(s) by state and federal agencies or their designees for compliance with contractual and programmatic requirements with regard to funding provided to SBP, Inc. The determination of whether any instances of noncompliance that will ultimately result in remittance by SBP, Inc. of any ineligible or disallowed costs cannot be presently determined.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2018 (Restated)

We have audited the basic consolidated financial statements of SBP, Inc. as of and for the year ended December 31, 2018, and have issued our report thereon dated May 15, 2019. 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. Our audit of the consolidated financial statements as of December 31, 2018 resulted in an unmodified opinion.

SUMMARY OF THE AUDITORS' RESULTS

1. Type of report issued on the consolidated financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the consolidated financial statements: **No.** Material weaknesses: **No.**
3. Noncompliance which is material to the consolidated financial statements: **No.**
4. Significant deficiencies in internal control over major programs: **No.** Material weaknesses: **No.**
5. Type of report issued on compliance for major programs: **Unmodified Opinion.**
6. Any audit findings which are required to be reported under Section 501(a) of Circular A-133 or in accordance with 2CFR 200.516(a): **No.**
7. Major programs for the fiscal year ended December 31, 2018 were:

U.S. Department of Housing and Urban Development	
Community Development Block Grant	(CFDA #14.239)
Community Development Block Grant	(CFDA #14.269)
HOME Investment Partnership Act	(CFDA #14.239)
Corporation for National and Community Service	
ARRA – AmeriCorp Grant	(CFDA #94.006)

8. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
9. Auditee qualified as a low-risk auditee under Uniform Guidance: **Yes.**
10. A management letter was issued: **No.**

SCHEDULE OF FINDINGS RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS

*There were no findings related to the consolidated financial statements for the year ended December 31, 2018.*

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

*There were no items identified in the course of our testing during the current year required to be reported.*

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUMMARY OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD  
For the Year Ended December 31, 2018 (Restated)

SUMMARY OF COMPENSATION

Zack Rosenberg  
CEO & Co-Founder

\*No agency head expenses were derived from state and/or local assistance.



THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018 (Restated)



## CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1-2
Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-20
Supplementary Information	
Independent Auditors' Report on Supplementary Information	21
Consolidating Statements of Financial Position	22-23
Consolidating Statements of Activities	24-25
Consolidating Statements of Functional Expenses	26-27
Uniform Guidance Compliance and Government Auditing Standards Reports	
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 <i>Government Auditing Standards</i>	28-29
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance required by Uniform Guidance	30-31
Schedule of Expenditures of Federal Awards	32
Notes to the Schedule of Expenditures of Federal Awards	33
Schedule of Findings and Questioned Costs	34
Other Supplementary Information	
Summary of Compensation, Benefits and Other Payments to Agency Head	35



**WEGMANN DAZET & COMPANY**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The St. Bernard Project, Inc. d/b/a SBP, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**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 audits. We conducted our audits 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 consolidated 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 financial position of SBP, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Correction of an Error

As described in Note 20 to the consolidated financial statements, SBP, Inc. has restated its previously issued consolidated financial statements for December 31, 2018 to include the accounts of SBP L9 Developer, LLC and SBP St. Peter Developer, LLC in the consolidated financial statements. Our opinion is not modified with respect to this matter.

## Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 August 31, 2020, on our consideration of SBP, Inc.'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 SBP, Inc.'s internal control over financial reporting and compliance.

October 8, 2020

Wegmann Daxet + Company

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2019 and 2018 (Restated)

	2019	2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,827,070	\$ 5,437,443
Investments	4,661,545	6,528,170
Accounts receivable	3,164,704	1,099,104
Grants receivable - other	2,308,289	1,253,028
Grants receivable - federal	2,988,066	3,182,792
Construction in process	1,869,985	810,505
Real estate held for sale	70,680	70,680
Due from related party	543,821	-
Other current assets	474,988	584,883
Total current assets	<u>19,909,148</u>	<u>18,966,605</u>
Property and equipment, at cost less accumulated depreciation	6,293,459	6,497,439
Notes receivable - promissory notes	132,092	198,867
Notes receivable	6,946,000	6,946,000
Deposits	158,361	7,100
Total assets	<u><u>\$ 33,439,060</u></u>	<u><u>\$ 32,616,011</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Line of credit	\$ 262,280	\$ 382,221
Accounts payable and accrued expenses	1,451,913	1,050,205
Accrued payroll and related liabilities	157,203	129,418
Deferred revenue	100,000	3,635
Due to related party	334,176	563,866
Total current liabilities	<u>2,305,572</u>	<u>2,129,345</u>
Long-term debt, less current portion and unamortized issuance costs	<u>7,795,171</u>	<u>7,772,062</u>
Total liabilities	<u><u>10,100,743</u></u>	<u><u>9,901,407</u></u>
<b>NET ASSETS</b>		
Without donor restrictions	16,142,073	12,343,246
With donor purpose restrictions	7,196,244	10,371,358
Total net assets	<u><u>23,338,317</u></u>	<u><u>22,714,604</u></u>
Total liabilities and net assets	<u><u>\$ 33,439,060</u></u>	<u><u>\$ 32,616,011</u></u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Contributions	\$ 5,801,729	\$ 5,305,733	\$ 11,107,462
Grants	13,480,654	6,028,342	19,508,996
Property management fees	327,508	114,668	442,176
Homeowner funding	359,011	(69,828)	289,183
Sale of properties	800,000	-	800,000
Opportunity housing income	101,965	-	101,965
Vendor incentives	185,791	-	185,791
Interest income	306,674	-	306,674
Realized and unrealized gain on investments	75,143	-	75,143
Gain on sale of assets	12,772	-	12,772
Developers fees	1,710,296	-	1,710,296
Other income	8,239	10,090	18,329
Net assets released from restrictions	14,564,119	(14,564,119)	-
<b>Total revenues</b>	<u>37,733,901</u>	<u>(3,175,114)</u>	<u>34,558,787</u>
<b>Expenses</b>			
<b>Program services</b>			
Rebuilding	28,285,187	-	28,285,187
Opportunity housing	1,466,344	-	1,466,344
Disaster resilience and recovery lab	2,089,097	-	2,089,097
<b>Supporting services</b>			
General and administrative	1,287,923	-	1,287,923
Fundraising	806,523	-	806,523
<b>Total expenses</b>	<u>33,935,074</u>	<u>-</u>	<u>33,935,074</u>
<b>Change in net assets</b>	3,798,827	(3,175,114)	623,713
<b>Net assets</b>			
Beginning of year	<u>12,343,246</u>	<u>10,371,358</u>	<u>22,714,604</u>
End of year	<u>\$ 16,142,073</u>	<u>\$ 7,196,244</u>	<u>\$ 23,338,317</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018 (Restated)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Contributions	\$ 4,201,708	\$ 5,567,661	\$ 9,769,369
Grants	2,681,213	11,861,449	14,542,662
Property management fees	615,920	53,192	669,112
Homeowner funding	-	1,722,577	1,722,577
Sale of properties	540,000	-	540,000
Opportunity housing income	106,889	-	106,889
Vendor incentives	64,092	26,998	91,090
Interest income	410,157	-	410,157
Realized and unrealized loss on investments	(53,330)	-	(53,330)
Gain on sale of assets	7,464	-	7,464
Developers fees	217,574	-	217,574
Other income	34,166	330	34,496
Net assets released from restrictions	<u>23,476,641</u>	<u>(23,476,641)</u>	<u>-</u>
Total revenues	<u>32,302,494</u>	<u>(4,244,434)</u>	<u>28,058,060</u>
<b>Expenses</b>			
Program services			
Rebuilding	25,518,238	-	25,518,238
Opportunity housing	1,223,208	-	1,223,208
Disaster resilience and recovery lab	736,894	-	736,894
Supporting services			
General and administrative	2,081,163	-	2,081,163
Fundraising	<u>833,272</u>	<u>-</u>	<u>833,272</u>
Total expenses	<u>30,392,775</u>	<u>-</u>	<u>30,392,775</u>
Change in net assets	1,909,719	(4,244,434)	(2,334,715)
<b>Net assets</b>			
Beginning of year	<u>10,433,527</u>	<u>14,615,792</u>	<u>25,049,319</u>
End of year	<u>\$ 12,343,246</u>	<u>\$ 10,371,358</u>	<u>\$ 22,714,604</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	Program Services					Total Expenses
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative	
Advertising	\$ 25,283	\$ 712	\$ 60,625	\$ 48,480	\$ 314	\$ 135,414
Bad debt writeoff	40,000	3,164	-	40,000	-	83,164
Building maintenance and repairs	29,044	438	146	228	16,753	46,609
Construction	13,341,073	1,082,670	18,630	1,816	107	14,444,296
Construction WIP	(1,541,840)	(1,244,628)	-	-	-	(2,786,468)
Contract services	418,691	77,068	214,110	69,949	23,443	803,261
Cost of property sold	-	881,079	-	-	-	881,079
Depreciation expense	148,422	30,434	-	-	130,012	308,868
Disaster deployment	13,629	-	55,438	-	(35)	69,032
Dues and subscriptions	3,434	259	7,049	112	3,085	13,939
Education and seminars	8,347	-	274	4,770	1,885	15,276
Forgivable promissory note	-	66,774	-	-	-	66,774
Fundraising expenses	8,642	-	50	104,052	262	113,006
Grants and awards expenses	1,785,301	-	30,000	400	-	1,815,701
Information tech	52,303	2,837	4,698	4,649	8,613	73,100
In-kind labor	4,859,568	426,942	-	-	-	5,286,510
Insurance	2,058,158	29,428	77,614	1,960	54,402	2,221,562
Interest expense	19,855	16,874	28,955	19,855	140,529	226,068
Miscellaneous expenses	68,626	2,885	38,548	18,136	42,525	170,720
Office rent	280,498	2,091	3,172	1,826	1,770	289,357
Office supplies	50,848	1,473	3,977	3,523	6,062	65,883
Payroll - direct	6,073,734	81,240	1,308,480	389,104	754,965	8,607,523
Postage and mailing service	20,426	281	2,748	7,108	1,784	32,347
Printing	30,013	837	41,775	17,538	4,328	94,491
Professional services	13,695	-	-	-	24,094	37,789
Signature support	42,150	544	244	3,239	1,348	47,525
Software licenses and fees	91,447	400	61,838	21,561	12,463	187,709
Special events	52,009	485	4,910	10,166	9,719	77,289
Travel and meetings	221,495	1,501	125,521	36,996	20,968	406,481
Utilities	40,565	556	-	1,055	28,522	70,698
Vehicle expenses	29,771	-	295	-	5	30,071
<b>Total expenses</b>	<b>\$ 28,285,187</b>	<b>\$ 1,466,344</b>	<b>\$ 2,089,097</b>	<b>\$ 806,523</b>	<b>\$ 1,287,923</b>	<b>\$ 33,935,074</b>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2018 (Restated)

	Program Services					Total Expenses
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative	
Advertising	\$ 21,972	\$ 442	\$ 46,652	\$ 20,370	\$ 1,867	\$ 91,303
Bad debt writeoff	23,490	139,417	-	-	-	162,907
Building maintenance and repairs	12,772	1,932	3	56	17,087	31,850
Construction	10,387,088	496,167	444	183	1,219	10,885,101
Construction WIP	(289,912)	(479,016)	-	-	-	(768,928)
Contract services	311,061	50,594	80,054	153,225	48,448	643,382
Cost of property sold	-	506,219	-	-	-	506,219
Depreciation expense	131,325	30,434	-	-	130,682	292,441
Disaster deployment	20,365	-	62,216	-	400	82,981
Dues and subscriptions	1,940	145	473	2,903	3,127	8,588
Education and seminars	7,148	550	171	316	5,213	13,398
Forgiveable promissory note	-	75,516	-	-	-	75,516
Fundraising expenses	3,007	-	9,336	140,755	1,986	155,084
Grants and awards expenses	1,707,835	-	(80,000)	-	-	1,627,835
Information tech	41,943	3,115	3,537	3,259	8,138	59,992
In-kind labor	5,340,097	231,987	-	-	-	5,572,084
Insurance	1,830,096	79,617	19,048	9,432	143,683	2,081,876
Interest expense	46,215	2,294	33,698	23,107	142,562	247,876
Miscellaneous expenses	90,078	1,323	23,468	15,267	27,595	157,731
Office rent	212,171	2,079	(207)	1,827	3,943	219,813
Office supplies	46,894	2,207	1,304	1,900	8,558	60,863
Payroll - direct	5,096,933	71,482	357,188	373,180	1,371,033	7,269,816
Postage and mailing service	24,067	1,030	2,356	2,432	2,544	32,429
Printing	18,135	1,516	40,191	7,436	3,543	70,821
Professional services	26,946	1,307	22,881	15,690	17,371	84,195
Signature support	51,039	404	110	7,219	5,920	64,692
Software licenses and fees	18,918	478	9,452	6,511	12,525	47,884
Special events	25,342	870	9,181	6,042	16,157	57,592
Travel and meetings	234,014	108	95,288	41,624	73,179	444,213
Utilities	37,543	991	50	538	29,913	69,035
Vehicle expenses	39,716	-	-	-	4,470	44,186
<b>Total expenses</b>	<b>\$ 25,518,238</b>	<b>\$ 1,223,208</b>	<b>\$ 736,894</b>	<b>\$ 833,272</b>	<b>\$ 2,081,163</b>	<b>\$ 30,392,775</b>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2019 and 2018 (Restated)

	2019	2018
Change in net assets	\$ 623,713	\$ (2,334,715)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	308,868	315,550
Deferred loan costs	23,109	23,109
Donated vehicles and furniture included in contributions	-	(3,000)
Gain on disposal of assets	(12,772)	(7,464)
Realized and unrealized (gain) loss on investments	(75,143)	53,330
(Increase) decrease in operating assets:		
Accounts receivable	(2,065,600)	(192,627)
Other receivables	-	143,196
Grants receivable	(860,535)	(2,005,281)
Real estate held for sale	-	490,513
Other current assets	109,894	(137,500)
Due from related party	(543,821)	-
Deposits	(151,261)	75
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	401,709	424,462
Accrued payroll and related liabilities	27,785	11,765
Deferred revenue	96,365	(71,365)
Due to related party	(229,690)	47,149
Net cash used by operating activities	<u>(2,347,379)</u>	<u>(3,242,803)</u>
Cash flows from investing activities:		
Payments received on notes receivable - promissory notes	66,775	75,516
Proceeds from disposal of assets	12,772	20,153
Construction in process	(1,059,480)	(444,591)
Purchase of property and equipment	(104,888)	(53,687)
Purchase of investments	(5,637,766)	(5,000,000)
Proceeds from sale of investments	7,579,534	4,374,964
Net cash provided (used) by investing activities	<u>856,947</u>	<u>(1,027,645)</u>
Cash flows from financing activities:		
Borrowings under line of credit	-	382,221
Repayments of line of credit	(119,941)	(40,000)
Repayments of long-term debt	-	(1,500,000)
Net cash used by financing activities	<u>(119,941)</u>	<u>(1,157,779)</u>
Net decrease in cash	(1,610,373)	(5,428,227)
Cash and cash equivalents at beginning of year	<u>5,437,443</u>	<u>10,865,670</u>
Cash and cash equivalents at end of year	<u>\$ 3,827,070</u>	<u>\$ 5,437,443</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

1) Nature of activities

The St. Bernard Project, Inc. d/b/a SBP, Inc. (SBP, Inc.) is a non-profit organization established to shrink the time between disaster and recovery. The St. Bernard Project, Inc. is a community based organization that carries out its mission through three primary programs: Rebuilding Programs, Disaster Resilience and Recovery Lab, and Opportunity Housing Program.

Toulouse Commercial, Inc. is a non-profit organization established on March 27, 2015 to operate exclusively for the benefit of, to perform the functions of, and to carry out the purposes of The St. Bernard Project, Inc.

SBP St. Peter Developer, LLC is a Louisiana Limited Liability Company, owned 100% by SBP and entered into a developer service agreement on June 1, 2017, with SBP St. Peter, a non-consolidated Louisiana limited liability company, to provide services related to the 50-unit apartment project located in New Orleans, Louisiana and commonly known as "SBP St. Peter Apartments".

SBP L9 Developer, LLC is a Louisiana Limited Liability Company, owned 100% by SBP and entered into a developer service agreement on June 1, 2017, with SBP L9, a non-consolidated Louisiana limited liability company, to provide services related to the 60-unit, or 30 duplexes, scattered-site project located in New Orleans, Louisiana and commonly known as "St. Claude Gardens".

The accompanying consolidated financial statements present the consolidated statements of financial position and changes in net assets and cash flows of The St. Bernard Project, Inc., Toulouse Commercial, Inc., SBP L9 Developer, LLC and SBP St. Peter Developer, LLC (together referred to as the "Organization"). All significant inter-company accounts and transactions have been eliminated.

2) Summary of significant accounting policies

The significant accounting policies followed by the Organization are summarized as follows:

(a) Financial statement presentation

The Organization's policy is to prepare its financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

(b) Basis of presentation

Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for two classifications – without donor restrictions and with donor restrictions based on the existence or absence of donor imposed restrictions.

The Organization reports gifts of cash and other assets with donor restrictions as when they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions.

(c) Revenue recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

2) Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

A portion of the Organization's revenue is derived from cost-reimbursable federal, state and local contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Real estate sales are recognized at the time the sale is complete and title has transferred to the buyer.

(d) Cash and cash equivalents

All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

(e) Investments

Investments in equity securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investments with a maturity of one year or less are classified as current.

(f) Accounts receivable

Accounts are considered overdue if uncollected within ninety days of original invoice. The Organization considers grant receivables to be fully collectible and when a balance becomes uncollectible, they are written off.

An allowance for uncollectible accounts has been maintained for estimated losses resulting from the inability of its tenants or donor to make payments. The Organization's estimate for the allowance for doubtful accounts is based on a review of the current accounts receivable. Accounts receivable is presented net of an allowance for doubtful accounts of \$4,185 and \$24,413 as of December 31, 2019 and 2018, respectively.

(g) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	<u>Useful lives</u>
Building	39 years
Real estate held for rental	39 years
Equipment	5 years
Vehicles	5 years

(h) Construction in process

Construction in process includes houses owned by the Organization that are in the process of being rehabilitated and are carried at cost plus construction costs and an overhead allocation. The property is transferred to real estate held for sale once it is completed and ready to be put on the market for sale.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

2) Summary of significant accounting policies (continued)

(i) Real estate held for sale

Real estate held for sale is carried at cost plus construction costs and an overhead allocation. The real estate has been acquired to be rehabilitated and sold to qualified homeowners.

(j) Real estate held for rental

Real estate held for rental is carried at cost plus construction costs and an overhead allocation. The real estate has been acquired to be rehabilitated and rented to qualified homeowners.

(k) Income taxes

SBP, Inc. is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. SBP, Inc.'s determination letter is as of May 30, 2008.

Toulouse Commercial, Inc. is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Toulouse Commercial, Inc.'s determination letter is as of March 27, 2015.

SBP L9 Developer, LLC and SBP St. Peter Developer, LLC are both disregarded entities for income tax purpose. SBP, Inc. is the sole member of both entities.

The Organization adopted the provisions of ASC 740, *Income Taxes*. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits. With few exceptions, the Organization is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

(l) Functional expenses

The costs of providing the various programs and activities has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(m) Fundraising

All expenses associated with fundraising events are expensed as incurred.

(n) Use of 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.

(o) Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Organization has not experienced any losses in such accounts. The Organization has no policy requiring collateral or other security to support its deposits.

The Organization generally requires a deed of trust to support its notes receivable.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

2) Summary of significant accounting policies (continued)

(p) Donated services

The Organization's policy is to recognize donations of in-kind services as revenue at fair value in the period such contributions are made. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received volunteer help to renovate homes destroyed by natural disasters. The estimated value of the contributed services for the years ended December 31, 2019 and 2018 was \$5,286,510 and \$5,572,084, respectively.

(q) Donated property and equipment

Noncash donations are recorded as contributions at their fair value at the date of donations. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. The estimated value of the donated goods for the years ended December 31, 2019 and 2018 was \$1,289,314 and \$319,992, respectively.

(r) Financing and loan acquisition costs

Certain costs related to the New Market Tax Credit Financing Commitment have been capitalized and are being amortized over the estimated life of the related note payable. Financing and loan acquisition costs totaled \$808,820 as of December 31, 2019 and 2018. Accumulated amortization totaled \$103,991 and \$80,882 as of December 31, 2019 and 2018, respectively.

(s) New accounting pronouncements

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

The Organization has adopted ASU No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statements of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021. The Organization is currently assessing the impact of this pronouncement on its consolidated financial statements.

(t) Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year consolidated financial statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

3) Property and equipment

Property and equipment is summarized as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 1,080,000	\$ 1,080,000
Building	4,198,759	4,198,759
Equipment	72,824	72,824
Real estate held for rental	1,268,662	1,268,662
Vehicles	898,825	793,936
Total costs	<u>7,519,070</u>	<u>7,414,181</u>
Less: accumulated depreciation	<u>(1,225,611)</u>	<u>(916,742)</u>
Property and equipment, net	<u>\$ 6,293,459</u>	<u>\$ 6,497,439</u>

4) Grants receivable

SBP, Inc. was awarded various grants through federal, state and other agencies. Most of the grants are considered to be exchange transactions. Balances due from the grants at year end are included in grants receivable. Federal financial assistance included in grants receivable at year end is as follows:

	<u>2019</u>			
	<u>Due from grant at beginning of year</u>	<u>Grant receipts</u>	<u>Grant expenditures</u>	<u>Due from grant at end of year</u>
AmeriCorp National Grant	\$ 527,806	\$(3,147,726)	\$2,970,750	\$ 350,830
U.S. Department of HUD				
City of New Orleans (\$1M)	130,738	(128,249)	-	2,489
City of New Orleans (NORA)	211,527	(541,527)	600,000	270,000
City of New Orleans (\$875K)	323,206	(578,786)	428,845	173,265
City of New Orleans (Sub Rehab)	-	(1,000)	1,000	-
New York	1,945,075	(2,314,189)	2,305,638	1,936,524
County of Lexington	44,440	(491,980)	559,175	111,635
County of Richland	-	(468)	117,974	117,506
City of Baton Rouge	-	-	25,817	25,817
Total federal assistance	<u>\$3,182,792</u>	<u>\$(7,203,925)</u>	<u>\$7,009,199</u>	<u>\$2,988,066</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

4) Grants receivable (continued)

	2018			
	Due from grant at beginning of year	Grant receipts	Grant expenditures	Due from grant at end of year
AmeriCorp National Grant	\$ 564,905	\$(2,930,206)	\$2,893,107	\$ 527,806
U.S. Department of HUD				
City of New Orleans	303,768	(631,515)	458,485	130,738
City of New Orleans	-	(66)	323,272	323,206
New York	253,572	(702,418)	2,393,921	1,945,075
City of New Orleans	-	-	211,527	211,527
County of Lexington	18,550	(64,286)	90,176	44,440
City of San Marcos	36,716	(36,726)	10	-
Total federal assistance	\$1,177,511	\$(4,365,217)	\$6,370,498	\$3,182,792

5) Investments and fair value measurement

Investments are the only assets measured at fair value on a recurring basis. Realized and unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1—Quoted prices in active markets for identical assets.

Level 2—Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables.

Level 3—Unobservable inputs that reflect management’s assumptions and best estimates based on available data.

The Organization uses Level 1 measurements whenever possible, as they result in the most reliable measure of fair value. Investments are measured at fair value in the consolidated statement of financial position. Investment income and gains restricted by donors are reported as increases in net assets free of donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized. There were no changes in the valuation techniques during the year.

The Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the valuation techniques. The Organization uses the following ways to determine the fair value of its investments:

*Corporate and government bonds:* Determined by the closing bid price on the last business day of the fiscal year if actively traded.

*U.S. treasury securities and equity securities:* Determined on quoted market prices in active markets.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

5) Investments and fair value measurement (continued)

Investments consist of the following at December 31, 2019:

	<u>Level 1</u>
Equity securities	\$ 43,741
U.S. treasury securities	349,775
U.S. government bonds	500,506
Corporate bonds	<u>3,767,523</u>
	<u>\$ 4,661,545</u>

Investments consist of the following at December 31, 2018:

	<u>Level 1</u>
Equity securities	\$ 24,869
U.S. treasury securities	794,082
U.S. government bonds	1,041,426
Corporate bonds	<u>4,667,793</u>
	<u>\$ 6,528,170</u>

A summary of return on investments consists of the following for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 178,240	\$ 270,211
Realized and unrealized income (loss)	<u>75,143</u>	<u>(53,330)</u>
Total return	<u>\$ 253,383</u>	<u>\$ 216,881</u>

6) Notes receivable - promissory notes

The Organization has various notes receivable totaling \$132,092 and \$198,867 in connection with the sale of various properties as of December 31, 2019 and 2018, respectively. The promissory notes become due and payable if the borrower fails to occupy the residence for a five or ten year period after initial purchase date, fails to maintain homeowner's and flood insurance during the five or ten years or fails to pay property taxes when they become due during the five or ten year period. There has been no breach of the promissory notes as of December 31, 2019.

The Organization will reduce the balance on the notes over the next ten years as outlined in the notes based on compliance with the terms of the agreement. A total of \$66,774 and \$75,516 was written off in 2019 and 2018, respectively.

7) Notes receivable

SBP, Inc. entered into an agreement on January 16, 2014, as part of a New Markets Tax Credit Transaction, to lend FNBC NMTC Hybrid Fund, LLC, \$2,122,500 in the form of a subordinate loan note. The outstanding principal as of December 31, 2019 and 2018 totaled \$2,122,500. The note accrues interest at a rate of 1.41% and interest is paid quarterly. Interest earned and received on the loan as of December 31, 2019 and 2018 was approximately \$30,000.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

7) Notes receivable (continued)

SBP, Inc. entered into an agreement on June 30, 2015, as part of a New Markets Tax Credit Transaction, to lend GSNMF SUB-CDE 13, LLC, \$4,823,500 in the form of a subordinate loan note. The outstanding principal as of December 31, 2019 and 2018 totaled \$4,823,500. The note accrues interest at a rate of 2.02% and interest is paid quarterly. Interest earned and received on the loan as of December 31, 2019 and 2018 was approximately \$97,500.

8) Liquidity and availability

Financial assets available for general expenditure without donor or other restrictions limiting their use within the coming year comprise the following:

Financial assets:	
Cash and cash equivalents	\$ 3,827,070
Investments	4,661,545
Accounts receivable	3,164,704
Grants receivable - other	2,308,289
Grants receivable - Federal	2,988,066
Less with donor restrictions for a specific purpose	<u>(7,196,244)</u>
Financial assets available for general expenditure	<u>\$ 9,753,430</u>

The amount exceeds the average expenditures for the year, so the Organization has the ability to conduct its activities at a similar level for the coming year even if revenues decline.

9) Commitments and contingencies

SBP, Inc. is the guarantor in a New Markets Tax Credit Indemnity Agreement between SBP Real Estate, Inc. and a bank. Should a recapture event occur, SBP, Inc. could be obligated to pay the recapture amount according to the agreement. Management believes there are no breaches of the agreement as of December 31, 2019. SBP, Inc. is a guarantor in a credit agreement between SBP Real Estate, Inc. and a lender. The note payable balance at December 31, 2019 and 2018 was \$3,000,000.

SBP, Inc. is the guarantor in a New Markets Tax Credit Indemnity Agreement between Toulouse Commercial, Inc. and a bank. Should a recapture event occur, SBP, Inc. could be obligated to pay the recapture amount according to the agreement. Management believes there are no breaches of the agreement as of December 31, 2019. SBP, Inc. is a guarantor in a credit agreements between Toulouse Commercial, Inc. and a lender. The notes payable balance at December 31, 2019 and 2018 totaled \$7,000,000. Any breach of the loan agreement between Toulouse Commercial, Inc. and a lender may require the Organization to pay a recapture amount according to the agreement. Management believes there are no breaches of the agreement as of December 31, 2019.

10) Line of credit

The Organization has an \$850,000 unsecured line of credit with a bank for its working capital needs with a maturity date of February 27, 2021. The interest rate on the line is determined based on the LIBOR base rate (4.4585% at December 31, 2019).

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

11) Grant note payable

SBP, Inc. was awarded a grant from the New Orleans Redevelopment Authority (“NORA”) to assist with the development of single family housing for low income families. The grant awarded up to \$100,000 of assistance per property and of this total, up to \$75,000 per property is payable back to NORA. As of December 31, 2019 and 2018, SBP, Inc. had a \$270,000 and \$207,892 payable to NORA, respectively, recorded in accrued expenses.

12) New markets tax credit

Toulouse Commercial, Inc. acquired land and developed a commercial facility located in New Orleans. In order to obtain the land and start development of the building a credit agreement was executed on June 30, 2015 by and among Toulouse Commercial, Inc. and GSNMF SUB-CDE 13, LLC, a Delaware limited liability company (“Lender”). The loans qualify as a “quality low income community investment” and generate certain tax credits called New Markets Tax Credits (“NMTC”) under Section 45D of the Internal Revenue Code. To qualify, Toulouse Commercial must comply with certain representations, warranties, and covenants, including but not limited to, maintaining its’ non-profit status and will continue to qualify as a qualified low-income community business. Toulouse Commercial, Inc. will potentially realize benefits from the New Markets Tax Credit Program of the Community Development Financial Institution Fund (“CDFI”), a branch of the U.S. Department of Treasury.

13) Long-term debt

Long-term debt of the Organization at December 31, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
A senior note payable to a lender with interest at a rate of 5.5% with interest only payments due quarterly. Any unpaid accrued interest and principal is due at maturity, July 29, 2022. The note is secured by assets of the Organization.	\$ 1,500,000	\$ 1,500,000
A note payable to a lender with interest at a rate of 1.5% with interest only payments due quarterly. Any unpaid accrued interest and principal is due at maturity, July 2022. The note is secured by assets of the Organization.	1,500,000	1,500,000
Notes payable to a lender with interest at a rate of 1.5% with interest only payments due quarterly through June 2022. Quarterly interest and principal payments begin September 2022 through maturity in June 2050. Any unpaid accrued interest and principal is due at maturity. The notes are secured by assets of the Organization.	<u>5,500,000</u>	<u>5,500,000</u>
Total long-term debt	8,500,000	8,500,000
Less: current portion	-	-
Less: unamortized issuance costs	<u>(704,829)</u>	<u>(727,938)</u>
Long-term debt, net	<u>\$ 7,795,171</u>	<u>\$ 7,772,062</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

13) Long-term debt (continued)

The maturities of long-term debt are as follows:

2020	\$	-
2021		-
2022	3,026,000	
2023	39,100	
2024	46,700	
Thereafter	5,388,200	

14) Net assets with donor restrictions

Net assets with donor purpose restrictions are available for the following programs:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Disaster Resilience & Recovery Lab	\$ 1,319,583	\$ 1,391,334
Capital Campaign	82,604	82,604
Rebuild Bahamas	893,126	-
Rebuild Baton Rouge	-	161,714
Rebuild Texas	4,592,982	8,370,544
Rebuild New Orleans	-	219,412
Rebuild North Carolina	307,949	-
Rebuild Florida	-	145,750
Total net assets with donor purpose restrictions	<u>\$ 7,196,244</u>	<u>\$ 10,371,358</u>

15) Operating leases

SBP, Inc. leases office space for its headquarters and warehouse space from Toulouse Commercial, Inc. The lease runs through 2050. Total rent expense, which is included in occupancy expense under the lease was \$335,106 and \$359,972 for the years ended December 31, 2019 and 2018, respectively. The rent expense associated with this lease agreement has been eliminated on the consolidated statements of activities.

Future minimum rental payments, included common area maintenance rental payments, under the leases are as follows:

2020	\$	345,159
2021		355,514
2022		366,179
2023		377,165
2024		388,480
Thereafter		14,798,055

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

15) Operating leases (continued)

The Organization leases office space for its Bahamas, New York, South Carolina, Louisiana, Texas, Puerto Rico and New Jersey locations. The leases expire at various dates through March 2021. Total rent expense, which is included in occupancy expense; under the leases was approximately \$189,670 and \$204,997 for the years ended December 31, 2019 and 2018, respectively.

Future minimum rental payments under the leases are as follows:

2020	\$168,696
2021	57,550

SBP, Inc. subleases office space to various other organizations. The leases expire at various dates through December 2022.

Future minimum rental income under the leases are as follows:

2020	\$ 89,890
2021	70,874
2022	38,803

16) Economic dependence

In 2019, the Organization received approximately 56% of its revenue from federal, state and other grants and 13% from contributions. Another 19% of the Organization's revenue was volunteer labor and donated goods that were contributed in 2019. In 2018, the Organization received approximately 52% of its revenue from federal, state and other grants and 14% from contributions. Another 21% of the Organization's revenue was volunteer labor and donated goods that were contributed in 2018.

17) Supplementary disclosures of cash flows information

	<u>2019</u>	<u>2018</u>
Cash paid for interest	<u>\$ 202,959</u>	<u>\$ 201,658</u>

18) Related party transactions

SBP, Inc. has an economic interest in SBP Real Estate, Inc., it does not have control. Therefore, the operations of SBP Real Estate, Inc. are not consolidated in the financial statements of the Organization. SBP, Inc. and SBP Real Estate, Inc. share a common focus on providing assistance to disaster-impacted communities through the construction, renovation and promotion of affordable housing.

SBP, Inc. charges property management fees to SBP Real Estate, Inc. The property management fees totaled \$29,653 and \$75,077 for the years ended December 31, 2019 and 2018, respectively.

SBP, Inc. has a balance of \$334,176 and \$563,866 due to SBP Real Estate, Inc. as of December 31, 2019 and 2018, respectively. SBP, Inc. has a \$660,120 and \$913,255 balance due from SBP Real Estate included in accounts receivable at December 31, 2019 and 2018, respectively.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2019 and 2018 (Restated)

19) Employee benefit plan

The Organization maintains a 401(k) retirement plan for the benefit of all eligible employees, whereby the employees may elect to defer compensation pursuant to a salary reduction agreement. The Organization contributes a match as described in the plan documents. For the years ended December 31, 2019 and 2018, the Organization contributed \$42,367 and \$26,008, respectively.

20) Restatement

The Organization has restated its previously issued financial statements for December 31, 2018 to include the accounts of SBP L9 Developer, LLC and SBP St. Peter Developer, LLC in the consolidated financial statements. This restatement resulted in both an increase in net assets on the Consolidated Statement of Activities and an increase in accounts receivable on the Statement of Financial Position of \$31,941 for the year ended December 31, 2018.

21) Subsequent events

Management has evaluated subsequent events through the date of the auditors' report, the date which the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements except as follows. On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Measures taken by various governments to contain the virus have affected economic activity. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak for the year 2020. Management has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people and clients (working from home, providing PPE for worksites, promoting social distancing and sanitation), securing the supply of materials that are essential to our work, taking advantage of tax credits and forgivable loans provided through the CARES Act, and sourcing funding through grants and donations for the coming years. Management will continue to monitor the global situation and its effects on its financial condition, liquidity, operations, suppliers, industry, and workforce.

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities is presented for purposes of additional analysis and is not a required part of the 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

October 8, 2020

Wegmann Dazet & Company

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2019

	SBP, Inc.	Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC	SBP L9 Developer, LLC	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	\$ 3,575,135	\$ 251,935	\$ -	\$ -	\$ 3,827,070	\$ -	\$ 3,827,070
Investments	4,661,545	-	-	-	4,661,545	-	4,661,545
Accounts receivable	1,527,992	85,380	902,237	734,475	3,250,084	(85,380)	3,164,704
Grants receivable - other	2,308,289	-	-	-	2,308,289	-	2,308,289
Grants receivable - Federal	2,988,066	-	-	-	2,988,066	-	2,988,066
Construction in process	1,869,985	-	-	-	1,869,985	-	1,869,985
Real estate held for sale	70,680	-	-	-	70,680	-	70,680
Due from related party	543,821	-	185,633	105,525	834,979	(291,158)	543,821
Other current assets	404,650	70,338	-	-	474,988	-	474,988
<b>Total current assets</b>	<b>17,950,163</b>	<b>407,653</b>	<b>1,087,870</b>	<b>840,000</b>	<b>20,285,686</b>	<b>(376,538)</b>	<b>19,909,148</b>
Property and equipment, net	1,457,363	5,688,553	-	-	7,145,916	(852,457)	6,293,459
Notes receivable - promissory notes	132,092	-	-	-	132,092	-	132,092
Notes receivable	6,946,000	-	-	-	6,946,000	-	6,946,000
Deposits	152,261	6,100	-	-	158,361	-	158,361
<b>Total assets</b>	<b>\$ 26,637,879</b>	<b>\$ 6,102,306</b>	<b>\$ 1,087,870</b>	<b>\$ 840,000</b>	<b>\$ 34,668,055</b>	<b>\$ (1,228,995)</b>	<b>\$ 33,439,060</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Line of credit	\$ 262,280	\$ -	\$ -	\$ -	\$ 262,280	\$ -	\$ 262,280
Accounts payable and accrued expenses	1,681,961	-	-	-	1,681,961	(85,380)	1,596,581
Accrued payroll and related liabilities	12,535	-	-	-	12,535	-	12,535
Deferred revenue	100,000	-	-	-	100,000	-	100,000
Due to related party	625,334	-	-	-	625,334	(291,158)	334,176
<b>Total current liabilities</b>	<b>2,682,110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,682,110</b>	<b>(376,538)</b>	<b>2,305,572</b>
Long-term debt, less current portion	1,500,000	6,295,171	-	-	7,795,171	-	7,795,171
<b>Total liabilities</b>	<b>4,182,110</b>	<b>6,295,171</b>	<b>-</b>	<b>-</b>	<b>10,477,281</b>	<b>(376,538)</b>	<b>10,100,743</b>
<b>NET ASSETS</b>							
Without donor restrictions	15,259,525	(192,865)	1,087,870	840,000	16,994,530	(852,457)	16,142,073
With donor purpose restrictions	7,196,244	-	-	-	7,196,244	-	7,196,244
<b>Total net assets</b>	<b>22,455,769</b>	<b>(192,865)</b>	<b>1,087,870</b>	<b>840,000</b>	<b>24,190,774</b>	<b>(852,457)</b>	<b>23,338,317</b>
<b>Total liabilities and net assets</b>	<b>\$ 26,637,879</b>	<b>\$ 6,102,306</b>	<b>\$ 1,087,870</b>	<b>\$ 840,000</b>	<b>\$ 34,668,055</b>	<b>\$ (1,228,995)</b>	<b>\$ 33,439,060</b>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2018 (Restated)

	SBP, Inc.	Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	\$ 5,190,175	\$ 247,268	\$ -	\$ 5,437,443	\$ -	\$ 5,437,443
Investments	6,528,170	-	-	6,528,170	-	6,528,170
Accounts receivable	1,067,163	790	31,941	1,099,894	(790)	1,099,104
Grants receivable - other	1,253,028	-	-	1,253,028	-	1,253,028
Grants receivable - federal	3,182,792	-	-	3,182,792	-	3,182,792
Construction in process	810,505	-	-	810,505	-	810,505
Real estate held for sale	70,680	-	-	70,680	-	70,680
Due from related party	-	-	185,633	185,633	(185,633)	-
Other current assets	520,346	64,537	-	584,883	-	584,883
Total current assets	<u>18,622,859</u>	<u>312,595</u>	<u>217,574</u>	<u>19,153,028</u>	<u>(186,423)</u>	<u>18,966,605</u>
Property and equipment, net	1,531,331	5,818,565	-	7,349,896	(852,457)	6,497,439
Notes receivable - promissory notes	198,867	-	-	198,867	-	198,867
Notes receivable	6,946,000	-	-	6,946,000	-	6,946,000
Deposits	1,000	6,100	-	7,100	-	7,100
Total assets	<u>\$ 27,300,057</u>	<u>\$ 6,137,260</u>	<u>\$ 217,574</u>	<u>\$ 33,654,891</u>	<u>\$ (1,038,880)</u>	<u>\$ 32,616,011</u>
<b>LIABILITIES</b>						
Current liabilities						
Line of credit	\$ 382,221	\$ -	\$ -	\$ 382,221	\$ -	\$ 382,221
Accounts payable and accrued expenses	1,042,293	8,702	-	1,050,995	(790)	1,050,205
Accrued payroll and related liabilities	129,418	-	-	129,418	-	129,418
Deferred revenue	3,635	-	-	3,635	-	3,635
Due to related party	749,499	-	-	749,499	(185,633)	563,866
Total current liabilities	<u>2,307,066</u>	<u>8,702</u>	<u>-</u>	<u>2,315,768</u>	<u>(186,423)</u>	<u>2,129,345</u>
Long-term debt, less current portion	1,500,000	6,272,062	-	7,772,062	-	7,772,062
Total liabilities	<u>3,807,066</u>	<u>6,280,764</u>	<u>-</u>	<u>10,087,830</u>	<u>(186,423)</u>	<u>9,901,407</u>
<b>NET ASSETS</b>						
Without donor restrictions	13,121,633	(143,504)	217,574	13,195,703	(852,457)	12,343,246
With donor purpose restrictions	10,371,358	-	-	10,371,358	-	10,371,358
Total net assets	<u>23,492,991</u>	<u>(143,504)</u>	<u>217,574</u>	<u>23,567,061</u>	<u>(852,457)</u>	<u>22,714,604</u>
Total liabilities and net assets	<u>\$ 27,300,057</u>	<u>\$ 6,137,260</u>	<u>\$ 217,574</u>	<u>\$ 33,654,891</u>	<u>\$ (1,038,880)</u>	<u>\$ 32,616,011</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	SBP, Inc. Without Donor Restrictions	SBP, Inc. With Donor Restrictions	Toulouse Commercial, Inc. Without Donor Restrictions	SBP St. Peter Developer, LLC Without Donor Restrictions	SBP L9 Developer, LLC Without Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues								
Contributions	\$ 5,801,729	\$ 5,305,733	\$ -	\$ -	\$ -	\$ 11,107,462	\$ -	\$ 11,107,462
Grants	13,480,654	6,028,342	-	-	-	19,508,996	-	19,508,996
Property management fees	327,508	114,668	-	-	-	442,176	-	442,176
Homeowner funding	359,011	(69,828)	-	-	-	289,183	-	289,183
Sale of properties	800,000	-	-	-	-	800,000	-	800,000
Opportunity housing income	101,965	-	-	-	-	101,965	-	101,965
Vendor incentives	185,791	-	-	-	-	185,791	-	185,791
Interest income	306,674	-	-	-	-	306,674	-	306,674
Realized and unrealized loss on investments	75,143	-	-	-	-	75,143	-	75,143
Gain (loss) on sale of assets	12,772	-	-	-	-	12,772	-	12,772
Rental income	-	-	335,106	-	-	335,106	(335,106)	-
Developers fees	-	-	-	870,296	840,000	1,710,296	-	1,710,296
Other income	8,239	10,090	-	-	-	18,329	-	18,329
Net assets released from restrictions	14,564,119	(14,564,119)	-	-	-	-	-	-
<b>Total revenues</b>	<b>36,023,605</b>	<b>(3,175,114)</b>	<b>335,106</b>	<b>870,296</b>	<b>840,000</b>	<b>34,893,893</b>	<b>(335,106)</b>	<b>34,558,787</b>
Expenses								
Program services								
Rebuilding	28,389,387	-	-	-	-	28,389,387	(104,200)	28,285,187
Opportunity housing	1,496,638	-	-	-	-	1,496,638	(30,294)	1,466,344
Disaster resilience and recovery lab	2,168,852	-	-	-	-	2,168,852	(79,755)	2,089,097
Supporting services								
General and administrative	968,906	-	384,467	-	-	1,353,373	(65,450)	1,287,923
Fundraising	861,930	-	-	-	-	861,930	(55,407)	806,523
<b>Total expenses</b>	<b>33,885,713</b>	<b>-</b>	<b>384,467</b>	<b>-</b>	<b>-</b>	<b>34,270,180</b>	<b>(335,106)</b>	<b>33,935,074</b>
Change in net assets	2,137,892	(3,175,114)	(49,361)	870,296	840,000	623,713	-	623,713
Net assets								
Beginning of year	13,121,633	10,371,358	(143,504)	217,574	-	23,567,061	(852,457)	22,714,604
End of year	<u>\$ 15,259,525</u>	<u>\$ 7,196,244</u>	<u>\$ (192,865)</u>	<u>\$ 1,087,870</u>	<u>\$ 840,000</u>	<u>\$ 24,190,774</u>	<u>\$ (852,457)</u>	<u>\$ 23,338,317</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018 (Restated)

	SBP, Inc. Without Donor Restrictions	SBP, Inc. With Donor Restrictions	Toulouse Commercial, Inc. Without Donor Restrictions	SBP St. Peter Developer, LLC Without Donor Restrictions	SBP L9 Developer, LLC Without Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>Revenues</b>								
Contributions	\$ 4,201,708	\$ 5,567,661	\$ -	\$ -	\$ -	\$ 9,769,369	\$ -	\$ 9,769,369
Grants	2,681,213	11,861,449	-	-	-	14,542,662	-	14,542,662
Property management fees	615,920	53,192	-	-	-	669,112	-	669,112
Homeowner funding	-	1,722,577	-	-	-	1,722,577	-	1,722,577
Sale of properties	540,000	-	-	-	-	540,000	-	540,000
Opportunity housing income	106,889	-	-	-	-	106,889	-	106,889
Vendor incentives	64,092	26,998	-	-	-	91,090	-	91,090
Interest income	410,157	-	-	-	-	410,157	-	410,157
Realized and unrealized loss on investments	(53,330)	-	-	-	-	(53,330)	-	(53,330)
Gain on sale of assets	7,464	-	-	-	-	7,464	-	7,464
Rental income	-	-	359,972	-	-	359,972	(359,972)	-
Developers fees	-	-	-	217,574	-	217,574	-	217,574
Other income	34,166	330	-	-	-	34,496	-	34,496
Net assets released from restrictions	23,476,641	(23,476,641)	-	-	-	-	-	-
<b>Total revenues</b>	<b>32,084,920</b>	<b>(4,244,434)</b>	<b>359,972</b>	<b>217,574</b>	<b>-</b>	<b>28,418,032</b>	<b>(359,972)</b>	<b>28,058,060</b>
<b>Expenses</b>								
Program services								
Rebuilding	25,668,832	-	-	-	-	25,668,832	(150,594)	25,518,238
Opportunity housing	1,270,005	-	-	-	-	1,270,005	(46,797)	1,223,208
Disaster resilience and recovery lab	799,889	-	-	-	-	799,889	(62,995)	736,894
Supporting services								
General and administrative	1,768,920	-	367,426	-	-	2,136,346	(55,183)	2,081,163
Fundraising	877,675	-	-	-	-	877,675	(44,403)	833,272
<b>Total expenses</b>	<b>30,385,321</b>	<b>-</b>	<b>367,426</b>	<b>-</b>	<b>-</b>	<b>30,752,747</b>	<b>(359,972)</b>	<b>30,392,775</b>
Change in net assets	1,699,599	(4,244,434)	(7,454)	217,574	-	(2,334,715)	-	(2,334,715)
<b>Net assets</b>								
Beginning of year	11,422,034	14,615,792	(136,050)	-	-	25,901,776	(852,457)	25,049,319
End of year	<u>\$ 13,121,633</u>	<u>\$ 10,371,358</u>	<u>\$ (143,504)</u>	<u>\$ 217,574</u>	<u>\$ -</u>	<u>\$ 23,567,061</u>	<u>\$ (852,457)</u>	<u>\$ 22,714,604</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2019

	SBP, Inc.					Toulouse Commercial, Inc.			
	Program Services						Totals Before	Consolidating	Consolidated
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative	General & Administrative	Entries	Entries	Totals
Advertising	\$ 25,283	\$ 712	\$ 60,625	\$ 48,480	\$ 314	\$ -	\$ 135,414	\$ -	\$ 135,414
Bad debt writeoff	40,000	3,164	-	40,000	-	-	83,164	-	83,164
Building maintenance and repairs	29,044	438	146	228	1,664	15,089	46,609	-	46,609
Construction	13,341,073	1,082,670	18,630	1,816	107	-	14,444,296	-	14,444,296
Construction WIP	(1,541,840)	(1,244,628)	-	-	-	-	(2,786,468)	-	(2,786,468)
Contract services	418,691	77,068	214,110	69,949	12,130	11,313	803,261	-	803,261
Cost of property sold	-	881,079	-	-	-	-	881,079	-	881,079
Depreciation expense	148,422	30,434	-	-	-	130,012	308,868	-	308,868
Disaster deployment	13,629	-	55,438	-	(35)	-	69,032	-	69,032
Dues and subscriptions	3,434	259	7,049	112	3,085	-	13,939	-	13,939
Education and seminars	8,347	-	274	4,770	1,885	-	15,276	-	15,276
Forgivable promissory note	-	66,774	-	-	-	-	66,774	-	66,774
Fundraising expenses	8,642	-	50	104,052	107	155	113,006	-	113,006
Grants and awards expenses	1,785,301	-	30,000	400	-	-	1,815,701	-	1,815,701
Information tech	52,303	2,837	4,698	4,649	8,613	-	73,100	-	73,100
In-kind labor	4,859,568	426,942	-	-	-	-	5,286,510	-	5,286,510
Insurance	2,058,158	29,428	77,614	1,960	2,030	52,372	2,221,562	-	2,221,562
Interest expense	19,855	16,874	28,955	19,855	12,409	128,120	226,068	-	226,068
Miscellaneous expenses	68,626	2,885	38,548	18,136	19,610	22,915	170,720	-	170,720
Office rent	384,698	32,385	82,927	57,233	67,220	-	624,463	(335,106)	289,357
Office supplies	50,848	1,473	3,977	3,523	5,806	256	65,883	-	65,883
Payroll - direct	6,073,734	81,240	1,308,480	389,104	754,965	-	8,607,523	-	8,607,523
Postage and mailing service	20,426	281	2,748	7,108	1,784	-	32,347	-	32,347
Printing	30,013	837	41,775	17,538	4,328	-	94,491	-	94,491
Professional services	13,695	-	-	-	24,094	-	37,789	-	37,789
Signature support	42,150	544	244	3,239	1,348	-	47,525	-	47,525
Software licenses and fees	91,447	400	61,838	21,561	11,210	1,253	187,709	-	187,709
Special events	52,009	485	4,910	10,166	9,551	168	77,289	-	77,289
Travel and meetings	221,495	1,501	125,521	36,996	20,962	6	406,481	-	406,481
Utilities	40,565	556	-	1,055	5,714	22,808	70,698	-	70,698
Vehicle expenses	29,771	-	295	-	5	-	30,071	-	30,071
<b>Total expenses</b>	<b>\$ 28,389,387</b>	<b>\$ 1,496,638</b>	<b>\$ 2,168,852</b>	<b>\$ 861,930</b>	<b>\$ 968,906</b>	<b>\$ 384,467</b>	<b>\$ 34,270,180</b>	<b>\$ (335,106)</b>	<b>\$ 33,935,074</b>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2018 (Restated)

	SBP, Inc.					Toulouse Commercial, Inc.	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services					General & Administrative			
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative				
Advertising	\$ 21,972	\$ 442	\$ 46,652	\$ 20,370	\$ 1,867	\$ -	\$ 91,303	\$ -	\$ 91,303
Bad debt writeoff	23,490	139,417	-	-	-	-	162,907	-	162,907
Building maintenance and repairs	12,772	1,932	3	56	691	16,396	31,850	-	31,850
Construction	10,387,088	496,167	444	183	1,219	-	10,885,101	-	10,885,101
Construction WIP	(289,912)	(479,016)	-	-	-	-	(768,928)	-	(768,928)
Contract services	311,061	50,594	80,054	153,225	46,053	2,395	643,382	-	643,382
Cost of property sold	-	506,219	-	-	-	-	506,219	-	506,219
Depreciation expense	131,325	30,434	-	-	292	130,390	292,441	-	292,441
Disaster deployment	20,365	-	62,216	-	400	-	82,981	-	82,981
Dues and subscriptions	1,940	145	473	2,903	3,127	-	8,588	-	8,588
Education and seminars	7,148	550	171	316	5,213	-	13,398	-	13,398
Fogiveable promissory note	-	75,516	-	-	-	-	75,516	-	75,516
Fundraising expenses	3,007	-	9,336	140,755	1,986	-	155,084	-	155,084
Grants and awards expenses	1,707,835	-	(80,000)	-	-	-	1,627,835	-	1,627,835
Information tech	41,943	3,115	3,537	3,259	8,138	-	59,992	-	59,992
In-kind labor	5,340,097	231,987	-	-	-	-	5,572,084	-	5,572,084
Insurance	1,830,096	79,617	19,048	9,432	83,505	60,178	2,081,876	-	2,081,876
Interest expense	46,215	2,294	33,698	23,107	14,442	128,120	247,876	-	247,876
Miscellaneous expenses	90,078	1,323	23,468	15,267	21,268	6,327	157,731	-	157,731
Office rent	362,765	48,876	62,788	46,230	59,126	-	579,785	(359,972)	219,813
Office supplies	46,894	2,207	1,304	1,900	8,494	64	60,863	-	60,863
Payroll - direct	5,096,933	71,482	357,188	373,180	1,371,033	-	7,269,816	-	7,269,816
Postage and mailing service	24,067	1,030	2,356	2,432	2,544	-	32,429	-	32,429
Printing	18,135	1,516	40,191	7,436	3,543	-	70,821	-	70,821
Professional services	26,946	1,307	22,881	15,690	17,371	-	84,195	-	84,195
Signature support	51,039	404	110	7,219	5,920	-	64,692	-	64,692
Software licenses and fees	18,918	478	9,452	6,511	12,525	-	47,884	-	47,884
Special events	25,342	870	9,181	6,042	16,157	-	57,592	-	57,592
Travel and meetings	234,014	108	95,288	41,624	73,179	-	444,213	-	444,213
Utilities	37,543	991	50	538	6,357	23,556	69,035	-	69,035
Vehicle expenses	39,716	-	-	-	4,470	-	44,186	-	44,186
<b>Total expenses</b>	<b>\$ 25,668,832</b>	<b>\$ 1,270,005</b>	<b>\$ 799,889</b>	<b>\$ 877,675</b>	<b>\$ 1,768,920</b>	<b>\$ 367,426</b>	<b>\$ 30,752,747</b>	<b>\$ (359,972)</b>	<b>\$ 30,392,775</b>

UNIFORM GUIDANCE COMPLIANCE AND  
GOVERNMENT AUDITING STANDARD REPORTS



WEGMANN DAZET & COMPANY

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 Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of SBP, Inc. (the Organization), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 8, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered SBP, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SBP, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 SBP, Inc.'s consolidated 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Metairie, Louisiana  
October 8, 2020



WEGMANN DAZET & COMPANY

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited SBP, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SBP, Inc.'s major federal programs for the year ended December 31, 2019. SBP, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of SBP, Inc.'s major federal programs 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about SBP, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SBP, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, SBP, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## Report on Internal Control over Compliance

Management of SBP, Inc. 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 SBP, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal 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 SBP, Inc.'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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Metairie, Louisiana  
October 8, 2020

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2019

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing and Urban Development (HUD):</b>		
Community Development Block Grants (CDBG) - Entitlement Grant Cluster:		
Passed through the County of Richland	14.218	\$ 117,974
Passed through the City of Baton Rouge	14.218	25,817
Passed through the City of Lexington	14.218	<u>559,175</u>
Total CDBG Entitlement Grant Cluster		702,966
CDBG - Disaster Recovery Grants Cluster:		
Passed through the Housing Trust Fund Corporation	14.269	2,305,638
Passed through the City of New Orleans - CDBG	14.239	428,845
Pass through the City of New Orleans HOME Investment Partnership Act	14.239	<u>601,000</u>
Total U.S. HUD		3,335,483
<b>Corporation for National and Community Service:</b>		
ARRA- AmeriCorp Grant	94.006	<u>2,970,750</u>
Total Expenditures of Federal Awards		<u><u>\$ 7,009,199</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2019

Note 1 General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of SBP, Inc. The reporting entity is defined in Note 1 to SBP, Inc.'s consolidated financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. 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.)* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. SBP, Inc. has not applied for its own indirect cost rate.

Note 3 Risk-based audit approach

The dollar threshold used to distinguish between Type A and Type B programs is \$750,000. The Organization does qualify as a low-risk auditee.

Note 4 Possible ineligible, disallowed and questioned costs

SBP, Inc. is subject to audit(s) and investigation(s) by state and federal agencies or their designees for compliance with contractual and programmatic requirements with regard to funding provided to SBP, Inc. The determination of whether any instances of noncompliance that will ultimately result in remittance by SBP, Inc. of any ineligible or disallowed costs cannot be presently determined.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2019

SUMMARY OF THE AUDITORS' RESULTS

1. Type of report issued on the consolidated financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the consolidated financial statements: **No.** Material weaknesses: **No.**
3. Noncompliance which is material to the consolidated financial statements: **No.**
4. Significant deficiencies in internal control over major programs: **No.** Material weaknesses: **No.**
5. Type of report issued on compliance for major programs: **Unmodified Opinion.**
6. Any audit findings which are required to be reported under Section 501(a) of Circular A-133 or in accordance with 2CFR 200.516(a): **No.**
7. Major programs for the fiscal year ended December 31, 2019 were:

U.S. Department of Housing and Urban Development Community Development Block Grant	(CFDA #14.269)
Corporation for National and Community Service ARRA – AmeriCorp Grant	(CFDA #94.006)
8. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
9. Auditee qualified as a low-risk auditee under Uniform Guidance: **Yes.**
10. A management letter was issued: **No.**

SCHEDULE OF FINDINGS RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS

*There were no findings related to the consolidated financial statements for the year ended December 31, 2019.*

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

*There were no items identified in the course of our testing during the current year required to be reported.*

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUMMARY OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD  
For the Years Ended December 31, 2019 and 2018

<u>Agency Head</u>	<u>Job Title</u>	<u>Purpose</u>	<u>2019</u>	<u>2018</u>
Thomas Corley	Executive Director/Improvement Officer	Salary	\$ 37,501	\$ 88,332
Reese May	Executive Director	Salary	-	880
Kevin McGee	Executive Director	Salary	235	20,555
Rachel Pettit	Executive Director	Salary	-	2,508
Dulcie Shepard	Executive Director	Salary	187	78
Dionisio Ortiz	Executive Director	Salary	733	-
Sutton Hibbert	Chief Financial Officer	Salary	807	7,394
Elizabeth McCartney	Chief Operating Officer	Salary	2,441	2,741

**D. Experience/Likelihood of Success**

Attach as *Exhibit 3*, a description of the Applicant’s experience with owner-occupied rehabilitations within the last three (3) years. Indicate the number and types of completed rehabilitations. Describe experience managing federally-funded programs. Describe the qualifications of the organization. Also, outline and assign all program roles and responsibilities to qualified team members.

**II. PROGRAM INFORMATION**

**Amount of County Funds Requested:** \$225,000 **For owner-occupied rehabs/rehabilitations**  
# 15 **Units expected to be**  
rehabilitated/rehabilitation

**A. Support for Meeting Neighborhood Objectives**

In *Exhibit 4*, please document your program’s conformance with the objectives in relevant published Neighborhood plan(s), Master Plan or other relevant planning documents. Include documented support from respective neighborhood association(s) in the form of proof of meetings and presentations to neighborhood association members and official letters of support from representative neighborhood associations.

**B. Consistency with Existing County Programs**

Richland County is seeking a partner to build on the success of the existing owner-occupied rehabilitation program dedicated to helping low- to moderate-income owner-occupants. In *Exhibit 5*, describe how you will continue these programs. Description should include:

- Program Marketing
- Homeowner Application
- Scope of Work Preparation
- Volunteer Recruitment
- Contractor Procurement Process
- Warranty and Process to Address Issues with Completed Work

Applicant will follow Richland County’s Procurement Policy, which is included as *Attachment 1*. Existing program guidelines are included as *Attachment 2*. Richland County will continue to be responsible for environmental reviews, title searches and preparation and recording of legal documents.

**C. Collaborative Efforts**

In *Exhibit 6*, describe established or proposed collaboration or partnerships that the program will use. Indicate how the proposed program will avoid or eliminate duplication of programs, services and activities.

### Exhibit 3

Over the last three years, SBP has provided repair, rehabilitation, and new-build construction services on 1,410 homes across 9 communities. 90% of these projects are LMI homeowner occupied, while the remaining 10% represent new construction for low-income renters and first-time home buyers in New Orleans. All projects were completed in accordance with local building codes, and received additional repair and resiliency services to ensure health and safety.

Moreover, SBP leverages an “all-under-one-roof” model, where all case management, volunteer management and construction services are coordinated in house. This positions homeowners to work with a single entity for all recovery needs.

<b>SBP Recovery Operation</b>	<b># Rehabilitation Projects</b>	<b>Funding Leveraged</b>	<b>Program Summary</b>
<b>New York</b>	<b>124</b>	<b>\$6,600,000</b>	<i>Owner-occupied repair, rehabilitation home elevation and resiliency program. Leverages SBP’s “all under one roof model”, including volunteer labor. Serving homeowners affected by Superstorm Sandy.</i>
<b>New Jersey</b>	<b>168</b>	<b>\$4,100,000</b>	<i>Owner-occupied repair, rehabilitation and resiliency program. Leverages SBP’s “all under one roof model”, including volunteer labor. Serving homeowners affected by Superstorm Sandy.</i>
<b>South Carolina</b>	<b>138</b>	<b>\$1,800,000</b>	<i>Owner-occupied repair, rehabilitation and resiliency program. Leverages SBP’s “all under one roof model”, including volunteer labor. Serving homeowners affected by historic 2015 flooding.</i>
<b>Florida</b>	<b>67</b>	<b>\$1,300,000</b>	<i>Owner-occupied repair, rehabilitation and resiliency program. Leverages SBP’s “all under one roof model”, including volunteer labor. Serving homeowners affected by Hurricane Michael.</i>
<b>Puerto Rico</b>	<b>150</b>	<b>\$2,300,000</b>	<i>Owner-occupied repair, rehabilitation and resiliency program. Leverages SBP’s “all under one roof model”, including volunteer labor. Serving homeowners affected by Hurricane Maria</i>
<b>Louisiana</b>	<b>237</b>	<b>\$5,885,000</b>	<i>Owner-occupied repair and new-construction for first time homebuyers and low-income renters. Leverages SBP’s “all under one roof model”, including volunteer labor.</i>
<b>Texas</b>	<b>308</b>	<b>\$8,500,000</b>	<i>Owner-occupied repair, rehabilitation and resiliency program. Leverages SBP’s “all under one roof model”, including volunteer labor. Serving homeowners affected by Hurricane Harvey.</i>
<b>Bahamas</b>	<b>140</b>	<b>\$2,200,000</b>	<i>Owner-occupied repair, rehabilitation and resiliency program. Leveraging subcontractors and workforce teams to provide critical home repair services. Serving homeowners affected by Hurricane Dorian.</i>
<b>North Carolina</b>	<b>78</b>	<b>\$1,800,000</b>	<i>Owner-occupied repair, rehabilitation and resiliency program. Leveraging subcontractors and NGO partners to provide critical home repair services. Serving homeowners affected by Hurricane Florence.</i>
<b>Total</b>	<b>1,410</b>	<b>\$34,485,000</b>	

Within our total impact, SBP has completed 120+ FORTIFIED roofs over the last two years. These roofs are nationally recognized to be more storm resilient, reducing the risk that homeowners will need heavy rebuilding support after a disaster. SBP expects to offer FORTIFIED roofs through this program.

SBP has extensive experience and has received public praise from HUD for excellence in CDBG-DR, CDBG-MIT, CDBG and HOME program design and execution - including compliance with all federal cross cutting requirements and other federal regulation. SBP and our team have administered over \$480M of CDBG-DR grants as leaders with the South Carolina Disaster Recovery Office and we have provided CDBG-DR training and technical assistance to grantees nationwide. SBP's team can tackle any programmatic challenge and we will work closely with the City, survivors, and other key stakeholders in order to achieve success.

In 2020 alone, SBP is executing CDBG, CDBG-DR, CDBG-MIT and HOME programs in New York, New Jersey, South Carolina, Florida, Louisiana and Texas.

The below table represents a summary of SBP's experience in managing and executing federal and state home repair and rehabilitation programs:

<b>Program/Grant</b>	<b>Year(s)</b>	<b>Total Amount</b>
HUD City of New Orleans - HOME Investment Partnership Act	2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019	\$5,897,871
HUD NY - Housing Trust Fund Corporation - CDBG	2016, 2017, 2018, 2019	\$12,707,970
HUD City of New Orleans - CDBG	2010, 2011, 2012, 2014, 2015, 2016, 2018	\$3,075,745
HUD Lexington - CDBG	2017, 2018, 2019	\$545,735
HUD San Marcos - CDBG	2017, 2018	\$194,443
HUD City of New Orleans - Home Improvement Partnership Program	2010, 2011, 2012, 2018	\$748,121
HUD Louisiana Housing Corporation - Nonprofit Rebuilding Program	2010, 2011, 2012, 2013, 2014	\$3,199,486
HUD New Orleans Redevelopment Program (ARRA) - Neighborhood Stabilization Program 2	2011, 2012, 2013	\$1,139,023
HUD Louisiana Housing Finance Agency CDBG - Rural Owner Rehab Initiative	2010, 2011, 2012	\$678,160
HUD LHC - CDBG	2014, 2015	\$95,000
Office of Community Planning and Development	2011, 2012, 2013, 2014, 2015	\$206,479
HUD - Richland County	2016	\$299,800
National Housing Trust Funds from the Louisiana Housing Corporation	2017	\$500,000
Louisiana Housing Corporation CDBG Loan	2018	\$2,500,000
<b>TOTAL HUD FUNDS</b>	2010-2019	<b>\$31,787,833</b>

Beyond this, SBP is proud to employ JR Sanderson and Ran Reinherd; both team members oversaw and planned over \$450.5 million in CDBG-DR and CDBG-MIT funding while leading the South Carolina Disaster Recovery Office from 2015-2019.

<b>Program/Grant</b>	<b>Year(s)</b>	<b>Total Amount</b>
CDBG-DR October Storm Recovery	2015	\$126,000,000
CDBG-DR Hurricane Matthew Recovery	2016	\$95,000,000
CDBG-DR Hurricane Florence Recovery	2018	\$72,000,000
CDBG-MIT Mitigation 2019	2019	\$157,500,000
<b>TOTAL HUD FUNDS</b>	2015-2019	\$450,500,000

SBP has significant experience planning, designing, implementing and executing long term disaster recovery operations. Over the last 14 years, SBP's building operations have utilized more than \$24 million in HUD grants to rebuild and repair for survivors around the country. Our Government Services team has more than ten years of experience planning and executing large scale disaster resilience and recovery operations totaling more than \$450.5 million in allocated CDBG-DR and CDBG-MIT funds.

The below table represents a summary of SBP's experience in managing and executing federal and state home repair and rehabilitation programs:

<b>Program Areas</b>	<b>Team Experience</b>
CDBG Program Planning	15+ years
CDBG Program Leadership	10+ years
CDBG Program Compliance	15+ years
CDBG Grant Administration and Execution	15+ years
Auditing	10+ years
Finance	15+ years
Procurement + Contract Development	15+ years
Housing Construction	15+ years
Federal Cross-Cutting Requirements	15+ years
CDBG-DR Policy	15+ years
Housing Policy	15+ years
Consulting	10+ years
Outreach & Intake	15+ years

Eligibility & Duplication of Benefits	15+ years
Pre-Construction & Environmental Compliance	15+ years
Construction Management	15+ years
Post-Construction & Warranty	15+ years
Close-Out	15+ years

SBP has rebuilt more than 2500+ disaster impacted homes in 12 disaster-impacted communities using charitable assistance and volunteer labor to further leverage government funding.

SBP has the relevant experience and expertise to successfully implement this program within the project period and within the budget. What's more, SBP stands as one of the only non-profits certified to provide FORTIFIED build services in South Carolina. With this experience, SBP can be trusted to offer critical repairs and risk-reducing resilient build services to LMI homeowners.

The program director for this program will be SBP's Continuous Improvement Officer, Thomas Corley. He will work closely with SBP's Co-Founder and Chief Operating Officer, Liz McCartney, and will remain in continuous contact with the South Carolina leadership and staff team who will implement the project locally. Prior to beginning this role in 2019, Thomas served as the Executive Director of SBP's New York office, driving recovery in communities impacted by Hurricane Sandy. He has over 9 years experience managing programs and operations on behalf of SBP, and has experience managing CDBG-DR projects in Louisiana, Missouri and New York. Thomas oversaw the implementation of a \$12M home elevation program with GOSR, and has certificates in CDBG-DR and HUD compliance through NeighborWorks America. Thomas will oversee marketing, relationship management with Richland County, program goals and reporting. He will also work on all billing and finance components of the program.

Locally, Glenn Goodwin will serve as the Construction Manager. Glenn is currently the Executive Director of SBP's Columbia office where he has provided services to hundreds of families throughout the Midlands and North Carolina in repairing or replacing disaster-damaged homes. With numerous construction certifications, he will be responsible for establishing the Estimated Cost of Repair, building Work Orders, coordinating with contractors, holding contractors accountable, and providing final inspections of contractor work prior to the invoice. Glenn's licenses and certifications include: South Carolina Home Builder, Certified Lead Renovation, and SC Erosion and Sediment Control Inspector. Glenn has a B.S. degree in Electrical and Computer Engineering.

Finally, Amy Azarias will serve as the Program Manager. Amy brings extensive experience in volunteer recruitment, client processing, compliance and partner support. Amy Azarias started as an AmeriCorps member serving at our Columbia, SC operating site, helping to repair homes after the 2015 severe flood. She then came on staff and led three AmeriCorps team deployments in Puerto Rico, helping in the response efforts after Hurricane Maria. Amy took a position back in Columbia for SBP as the VOAD program manager within the SCDRO 2015 Flood and 2016 Hurricane Mathew programs. She has overseen the repair and rebuild work of six VOADs across the state and through their efforts have been about to bring 38 survivors back to safe, sanitary, and secure homes. In addition, Amy coordinated SBP's North Carolina rehabilitation program, coordinating the repair of over 78 homes across the state.

## Exhibit 4

In preparation to submit our response, SBP executed a thorough review of all relevant master plans to unincorporated areas of Richland County. Through this, SBP recognizes

1. Most all of relevant, and publically accessible, master plans were published prior to the 2015 flooding event;
2. Only the Capital Mill District master plan was published after the 2015 flooding event;
3. Therefore, no master plan represents the change in neighborhood needs due to the 2015 flooding event.

However, it is clear that homeowners in Richland County care about a few things, universally.

1. Affordability
2. Neighborhood blight
3. Safety

SBP believes that our Repair and Resiliency program supports those neighborhood needs. Our program reduces blight, ensures long-term stability in housing and increases the safety of homeowners and neighborhoods. Moreover, SBP expects to serve as a partner for local neighborhood associations, participating in meetings and forums.

## Exhibit 5

SBP will utilize existing Marketing and Development staff to ensure this opportunity is properly publicized. Our Chief Communications Officer will manage all PR and press events, while our Program Team will manage all social media and listserv communications.

### Affirmative Fair Housing and Marketing

Advertising: The Equal Housing Opportunity logo or slogan will be used in all signs, ads, brochures, and written communications. Advertising media may include, but is not limited to, any local newspaper, radio or television station, brochures, leaflets, bulletin boards, project signs or other housing organizations.

Richland County's role in this project will be publicized and shared as a joint venture between Richland County and SBP to bring relief to homeowners. All press events, releases, media moments, social media posts, newsletters updates, and any other communications will highlight Richland County's role in this project.

### Outreach, Screening and Selection Process

SBP has executed a focused and aggressive outreach campaign over the last two years in Richland County. Specifically, to support homeowner recruitment and application for our repair and resiliency program, SBP mailed over 3,000 letters to vulnerable neighborhoods with LMI homeowners and executed a "black out the block" canvassing campaign. These efforts were amplified by SBP's strong collaborative network with other NGOs and case managers across Richland and Lexington counties.

Recently, SBP has implemented measures to expedite client application and remove obstacles that could deter homeowners from applying for services. Through the delivery of a pre-application, a simple one-page document, SBP is able to quickly describe the necessary qualifying criteria to interested homeowners. This enables homeowners to self-select out if they do not meet homeownership, income or asset requirements of the program. Upon receipt of a pre-application, SBP case managers offer a phone intake/screening session to verify information self-reported by homeowners.

SBP will also publicize program information and opportunities through print, TV, radio and networking opportunities via a media release and direct contact. At a minimum, this will include:

#### **Local print/newspaper**

- The State
- The Columbia Star

#### **Local TV**

- SCETV
- WISTV NBC
- WLTX CBS
- WACH FOX
- ABC Columbia

#### **Local radio**

- A press release will be issued to all local AM and FM stations

#### **Online and community groups**

- Richland County City Council
- Nextdoor has a non-profit section, program will be publicized

#### **Direct outreach**

- SBP will canvas high-traffic areas to post flyers and solicit applicants.

## NGO and case management agencies

- SBP will visit with respective case management agencies to equip Case Manager Supervisors with materials, so that they may encourage their qualifying clients to apply.

Beyond these activities, SBP will distribute 1,000+ direct mailers to targeted neighborhoods to invite qualifying homeowners to apply for services.

## Homeowner Application

SBP holds strong experience in receiving and processing homeowner applications. In fact, SBP has provided Case Management training to multiple NGO and government partners in regards to the homeowner application process.

SBP is well prepared to provide full information, applications and assistance completing applications to homeowners interested in the program. SBP also understands that as the Program Manager, SBP will review applications for completeness and approve homeowner eligibility.

SBP utilizes a custom-designed Salesforce database as our system of record, allowing for both data security, ease of reporting and internal transparency on the status and next steps for applicants.

SBP will process applications immediately upon receiving a homeowner request. SBP has developed a thorough homeowner application, which captures all necessary information for HUD compliance and reporting. Homeowners only need to work with SBP through the application process, with SBP supporting document collection and income verification.

Finally, SBP expects to process between 150 and 200 applications for the program. Understanding not all applicants will qualify for assistance, SBP will offer additional referrals to ensure even denied applicants have a clear next step in pursuit of their repair needs.

Assistance will be given to applicants that have met all eligibility requirements and fall into one (1) of the groups in the following order:

- **PRIORITY ONE (1):**  
Elderly (62 or older), disabled and/or veteran households and/or families with children who have been determined to be of extremely low income (30% of Area Median Income (See chart below))
- **PRIORITY TWO (2):**  
Households who have been determined to be of extremely low income but do not meet the qualifications for priority assistance above (30% of Area Median Income)
- **PRIORITY THREE (3):**  
Elderly (62 or older), disabled and/or veteran households and/or families with children who have been determined to be of very low income (50% of Area Median Income)
- **PRIORITY FOUR (4):**  
Households who have been determined to be of very low income but do not meet the qualifications for priority assistance above (50% of Area Median Income)
- **PRIORITY FIVE (5):**  
Elderly (62 or older), disabled and/or veteran households and/or families with children who have been determined to be of low income (80% of Area Median Income)
- **PRIORITY SIX (6):**  
Households who have been determined to be of low income but do not meet the qualifications for priority assistance above (80% of Area Median Income)

All of the above eligible household applicants may be assisted on a first come, first served basis in relationship to the priorities listed above and at the same time and date of their eligibility determination which is established when complete documentation of items requested in the application review process have been submitted and final eligibility can be determined.

However, in instances of necessary life/safety emergency repairs, prioritization of services may be adjusted to attend to emergency needs.

This program will offer repair services to LMI homeowners. Utilizing existing outreach methods, as well as existing name-recognition in low-income communities, SBP will assess vulnerability within this income bracket to ensure the greatest needs are met. Homeowners will be required to submit full financial documents (tax returns, paystubs, checking and savings statements). This information will be used to verify income and ensure compliance with Richland County targets. Household assets include any down payment deposit, monies in savings or checking accounts, certificates of deposit, stocks and bonds, and the value of any real property, less outstanding debt. Homeowners must also provide proof of current homeowner and/or flood insurance policies, and maintain said insurances through the duration and completion of the project. Homeowners will be required to submit, at a minimum, the below to verify income:

1. Federal tax returns and W2's, last two years
2. Employee pay stubs for two most recent pay periods

### **Scope of Work Preparation**

SBP is a licensed contractor with in-house construction professionals. SBP's Program Manager will prepare a full scope of work and material take off for each project supported with Richland County funds. SBP utilizes Xactimate software for all estimating purposes, and drafts unique scopes of work off of these estimates. Xactimate pricing will be used to ensure cost-reasonableness for all subcontractor services.

As part of the construction team, Glenn Goodwin is trained in evaluating the need for lead and asbestos testing and remediation. SBP will also contract with local firms for any necessary testing and abatement or removal of environmental hazards on properties served through this program. All lead and asbestos hazards will be remedied in accordance with local state and federal requirements.

SBP will focus scopes of work on the most critical home repair and resiliency needs, assessing all properties for healthy and safety concerns, as well as opportunities to prepare the home for future storm events, including providing FORTIFIED roofs.

All roofing, plumbing, electric and foundation work will be executed by licensed contractors.

When utilizing a general contractor through this program, the following guidelines will be exercised;

- For all home repair work, with the exception of emergency work, the contractor, unless prohibited by inclement weather, must begin work within seven (7) days after a written "Notice to Proceed" is issued. If the contractor does not commence work within seven (7) days, SBP may cancel the contract and award the work to the next lowest responsive bidder or request re~ bidding of the job.
- Prior to any work commencing, the contractor shall secure all permits and licenses necessary for the execution of work under the contract. The contractor shall provide a copy of the building permit to SBP and display the original in plain view at the worksite.
- Variations from any work write up must be documented by a change order authorized by the homeowner and SBP. Although in some cases change orders are inevitable, they will be the exception for the Program. The contractor is responsible for submitting written change order proposals to SBP for approval prior to beginning any additional work.
- Any work not listed in the final work write~ up or performed without written authorization from the homeowner(s) and SBP will be the financial responsibility of the contractor. Adequate documentation to justify change orders along with a detailed cost for each item must be submitted with all change order requests. Any change orders initiated by the homeowner(s) and carried out by the contractor will be the financial responsibility of the homeowner(s) as well as any liability arising from the change order. SBP must certify that all work is completed according to work write~u p and the appropriate city/county building inspector must certify that all work meets applicable codes before disbursement of final payment.
- The contractor shall provide a warranty for all work, materials, and services rendered.

A pre-construction conference between the assisted homeowner, contractor (if applicable), and SBP will be conducted to ensure that all parties are in agreement about the work to be completed. The pre-construction conference will consist of two parts: The first part deals with basic contract and procedural issues: begin and end dates of the contract; terms of the contract; payment schedules and procedures; inspection procedures and requirements; responsibilities of the contractor and the assisted homeowner; change order procedures; payment requests and procedures; lead-based paint requirements; role of the sub recipient; complaint and conflict resolution procedures; and other programmatic procedures. The second part will consist of a walk-through of the house for rehabilitation assistance.

All parties should understand how the work will proceed. Instructions will be given regarding clean up by the homeowner prior to the work, and the contractor after completion of the work.

A tri-party agreement will be executed across three parties; the Homeowner, SBP and the Contractor. This agreement will articulate the scope of work, timeline and warranty terms. Coupled with the tri-party agreement, SBP will execute a forgivable promissory note, obligating the homeowner to repay Richland County if the homeowner sells or transfers the property within two-years of project sign-off.

If any contractor fails to honor any of the terms of the contract, causes any unreasonable delay, allows insurance to be canceled, or otherwise does not perform as required, he or she will be placed in default of the contract and will also be automatically placed in a "suspended" status. Under such circumstances, a new contractor will be engaged to complete the remaining work from the existing contract. The Contractor and all affected parties shall be notified in writing, of this default and the corrective action plan to be taken. Any contractor may be "suspended" from program participation for a limited period of time pending an investigation to determine if there is cause to debar, or pursuant to a complaint filed by the homeowner(s). During the period of "suspension", the suspended contractor will not be allowed to submit a bid or be awarded any new contracts.

### **Volunteer Recruitment**

SBP leverages volunteers through our national AmeriCorps program. These members and volunteers enable SBP to execute home-repair services without subcontracted labor cost. SBP's AmeriCorps members come with partial cost-coverage through the Corporation for National and Community Services. Volunteers come at no-cost to SBP. SBP has hosted over 2,000 individual volunteers in South Carolina, equating to over 35,000 volunteer hours. SBP holds a national network of over 200,000 volunteers.

SBP leverages volunteers on specific parts of each project, including flooring, drywall, doors, painting and cleaning/debris removal. SBP has consistently received high-praise from volunteer groups, with most volunteers returning for additional service opportunities.

Upon award, SBP would assign AmeriCorps members to recruit and oversee volunteers on repair and rehabilitation projects funded under this program. SBP would specifically market "blitz-build days", where SBP would host 20+ volunteers across a number of projects. Volunteer-friendly scope items will be identified on each project.

### **Contractor Procurement Process**

Construction Subcontractors can only be hired if they are able to provide proof of accurate and up-to-date Workers Compensation, General Liability Insurance and W-9. All subcontractors must also be able to abide by SBP's invoicing requirements and payment schedule. Preference will be given to DBE businesses, but DBE status is not required.

Construction Subcontractor Procurement activity will fall into one of 4 categories by cost.

- **Contracts under \$3,000** For contracts under \$3,000, construction staff has authority to enter into contracts without seeking bids. Regular price checking and subcontractor onboarding should be followed. Contracts must be approved by the Construction Manager, Program Manager or a staff member designated by the CFO as an authorized purchase approver prior to making the purchase.
- **Contracts between \$3,001 and \$5,000** For contracts between \$3,001 to \$5,000, construction staff must reach out to qualified businesses to obtain at least two quotes. Verbal (over the phone) bids are acceptable. Documentation of the price quotes should be created and maintained for SBP records. Under unusual circumstances lowest bid does not have to be chosen if work would be substandard or there would be delays. Contracts must be approved by the Construction Manager, Program Manager or above prior to signing and issuing a purchase order.

- **Contracts over \$5,000** For contracts over \$5,000, construction staff must reach out to qualified businesses to obtain up to two written bids. Bids for jobs over \$5,000 will only be accepted in written form, no verbal bids will be allowed. Under unusual circumstances lowest bid does not have to be chosen if work would be substandard or there would be delays. Contracts must be approved by the Construction Manager, Program Manager or above prior to signing and issuing a purchase order.

### **Warranty and Process to Address Issues with Completed Work**

SBP provides a one year warranty on all material and workmanship provided by SBP and subcontractors. All homeowners will be instructed to contact SBP directly with any warranty issues.

The construction agreement, between SBP and the client, shall contain language implementing the following minimum warranties:

Contractor (SBP) shall provide the following warranties, which shall run from acceptance of the completed work:

1. One (1) year warranty that the dwelling is free from any defects due to noncompliance with building codes and standards or required state minimum amount for relevant areas of work.
  2. One (1) year warranty on all electrical, heating, cooling, ventilating and plumbing systems or required state minimum amount for relevant areas of work.
  3. One (1) year warranty against major structural defects due to noncompliance with the building standards or due to other defects in materials or workmanship not regulated by building standards or required state minimum amount for relevant areas of work.
2. These contractual warranties shall be in addition to and not modify any warranties which the Contractor may owe to the Homeowner by law (e.g. New Home Warranty Act).
  3. The Contractor shall not be liable under any circumstances for any faults or defects caused by subsurface water, settlement occurring in the ground below, normal shrinking or geological disturbances and other acts or events out of control of the Contractor, provided that Contractor has complied with the building codes and standards that contemplate the normal occurrence of the subsurface water, settlement occurring in the ground below, normal shrinking or geological disturbances for the geographic area of the property.

## Exhibit 6

SBP has deep roots and relationships within Richland County. Since 2015, SBP has been a leader in providing critical home-repair and rehabilitation services to vulnerable homeowners. With this, SBP has leveraged strategic partnerships to ensure proper prioritizations of needs, avoiding duplication of benefits and stretching every dollar to make maximum impact.

SBP is a proud partner of the United Way of the Midlands, Mungo Foundation, Habitat for Humanity, Catholic Charities, Lutheran Services Carolinas, United Methodist Conference on Relief, The South Carolina Baptist Convention, University of South Carolina, Palmetto Disaster Recovery, local and statewide Long Term Recovery Group, City of Columbia, Lexington County, Richland County and South Carolina Disaster Recovery Office.

Our partnerships focus on identifying the unmet home repair needs for those affected by the historic 2015 flood event. Through referrals, data sharing, and strong communication, SBP has consistently filled the gap for vulnerable homeowners. Moreover, SBP understands the breadth of funding available for homeowners, both past and present, allowing SBP to execute a thorough duplication of benefits and services review before qualifying any applicant.

For this program, SBP expects to leverage our partner network in three main ways.

### Homeowner Referrals

SBP will work closely with partners to receive referrals of homeowners in need of critical home repair services. These partners include:

- United Way of the Midlands
- Habitat for Humanity
- Catholic Charities
- Lutheran Services Carolinas
- United Methodist Conference on Relief
- Palmetto Disaster Recovery
- Local and statewide Long Term Recovery Group

In each instance, SBP will exercise a release of information to secure relevant applicant information and documentation.

### Duplication of Benefits

SBP has deep experience in assessing duplication of benefits. SBP will work closely with partners to ensure only LMI households with no other option will be served through this program. Namely, these partners will include:

- United Way of the Midlands
- Mungo Foundation
- Habitat for Humanity
- Catholic Charities
- Lutheran Services Carolinas
- United Methodist Conference on Relief
- The South Carolina Baptist Convention
- University of South Carolina
- Palmetto Disaster Recovery
- Local and statewide Long Term Recovery Group
- City of Columbia
- Lexington County
- Richland County
- South Carolina Disaster Recovery Office.

For each applicant, a request for information will be shared with partners to ensure no duplication of benefit.

### Program Support

SBP holds sufficient subcontractor networks, applicant pipelines, communication channels, volunteer support and staffing to successfully accomplish all performance objectives. However, SBP recognizes the value our local partners bring in making our programs a success. Specifically, SBP will invite partners to participate in volunteer opportunities as well as wrap-around services that homeowners may require which SBP cannot offer (e.g. furniture, job placement support, feeding). SBP intends to work with the below partners to ensure additional resources are made available to homeowners.

- United Way of the Midlands
- Mungo Foundation
- Habitat for Humanity
- Catholic Charities
- Lutheran Services Carolinas
- United Methodist Conference on Relief
- The South Carolina Baptist Convention
- University of South Carolina
- Palmetto Disaster Recovery
- Local and statewide Long Term Recovery Group

### III. PROGRAM BUDGET/LEVERAGING

<b>PROGRAM LEVERAGE SUMMARY</b>		
Funds Requested under this Application		\$225,000
Additional Program Funding Source(s)		\$133,000
List Source(s):	Amount:	
Mylan Pharmaceuticals, AmeriCorps	\$133,000	
	\$	
	\$	
	\$	
	\$	
<b>Total Budget for this Program (including other sources)</b>		<b>\$ 358,000</b>

In *Exhibit 7*, provide the following:

- a list of all sources that have been contacted for funding and the results of those requests, and
- any letters of commitment for program funding.

## **Exhibit 7**

SBP has been awarded \$500,000 through Mylan Pharmaceuticals, \$133,000 has been tagged as match funding for Richland County Owner Occupied Rebuild. Commitment letter can be found on the following page.

November 13, 2020

The St. Bernard Project, Inc. d/b/a SBP, Inc.  
2645 Toulouse Street  
New Orleans, LA 70119  
Attention: Zack Rosenburg, Co-Founder and CEO

Re: Charitable Financial Donation to The St. Bernard Project, Inc. d/b/a SBP, Inc. ("SBP")

Dear Zack,

Mylan Inc. ("Mylan") has received and reviewed the request from SBP regarding support for the "Got Your Back Fund" for assistance in rebuilding housing for U.S. veterans in the aftermath of natural disasters with Mylan as the Founding Champion. We are pleased to provide you with this letter agreement ("Letter") outlining our agreement to provide a donation to SBP in the amount of \$1,000,000 (the "Donation"), subject to the terms and conditions of this Letter.

1. SBP will use the Donation for the purpose of supporting the development and launch of the Got Your Back Fund, which is intended to support the rebuilding of housing for low-to-moderate income veterans and/or those with disabilities across the United States (including Puerto Rico) in the aftermath of natural disasters, as described in Exhibit A.
2. The total amount of the Donation will be paid in a lump sum on or before December 31, 2020 or paid in two equal installments of \$500,000 by December 31, 2020 and by December 31, 2021 respectively.
3. Upon Mylan's reasonable request, SBP shall provide Mylan with a written account of how the Donation has been used and will be used in support of the Got Your Back Fund and related initiatives of SBP each year for the next three years.
4. SBP confirms to Mylan that it is a non-profit entity organized and operated exclusively for charitable, religious, educational, or scientific purposes, or other activities serving the public interest or common good, and has been granted an exemption under section 501(c)(3) of the Internal Revenue Code of 1954, as amended; does not make distributions of profits to any private shareholders or individuals; and has liabilities that are distinct from those of its members (i.e., the presence of a governing board) and structured rules of operations (i.e., bylaws).
5. SBP acknowledges and agrees that the Donation may not be used for any of the following purposes, either directly or indirectly:
  - a. To support or benefit any individual employed by or associated with SBP, including, without limitation, any member of its executive leadership, officers, directors, or members, or their spouses or children or other immediate family members.
  - b. To support or benefit a customer of Mylan or any Mylan affiliate.
  - c. To support or benefit any charitable patient assistance program.
  - d. To apply toward the payment (in whole or in part) of any debt owed by SBP to a third party.

6. No amount donated hereunder is intended to be, nor shall it be construed as, an offer or payment made, whether directly or indirectly, to induce the referral of patients, the purchase, lease or order of any item or service, or the recommending or arranging for the purchase, lease or order of any item or service. The Donation is not contingent on the purchase, use, or recommendation of any product of Mylan or any Mylan affiliate and is not provided as an inducement or reward for the purchase, use, or recommendation of any product of Mylan or any Mylan affiliate.
7. SBP acknowledges that Mylan is making this Donation as part of Mylan's commitment to support U.S. veterans and veterans with disabilities, as well as communities in the United States that are particularly vulnerable in the aftermath of natural disasters. Mylan and SBP agree to cooperate in the preparation and issuance of a press release announcing Mylan's Donation. In addition, SBP has indicated that it intends to acknowledge Mylan's support as the founding champion sponsor of the Got Your Back Fund in other media, including social media channels over the next three years. SBP will provide Mylan with the opportunity to review and comment on such messaging prior to publication.
8. Over the course of the next three years, SBP and Mylan intend to collaborate to help raise awareness for natural disaster preparation and recovery to help mitigate and shrink the time between disaster and recovery in the U.S. with emphasis on vulnerable needs of U.S. veterans impacted by natural disasters throughout the U.S.
9. This Letter: (a) contains the entire agreement of the parties with respect to the Donation and supersedes all prior written and oral agreements, and all contemporaneous oral agreements, relating to such transaction; (b) is governed by, and will be construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania without giving effect to any conflict of laws rules; and (c) is binding upon, and will inure to the benefit of, the parties and their respective successors and permitted assigns.

Sincerely,

MYLAN INC.

By: 

Leah L. Summers, Head of Community Outreach and Engagement

**Intending to be Legally Bound Hereby:**

St. Bernard Parish Project, Inc. d/b/a SBP, Inc.:

By: 

Name: Zack Rosenberg

Title: CEO

Date: 11/13/2020

## Exhibit A

### **Got Your Back Fund - \$1 million**

After disaster, SBP always prioritizes rebuilding homes for United States veterans. The biggest barrier to reaching and serving more veterans after disaster is funding. Through this program, Mylan will be the Founding Champion of the **Got Your Back Fund**. This fund will ensure that, after disasters, low-to-moderate income veterans and/or those with disabilities across the United States (including Puerto Rico) will not have to wait for funding to rebuild their homes and lives. SBP will build upon this fund via additional foundation and philanthropic donations to ensure its sustainability.

Disasters often intensify pre-existing conditions and community vulnerabilities, so by providing services to these impacted communities SBP is meeting a unique need for low-income veterans with disabilities who find themselves in especially dark times. Additionally, this program is unique in how SBP leverages its trained AmeriCorps members and volunteers to exponentially increase its ability to serve veterans in greater numbers quickly and more efficiently. Because SBP is a disaster-specific group that has been rebuilding around the country for 14 years, it has broad access to a network of local case management partners which will allow it to identify more eligible candidates to receive funding through this program.

**Impact:** Rebuild homes for at least 50 United States veterans after disaster. (Impact scaled upon additional funds raised.)

## IV. RESERVATION OF RIGHTS

Richland County reserves and may exercise the following rights and options with respect to this selection process:

- to request that one or more of the applicants provide additional material, clarification, confirmation or modification of any information in the submission;
- to supplement, amend, substitute or otherwise modify this application at any time prior to selection of one or more applicant for negotiation, and to cancel this application with or without issuing another application;
- to request that one or more of the applicants supplement proposals based on the review of all proposals;
- to negotiate with one or more of the applicants concerning any aspect of the application;
- to terminate any negotiations at any time;
- to accept or reject at any time prior to the execution of the written agreement, all submissions and/or to withdraw the application without notice;
- to expressly waive any defect or technicality in any application;
- to solicit new applications;
- to rescind a selection prior to execution of the written agreement if the County determines in its sole discretion that the application does not conform to the specifications of this application; and,
- to rescind a selection prior to execution of the written agreement if the County determines that the specifications contained in this application are not in conformity with law or that the process in selection of the applicants was not in conformity with law or with the Richland County.

By submitting an application in response to this Request for Applications, the Applicant affirmatively indicates its acceptance of the terms and conditions of this application. The Applicant further affirms its willingness to enter into a written agreement with the Richland County in order to further identify the roles and responsibilities of each party.

### *APPLICATION DEADLINE*

*FRIDAY, NOVEMBER 27, 2020 - 5:00 PM*

**Please submit one original, paper- or binder-clipped application. Do not staple or bind.**

**ALL REQUESTED FINANCIAL DOCUMENTATION MUST BE INCLUDED IN YOUR EXHIBITS.**

- Exhibits must be included as separate items in numerical order.
- Answer all questions in spaces provided unless exhibits are allowed. For assistance or for questions regarding requested documents, please contact:

Community Development at (803)576-2044.



**Professional Services Contract between Richland County Government and The St. Bernard Project, Inc.**

**WHEREAS**, Richland County Community Development ( “the **County**”) participates in the U.S. Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) federal Capital grant program to provide assistance authorized by the Housing and Community Development Act of 1974 (hereafter referred to as CDBG); and

**WHEREAS**, The St. Bernard Project, dba SBP, (“**Sub-recipient**”) responded to the County’s Notice of Funding Availability Application for Fiscal Year 2020-2021 CDBG funding to provide eligible services to a minimum of fifty-one percent of Low-to-Moderate Income (LMI) individuals as of \_\_\_\_\_ date ; and

**WHEREAS**, the application was awarded a grant amount of Seven Hundred and Two Thousand Dollars (\$702,000.00), approved by the Richland County Council on \_\_\_\_\_. The CDBG funds from the **County** will be used to fund home rebuild and rehabilitation services.

**NOW, THEREFORE** in consideration of the mutual covenants and obligations herein contained, including the Attachments, and subject to the terms hereinafter stated, the parties hereto understand and agree as follows:

**Contract Goals:** The **Sub-recipient** agrees to rebuild at least two (2) homes, and provide home rehabilitation services for at least fifteen (15) qualifying LMI residents. The funds provided for herein will be used as prescribed in 24 CFR 570.201(c).

**ARTICLE I**

**SECTION 1: Contract Terms**

- 1.1 **Term of the Contract** – This Professional Services Contract is made and entered into this \_\_\_\_ Day of \_\_\_\_\_, 2021.
- 1.2 **Expiration of the Contract** – Termination of the Contract will occur automatically upon the expiration of this contract three (3) years from the date of execution.
- 1.3 **Program/Project Start** – Program/Project services must start within 30 days of execution of this contract agreement.
- 1.4 **Delayed Start Date** – The program services must start within 30 days of execution of this contract agreement. Should the program commencement date be outside of the 30 days; the date must be agreed upon between the parties (of this agreement) and any other funders prior to the execution of this agreement.
- 1.5 **Ability to Stop Funding based upon Non-Performance** – CDBG awards may be terminated at any time prior to the date of contract expiration based on documented absence of program/project productivity. The **County** will make this determination based upon evidence of insufficient program and/or financial progress, tardiness or non-existent drawdown requests, or other factors as deemed appropriate by the **County**.

1.6 **Award** – The **County** agrees to provide to **Sub-recipient** Federal assistance under the Housing and Community Development Act of 1974, known as the Community Development Block Grant or CDBG Program, subject to the terms and conditions of this Agreement, applicable Laws, regulations and all other Federal and **County** requirements now or hereafter in effect. The **County** has allocated **Seven Hundred and Two Thousand Dollars (\$702,000.00)** for the scope of work described throughout this Contract

## **SECTION 2: Sub-Recipient Roles & Responsibilities**

2.0 **Scope of Work – Sub-recipient**, in accordance with the terms of this Contract, shall perform all professional services (obligations, duties, requirements, and responsibilities required for the successful completion of this Contract) which are further outlined in **Sub-recipient’s** proposal (**Attachment I**), with such document being attached hereto and incorporated herein by reference.

2.1 **Marketing & Service Plans – Sub-recipient** will perform the work necessary to affirmatively market to attract persons that meet HUD income eligibility requirements without regard to race, color, national origin, sex, religion, familial status or disability.

a. **Sub-recipient** agrees to implement and serve low-income homeowners, residing in the unincorporated areas of Richland County, in need of home rebuild or rehabilitation services. This program will impact the lives of 17 homeowners, or approximately 34 individuals, over the course of the year.

b. **Sub-recipient** agrees that all work performed within the confines of this Contract will comply with all local building code, inspection and licensing requirements.

c. **Sub-recipient** agrees that Notice to Process will be requested and secured by the **Sub-recipient** to the **County** prior to executing a tri-party agreement for rebuild or rehabilitation services.

2.2 **Monthly Reports – Sub-recipient** will provide monthly progress reports to the **County** **due by the 5th of each month.** The initial report will include a detailed description of the project; the original approved budget; and the current status: including project start date; anticipated completion date; and appropriate staff contact information. Each month the current status shall be updated; along with the amount of funds drawn; schedule changes; and any requests of the County. The report must also include detailed progress on each beneficiary and the overall services program. The monthly progress report will be an evolving document as the project moves forward. **The report will include information requested as listed in Addendum B for this low-to-moderate limited clientele (LMC).**

2.3 **Budget** – The Project Budget (**Addendum A**) and sections throughout this Contract show funding sources and uses of funds. The **Sub-recipient** shall notify the **County** in writing of any budget revision. Sub-recipient must receive approval in writing from the County for any budget revisions.

2.4 **Financial Commitments – Sub-recipients** using CDBG funds in conjunction with other funding sources must submitted executed commitments of all other financial sources to the **County** not later than **90 days from date of execution of this Contract.**

2.5 **Prohibited Activities** – The Sub-recipient is prohibited from using CDBG for the following uses:

a. General government expenses. Except as otherwise specifically authorized under OMB Circular A-87, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.

b. Political activities, such as lobbying, campaigning, etc.

c. Furnishings and personal property. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible.

- d. Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking, and other public facilities and improvements.
- e. Costs charged to local governments for preparation of their audits.

Costs that are not included in the above list **MUST** be approved by the **County** in advance.

2.6 **Release of Funds (Request for Payment)** – The **County** will conduct site visits and authorize all requests for payment prior to the release of funds.

1. The following conditions must be met **before** requests for funds can be made or funds will be released:

- a..Any changes or modifications to program or activities after executing this Contract must be in writing and approved by the **County**.
- b. The **County** has received all approved monthly reports.
- c. **Sub-recipient** must submit all supporting documentation with the request for payment in order to receive payment. Payment requests should be submitted on a monthly basis.

2.7 **Program Limitations for Rental Development (For Rental Construction or Assistance Projects Only)**

- 1. Program Participants: Program participation is limited to LMI homeowners who are residing in unincorporated Richland County in need of home rebuild or rehabilitation services
- 2. Individuals must meet the HUD Definition of low-to-moderate income and information must be retained by the **Sub-recipient** for no less than five years after funds are expended.

### **SECTION 3: Other Federal Requirements**

3.0 **General Requirements** – The **Sub-recipient** agrees to conform to all federal and state regulatory requirements covered in the following sections, as well as all other applicable state and federal laws or regulations, whether cited herein or not. The Federal and **County** requirements include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.

The award and Contract is made available in conformity with the non-discrimination and equal opportunity requirements set forth in 24 CFR Part 511.10(m), as follows:

- 1. The requirements of Executive Order 11063, and with Title VI of the Civil Rights Act of 1964, 42 USC 2000d. as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307). The Act prohibits discrimination against individuals on basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds.
- 2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 USC 6101-07, and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973, 29 USC 794.
- 3. The nondiscrimination requirements at Section 282 of the Act are applicable.

Nondiscrimination and equal opportunity: *The Fair Housing Act* (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*; The Act prohibits the discrimination in the sale or rental of housing, the financing of housing or the provisions of brokerage servers against any person on the basis of race, color, religion, sex, national origin, handicap or familial status.

Title II of the Americans with Disabilities Act of 1990: Requires that State and local governments (1) may not refuse to allow a person with a disability to participate in a service, program, or activity simply because the person has a disability; (2) must eliminate unnecessary eligibility standards or rules that deny individuals with disabilities an equal opportunity to enjoy their services, programs or activities unless "necessary" for the provisions of the service, program or activity; (3) are required to make reasonable modifications in policies, practices, and procedures that deny equal access to individuals with disabilities, unless a fundamental alteration in the program would result; (4) must furnish auxiliary aids and services when necessary to ensure effective communication, unless an undue burden or fundamental alteration would result; (5) may provide special benefits, beyond those required by the regulation, to individuals with disabilities; (6) may not place special charges on individuals with disabilities to cover the costs of measures necessary to ensure nondiscriminatory treatment, such as making modifications required to provide program accessibility or providing qualified interpreters; (7) shall operate their programs so that, when viewed in their entirety, they are readily accessible to and usable by individuals with disabilities.

Architectural Barriers Act of 1968: The ABA requires access to facilities designed, built, altered, or leased with federal funds. CDBG **Sub-recipients** are responsible for ensuring compliance with Uniform Federal Accessibility Standards (UFAS) when designing, constructing, altering or leasing facilities.

3.1 **Insurance – Sub-recipient** shall be responsible for any damages resulting from its activities. Prior to commencing work hereunder, **Sub-recipient** shall obtain and maintain, throughout the duration of this Contract, all such insurance as required by the laws of the State of South Carolina, and minimally the below listed insurance. A breach of the insurance requirements shall be material.

Such insurance shall be issued by a company or companies authorized to do business in the State of South Carolina and Richland County, and must have a Best Rating of A-, VII or higher. This agreement sets forth minimum insurance and is not to be construed in any way as a limitation of liability on **Sub-recipient**.

- A. Workers Compensation and Employers Liability Insurance: The **Sub-recipient** shall maintain Workers' Compensation and Employer's Liability insurance in accordance with South Carolina Law. "Other States" coverage is not sufficient. South Carolina coverage must be specified. Employer's Liability limits shall not be less than \$1,000,000 per accident/per disease.
- B. Crime Bond: The **Sub-recipient** shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the **County**. The **Sub-recipient** shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance. The **Sub-recipient** is required to provide documentation of Insurance and Bonding to the **County**.
- C. Commercial General Liability Insurance: The **Sub-recipient** shall maintain a commercial general liability insurance policy on an occurrence basis for bodily injury, property damage and personal injury with minimum limits of \$1,000,000.00 per occurrence and \$2,000,000 general aggregate.
- D. Auto Liability. The **Sub-recipient** shall maintain business auto coverage for bodily injury and property damage for owned/leased, non-owned and hired vehicles.
- E. Builder's Risk. The **Sub-recipient** shall maintain a builder's "all risk" or equivalent policy insuring the project on a replacement cost basis.
- F. Insurance Requirements for Subcontractor's and Sub-subcontractors: The **Sub-recipient** shall require any subcontractor or sub-subcontractor not insured by the **Sub-recipient** to meet South Carolina's requirements for vehicle liability and to have

worker's compensation coverage, even the party if has less than four employees. A general liability policy shall be required.

- G. Cancellation, Non-renewal, Reduction in Coverage and Material Change: The **Sub-recipient** shall provide the **County** thirty (30) calendar days' notice in writing of any cancellation, non-renewal or reduction in coverage or any other material policy change, except that insurers may provide ten (10) calendar days' notice in writing for nonpayment of premium.
- H. Certificates of Insurance: The **Sub-recipient** shall furnish the **County** at the below address with certified copies of certificates of insurance within ten (10) calendar days of date of the notice to proceed: Richland County Government, Attn: Risk Management, PO Box 192, Columbia, SC 29202. Richland County Government shall be named on the policies as certificate holder.

### 3.2 Disclosure Requirements

The **County** prohibits **Sub-recipients** of Federal funds, whether grants, contracts, or cooperative agreements, from using these funds to lobby to obtain, extend, or modify a Federal award. The regulation is intended to prevent the use of Federal funds for lobbying, and to monitor the lobbying expenditures of Federal funds Participants. Even though the **Sub-recipient** of a Federal award is legally the institution, individuals who are employed by the institution are also specifically included in the regulation. The regulation also requires that **Sub-recipients** of Federal funds who use non-Federal funds for lobbying purposes report those activities to the awarding agency.

**Sub-recipients** may not use federal funds to influence or attempt to influence any member of the Executive or Legislative branches of government (including any agency employee) for the purpose of securing a grant, contract, or cooperative agreement or an extension, renewal or modification of the foregoing. Charging travel expenses to a Federal award or drawing salary from a Federal award while attempting to influence the awarding of Federal funds for a specific program is defined as lobbying, and is prohibited. **Sub-recipients** may neither make such expenditures nor hire paid lobbyists to do so on their behalf.

- 3.3 **Debarred, Suspended, or Ineligible Contractors and Participants** – The prohibitions at 2 CFR Part 24 on the use of debarred, suspended, or ineligible contractors and participants, state that, CDBG funded projects may not employ any contractors or subcontractors that have been debarred or suspended from participating in federally funded programs. CDBG **Sub-recipients** are responsible for determining whether they are entering into a covered transaction with an excluded or disqualified person. A listing of debarred contractors can be found on the Excluded Parties Listing System's (EPLS) web-site at [www.epls.arnet.gov/index](http://www.epls.arnet.gov/index). All procured contractors and subcontractors awarded contracts in excess of \$100,000 and all non-procured transactions in excess of \$25,000 must submit the "Debarment Certification Form" certifying that they are not included on the Excluded Parties Listing System and are eligible to participate in federally assisted projects. This extends the coverage of the HUD non-procurement suspension and debarment requirements to all lower tiers of subcontracts under covered non-procurement transactions, as permitted under the OMB guidance at 2 CFR 180.220(c)

- 3.4 **Drug-Free Workplace: The Drug-Free Workplace Act of 1988** (41 U.S.C. 701, *et seq.*) and HUD's implementing regulations at 24 CFR Part 21.

**Sub-recipients** are required to provide a drug-free workplace by taking the following steps. **Sub-recipients** and its third party contractors failing to meet these requirements will be subject to penalties:

1. Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.

2. Establish a drug-free awareness program to make employees aware of: a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.
3. Notify employees that as a condition of employment on a Federal contract or grant, the employee must: a) abide by the terms of the policy statement; and b) notify the employer, within five calendar days, if he or she is convicted of a criminal drug violation in the workplace.
4. Notify the contracting or granting agency within 10 days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
5. Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.
6. Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the Act.

**3.5 Environmental Review – 24 CFR 92.352 (APPLICABLE ONLY TO CONSTRUCTION PROJECTS)**

The **Sub-recipient** agrees that the environmental review for this activity will be carried out and assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD’s implementing regulations at 24 CFR Parts 50 and 58. 3. A HUD written approval for release of funds is required PRIOR to release of these contract funds.

No project funds will be advanced, and no costs can be incurred, until an environmental review has been completed for each proposed project site and/or activity as required under 24 CFR Part 58. The **Sub-recipient** will submit a Site-Specific Environmental to the **County**. The **Sub-recipient** will adhere to the conditions of the Environmental Review and provide to the **County** additional documentation of mitigation actions and/or details of project modification if so required.

**3.6 Federal Labor Standards Compliance – 24 CFR 570.603.** The **Sub-recipient** agrees to confirm to all the labor requirements regarding laborers and contracts.

**1. Prevailing Wage Rates (Construction) Contract Provisions** – All contracts in excess of \$2,000 entered into for the actual construction, alteration and/or repair including painting and decorating of a public building or public work, or building or work financed in whole or part by federal funds are subject to and must include the labor standards provisions of 29 CFR Part 5.5, Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction.

**2. Davis-Bacon and Related Acts** – **Sub-recipients** with eight (8) or more CDBG-assisted units under one (1) contract agree to conform to the Davis-Bacon and Related Acts. Davis-Bacon and the related labor acts ensure that mechanics and laborers employed under federally-assisted contracts are paid wages and benefits equal to those that prevail in the locality in which the work is performed. This Act also provides for the withholding of funds when the **Sub-recipient** is not in compliance. Apprentices enrolled in bona fide apprenticeship programs are exempt from wage requirements.

The **Sub-recipient** agrees to submit any and all Davis-Bacon reports (Certified Payrolls, Employee Interviews Forms, etc.) required by HUD or the **County** on the dates mentioned in this Contract or upon request. The **Sub-recipient** also agrees to submit any information requested regarding Department of Labor Standards regulations pertaining to the labor standards and HUD handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs). The **Sub-recipient** agrees that it will conform to the requirements that include but are not limited to the following:

- a. Prevailing Wage Rate Contract(s) must contain the wage provisions, which includes construction and non- construction cost, or housing.
- b. Payrolls will be submitted weekly to the **County**.
- c. Payroll compliance statements will be provided with official signature that is original.
- d. **Sub-recipients** will identify first and final payroll for the project.

e. **Sub-recipients** will provide payroll(s) to include the following: contractor/subcontractor name, business address, project name and number, week ending date, day and date for each day in the workweek, employee name (employee address and SSN the first time employee shows up on a payroll only), employee work classification, rate of pay, straight/overtime hours worked per day, per week on THIS project, gross wages, deductions from wages, and net pay.

f. **County** will conduct periodic employee interviews, as deemed appropriate.

3. Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327-333): This Act provides that mechanics and laborers employed on federally assisted projects are paid time and one-half for work in excess of forty hours per week, and provides for the payment of liquidated damages when violations of these provisions occur. The Act also addresses safe and healthy working conditions.
4. Copeland (Anti-Kickback) Act (40 U.S.C. 276c): The Copeland Anti-Kickback Act governs allowable deductions from paychecks. Copeland makes it a criminal offense to coerce anyone employed on a federally assisted project to relinquish compensation to which he/she is entitled, and requires all contractors to submit weekly payrolls and statements of compliance.
5. Section 110 of the Housing and Community Development Act of 1974; as amended by Section 955 of the Cranston-Gonzalez National Affordable Housing Act which exempts from the wage rate requirements, individuals that perform services for which the individual volunteered; does not receive compensation for such services, or is paid expenses, reasonable benefits, or a nominal fee for such services; and is not otherwise employed at any time in the construction work.
6. Fair Labor Standards Act of 1938, As Amended (29 U.S.C. 201, et seq.): The Fair Labor Standards Act establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half for the entire time that an employee is required or permitted to work. It also establishes labor standards for children.
7. Equal Employment Opportunity, Executive Order 11246, implemented in 41 CFR Part 60:  
Executive Order 11246 prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin. Provisions to effectuate this prohibition must be included in all contracts for capital projects exceeding \$10,000. Implementing regulations may be found in 41 CFR Part 60.

### 3.7 Religious Activities:

1. The **Sub-recipient** agrees, as directly funded under the CDBG program, not to engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the assistance funded under the CDBG program.
2. The **Sub-recipient** also agrees that religious activities such as worship, religious instruction, or proselytization will be offered separately, in time and location and is a voluntary decision of the beneficiary to participate. These separate religious activities cannot be funded by the CDBG program.
3. Religious organizations, in providing CDBG assistance, will not discriminate against program beneficiaries based on religious character, belief or affiliation.
4. CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities.

## SECTION 4: Accountability, Financial Management, Recordkeeping

### 4.0 Accounting Standards

The **Sub-recipient** agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal financial controls, and maintain necessary source documentation for all costs incurred.

#### 4.1 Cost Principles

The **Sub-recipient** shall administer its program in conformance with OMB Circulars A-122, Cost Principles for Non-Profit Organization as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

#### 4.2 General Audit Requirements: Audits will be conducted in accordance with 24 CFR 84.26 and 85.26.

**CDBG Sub-recipients that expend \$750,000 or more** in total federal financial assistance in a year are responsible for obtaining an independent audit in accordance with the Single Audit Act of 1984 and OMB Circular A-133 as referenced at 24 CFR 84.26 and 85.26. The computation of the total of such assistance includes all federal funds received by the entity, and not just the amount in CDBG dollars. For purposes of determining the amount of federal assistance expended, all federal assistance shall be considered, including that which is received directly from a Federal agency, passed through a state or local government, passed through a non-profit organization, or any combination thereof.

If a **Sub-recipient** expends less than \$750,000 per year in federal financial assistance, it is exempt from federal audit requirements. However, the **Sub-recipient** must still have records available for review by the **County**.

**If a Sub-recipient has expended more than \$750,000 in a year under only one federal program, the Sub-recipient may elect to have a program-specific audit conducted in lieu of a single audit. (A single audit is an audit that includes both the entity's financial statements and the Federal funds it has expended.)** If the **Sub-recipient** elects this option, the auditor(s) will perform the compliance testing for the individual grant program in accordance with OMB Circular 133, Subpart B—Audits -- Program-specific audits.

#### 4.3 Recordkeeping Requirements of Section 24 CFR 570.490:

General: Each **Sub-recipient** will establish and maintain sufficient records to enable the **County** to determine whether the **Sub-recipient** has met project requirements. The **Sub-recipient** must provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws regarding privacy and obligations of confidentiality. HUD and the Comptroller General of the United States, and any of their representatives, have the right of access to any pertinent books, documents, papers or other records of the **Sub-recipient**, in order to make audits, examinations, excerpts, and transcripts. **Sub-recipient** agrees to create and/or maintain all of the records outlined in this section.

At a minimum, the following records are needed:

1. The source and application of funds for each project, including supporting documentation in accordance with 24 CFR 85.20. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub-grant award documents, etc.
2. Records must be kept for each beneficiary assisted that demonstrates their eligibility, proof of class attendance and completion of the program, and proof of supportive services provided.

#### Financial Records 24 CFR 570.489 :

1. Records identifying the source and application of program income, repayments and recaptured funds.
2. Records demonstrating adequate budget control, including evidence of periodic account reconciliations.

#### Program Administration Records:

1. Records demonstrating compliance with the written agreements required by 24 CFR 570.503.
2. Records demonstrating compliance with the applicable uniform administrative requirements required by 24 CFR 570.502.
3. Records documenting required inspections, monitoring reviews and audits, and the resolution of any findings or concerns.

Records Concerning Other Federal Requirements:

1. Equal Opportunity and Fair Housing Records:
  - a) Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with CDBG funds.
  - b) Documentation of actions undertaken to meet the requirements of 24 CFR Part 135 which implement Section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u).
  - c) Documentation of the actions the **Sub-recipient** has taken to affirmatively further fair housing.
2. Affirmative Marketing and MBE/WBE Records:
  - a) Records demonstrating compliance with the affirmative marketing procedures and requirements of 24 CFR 570.601.
  - b) Documentation and data on the steps taken to implement the **Sub-recipients** outreach programs to minority-owned (MBE) and female-owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract to be paid, with CDBG funds; the amount of the contract or subcontract, and documentation of participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services.
3. Records demonstrating compliance with the environmental review requirements of 24 CFR 570.604 and 24 CFR Part 58, including flood insurance requirements.
4. Records demonstrating compliance with the lead-based paint requirements of 24 CFR Part 35, subparts A, B, J, K, and R of the title: LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES.
5. Records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR 570.611.
6. Debarment and suspension certifications required by 24 CFR 570.609.

Period of Record Retention:

All records pertaining to each fiscal year must be retained for the most recent five year period, except as provided below.

1. Written agreements must be retained for five years after the agreement terminates.  
If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

**4.4 Performance Reports:** The **Sub-recipient** agrees to submit the performance reports listed according to the prescribed Project Budget provided in this Contract as found in **Addendum A**.

**4.5 Repayment of Funds:**

The **Sub-recipient** agrees to the repayment of CDBG funds which must be repaid due to the investment of funds in a project which was terminated prior to completion (either voluntarily or involuntarily), or invested in housing which failed to comply with the affordability requirements. The **Sub-recipient** agrees to repay any CDBG funds invested by the **County**, in the event the project fails to comply with the income limit requirements. The **County** reserves the right, with appropriate written documentation, to make this determination.

#### 4.6 Performance Reviews:

*General.* The **County** will review the performance of the **Sub-recipient** in carrying out its responsibilities under this Contract. . In conducting performance reviews, the **County** will rely primarily on information obtained from the **Sub-recipient** and, as appropriate, the **Sub-recipient's** records and reports, findings from on-site monitoring, audit reports, and information generated for the IDIS system established by HUD. Where applicable, the **County** may also consider relevant information pertaining to a **Sub-recipient's** performance gained from other sources, including citizen comments, complaint determinations, audits and litigation. Reviews to determine compliance with specific requirements of this written agreement will be conducted as necessary, with or without prior notice to the **Sub-recipient**. Comprehensive performance reviews under this section will be conducted after notice to the **Sub-recipient**.

1. Unmet Requirements and Opportunity to Cure - Should the **County** preliminarily determine the **Sub-recipient** is not performing, the **Sub-recipient** will be given a Notice to Cure with the action of non-performance and an opportunity to demonstrate the County is incorrect in its assessment or to cure the performance requirement within the time prescribed by the County (not to be exceed more than 15 business days) and on the basis of substantial evidence, facts and data provided by the Sub-recipient.
2. Failure to Demonstrate Requirement - Should the **Sub-recipient** fail to demonstrate to the **County's** satisfaction the requirement has been met, the **County** will take corrective or remedial action in accordance with this section.

3. Corrective and Remedial Actions: Corrective or remedial actions for a performance deficiency or breach of the requirements of this Contract will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its reoccurrence. The **County** may instruct the **Sub-recipient** to submit and comply with proposals for action to correct, mitigate and prevent a performance deficiency or breach, including:

- a. Preparing and following a schedule of actions for carrying out the affected activities, consisting of schedules, timetables, and actions necessary to implement the affected activities;
- b. Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;
- c. Canceling or revising activities likely to be affected by the performance deficiency, there by de-obligating the CDBG funds for the activities;
- d. Re-Payment to the **County** of any amount not used in accordance with this Contract;
- e. Suspending the **Sub-recipient** from participating in CDBG and other **County** programs for a specific period of time.

#### 4.7. Program Suspension/Debarment

1. The following actions may result in suspension from participating in funding from any of the **County** administered programs for the time specified, but in any case up to a period of one (1) year:
  - A. Failure to complete a project/development by the completion deadline specified in the Contract and implementation schedule, will disqualify the applicant for a period of one (1) year.
  - B. Failure to complete or comply with the enviromental review requirements as specified by 24 CFR Parts 50 and 58, as amended, will result in the disqualification of the applicant for the period of one (1) year.
  - C. Providing false or inaccurate certification that a development meets certain standards when, in fact, it does not, will result in the disqualification of the developer and the architect. The **County** will also file a complaint against the architect with the S.C. Department of Labor, Licensing and Regulation.
2. False or misleading information provided to the **County** with regard to a project seeking CDBG funds will be permanently debarred from further participation in the **County's** programs, in any capacity whatsoever, regardless of when such false or misleading information is discovered. Any award allocation obtained on the basis of such false or misleading information

shall be void. The **Sub-recipient** shall be given written notice by the Program Director stating the reason for which the sanction of debarment was imposed.

3. A **Sub-recipient** which provides a partnership formation and/or developer agreement, whether written or otherwise, that attempts to circumvent **County** requirements, will be permanently debarred from further participation in the **County** programs, in any capacity whatsoever, regardless of when the violation is discovered.

The **County**, in its sole discretion, may determine other acts to be infractions of the program which require suspension or debarment.

4. **Funding Sanctions:** Following notice and opportunity for consultation, the **County** may withhold, reduce or terminate the assistance where any corrective or remedial actions taken under 24 CFR 570.492 fail to remedy the **Sub-recipient's** performance deficiencies, and the deficiencies are sufficiently substantial, in the judgment of **County**, to warrant sanctions.

## SECTION 5 – Reversion of Funds

**5.0 Reversion of Assets:** Upon expiration of the Contract, the **Sub-recipient** must transfer to the **County** any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds.

**Incorporation of The Code of Federal Regulations: The Sub-recipient agrees to comply with all requirements as set forth in the Code of Federal Regulations:**

### 24 CFR Part 870 – Community Development Block Grants and

### 24 CFR Part 58 – Environmental Review Procedures (as amended) (APPLICABLE ONLY TO CONSTRUCTION PROJECTS)

This agreement contains specific requirements from the Code of Federal Regulations. However, the failure to include certain other requirements should not be construed as an omission of these requirements. In instances where the **County's** requirements are more restrictive than the Code of Federal Regulations, the **County** requirements shall take precedence over the Federal regulations.

## SECTION 6 – Contract Amendments & Enforcement

### 6.0 Amendment and Enforcement of the Contract:

1. Process for Amending the Contract: CDBG activities and projects may undergo changes during project implementation which may necessitate changes in scope, schedule or budget. In those cases, the **Sub-recipient** will prescribe to the following process for changes to the Contract:

A. The **Sub-recipient** shall provide a written request to include the appropriate documentation (i.e. sections of this contract) and identifiers regarding the project.

B. Requests will be reviewed by **County** staff for approval. In certain cases, the scope of the budget or cost change may merit additional underwriting or reviews for cost principle analysis as they relate to HUD's definition of cost reasonableness.

C. If the request is approved, a written amendment will be provided to the **Sub-recipient** to be executed to reflect the approved changes to the original executed Contract.

2. Termination of the Contract: In the event that any of the provisions of this Contract are not met or the **Sub-recipient** materially fails to comply with any term of the Contract, the following provisions and remedies for breach will be followed:

A. The **Sub-recipient** may be suspended or debarred from participation in CDBG and other **County** programs.

B. The **Sub-recipient** may be required to repay the CDBG funds and any other **County** funds invested in the project. The **County**, based upon various factors and documentation, will evaluate and make said determinations at such time, as deemed appropriate.

## **SECTION 7 – Indemnification**

### **7.0 Hold Harmless**

The **Sub-recipient** shall hold harmless, defend and indemnify the County from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the **Sub-recipient's** performance or nonperformance of the services or subject matter called for in this Contract.

## **SECTION 8 – Environmental Conditions**

### **8.0 Environmental Conditions (APPLICABLE ONLY TO CONSTRUCTION PROJECTS)**

The **Sub-recipient** agrees to comply with all environmental conditions insofar as they apply to the performance of this agreement and under NEPA or National Environmental Protection Agency. These include but not limited to: Clean Air Act, 42 U.S.C; Flood Disaster Protection Act of 1973; Lead Based Paint at 24 CFR 570.608 and 24 CFR Par 35; Subpart B; and Historic Preservation Act of 1966.

## **SECTION 9 – Severability**

### **9.0 Severability**

If any provision of this Contract is held invalid, the remainder of the Contract shall not be affected thereby and all other parts of the Contract shall nevertheless be in full force and effect.

## **SECTION 10 – Headings and Sub-Headings**

### **10.0 Section Headings and Sub-Headings**

The section headings and sub-headings contained in this Contract are included for convenience only and shall not limit or otherwise affect the terms of this Contract.

## **SECTION 11 – Waivers**

### **11.0 Waiver**

The **County's** failure to act with respect to a breach by the **Sub-recipient** does not constitute a waiver of its rights to act with respect to subsequent or similar breaches. The failure of the **County** to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

**12.0 Entire Agreement**

This agreement constitutes the entire agreement between the **County** and the **Sub-recipient** for the award and use of funds received under this Contract and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the **County** and the **Sub-recipient** with respect to this Contract.

\_\_\_\_\_  
Leonardo Brown  
Richland County | County Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_

**Addendum A  
Project Budget**

**Budget:**

<b>Program/Activity</b>	<b>Richland County Cost</b>	<b>SBP Match Funding</b>	<b>Total</b>	<b>Expected Number of Homeowners to be Served</b>
Rebuild Services	\$360,000	\$40,000	\$400,000	2
Rehabilitation Services	\$225,000	\$25,000	\$250,000	15
AmeriCorps Members	\$0	\$75,000	\$75,000	
Salaries	\$0	\$126,000	\$126,000	
Overhead and Management	\$117,000		\$117,000	
<b>Total Budget</b>	<b>\$702,000</b>	<b>\$266,000</b>	<b>\$968,000</b>	

**Program Schedule:**

**Start Date: July 15, 2021                      End Date: July 15, 2022**

**Estimated TimeLine**

Sub-recipient is to begin activity no later than **July 15, 2021** and conclude activity no later than **July 15, 2022**.

**Request for Payments**

The request is to include a signed and dated, itemized cover sheet on company letterhead, along with all supporting documentation. **Funds are to be requested monthly at a minimum and 75% of the total funding is to be invoiced and requested no later than June 30, 2022.**

**Performance Report Due Dates**

**Monthly reports are due on the 15<sup>th</sup> of each month beginning the month after funding is received.** Reports are required even when there is no activity and shall reflect N/A, as deemed appropriate. Reports are to be both narrative and quantitative in nature and design.

**Measured Performance Outcomes:**

- 1. Provide home rebuild services to two (2) qualifying homeowners in unincorporated Richland County**
- 2. Provide home rehabilitation services for fifteen (15) qualifying homeowners in unincorporated Richland County**

## **Addendum B**

### **Reporting Data**

**Reports are to be submitted no less than monthly and will include the following data:**

- Accomplishments Narrative
- Program/Project Start
- Program/Project Status (Percentage Completed)
- Projected Completion Date
- Total No # Actual Assisted
- Direct Benefit Data By Persons
- Breakdown of Races of those assisted (Hispanic/Latino)
- Income: Extremely Low (\_\_\_\_); Low (\_\_\_\_); Moderate (\_\_\_\_); Non-Low/Moderate (\_\_\_\_)
- Of those total persons above assisted; how many are: (\_\_\_\_) New to Your Services and (\_\_\_\_) Improved Benefit to Your Services.
- Number of females and Number of Males Assisted

**RICHLAND COUNTY  
ADMINISTRATION**

2020 Hampton Street, Suite 4069  
Columbia, SC 29204  
803-576-2050



**Agenda Briefing**

<b>Prepared by:</b>	Tomothy Edmond		<b>Title:</b>	Chief Magistrate Judge
<b>Department:</b>	Magistrate Court	<b>Division:</b>		
<b>Date Updated:</b>	May 01, 2021	<b>Meeting Date:</b>	May 25, 2021	
<b>Legal Review</b>	Elizabeth McLean via email		<b>Date:</b>	April 14, 2021
<b>Budget Review</b>	James Hayes via email		<b>Date:</b>	April 19, 2021
<b>Finance Review</b>	Stacey Hamm via email		<b>Date:</b>	April 21, 2021
<b>Approved for consideration:</b>	Assistant County Administrator	John M. Thompson, Ph.D., MBA, CPM		
<b>Committee</b>	Administration and Finance			
<b>Subject:</b>	Bond Court Consolidation – City of Columbia and Richland County			

**STAFF’S RECOMMENDED ACTION:**

Request for Council Reconsideration: Yes

**FIDUCIARY:**

Are funds allocated in the department’s current fiscal year budget?		Yes		No
If no, is a budget amendment necessary?		Yes		No

The Office of Budget and Grants Management and the Finance Department have inquired as to the mechanism whereby the County is reimbursed by the City of Columbia. These offices request any agreement relative to this matter with the City of Columbia explicitly detail payment/reimbursement information.

**ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:**

The potential fiscal impact would consist of annual money paid to the County by the City in the amount of \$523,200.47. Due to the increased workload for the Magistrate’s Office, there will be an increase cost of \$410,000 in salaries and operating costs at bond court. Thus, there will be a net increase of \$113,200.47.

### *Approximate Costs to Run County Bond Court*

The approximate cost to operate the County Bond Court is approximately **\$1,052,214.28** per year.

- Judge Salaries
  - 7 part-time judges
  - \$76,500 per year
  - 12 hour shifts
  - Part-time judges work solely at bond court
  - Part-time judges salary is calculated based on full-time judge salary
  - Full-time judges have to fill in at bond court
  - Total: **\$492,839.18** (Salary \$391,483.98 + FICA/Retirement \$101,355.20)
- Staff Salaries
  - 1 bond court manager
  - 1 bond court assistant manager
  - Total: **\$139,335.91** (Salary \$113,088.15 + FICA/Retirement \$26,247.76)
  - 9 bond court clerks
  - Bond court staff work solely at bond court and receive an additional \$4,000 stipend on top of their salary
  - Total: **\$399,637.19** (Salary \$324,354.51 + FICA/Retirement \$75,282.68)
- Operating Costs
  - Office Supplies
  - Books and Publications
  - Copy Machines
  - Travel
  - Telephone Services
  - Service Contracts
  - Repairs-Equipment
  - Employee Training
  - Total: **\$20,402.00**
- Total Personnel Cost: **\$1,052,214.28**

### *Approximate Costs to Run City Bond Court*

To determine how much it costs the City to operate their bond court, we sent them a questionnaire. The approximate costs for the City are **\$387,640.85** per year.

1. **Question:** How much does the City pay in personnel costs to operate bond court?  
**Answer:** Annually, the City of Columbia pays \$336,731 in personnel cost to operate Bond Court. This amount includes a full time Bond Court Clerk, weekend Bond Court clerks, weekend Violations Clerk (who accept Bond Money on weekends), three (3) full time Police Officers (assigned to court) and a Judge (shared responsibility among full-time and part time Judges).  
**Notes:** Of the eight full time police officers assigned to Municipal Court, three officers go to bond court sessions each a day on a rotating basis.
  
2. **Question:** How many judges and how many staff members are employed to operate bond court for the City?  
**Answer:** The City has four (4) full-time Judges and four (4) part-time Judges with 5 vacancies. The Judges rotate between Traffic Court, Criminal Court, Bond Court, Quality of Life Court, DV Court, Jury Trials and Preliminary Hearings. In addition, there is a full time bond court clerk, weekend bond court clerks (rotated among other court clerks), weekend violation clerks (shared among existing violation clerks) and a Judge being assigned each day to Bond Court.
  
3. **Question:** How much does the City pay in operating costs to hold bond court?  
**Answer:** The City has a desk top computer, lap top computer, annual maintenance agreement on our Recording System at bond court and miscellaneous supplies which is estimated at \$50,909.85 annually.

*How Much Would the City Pay the County Annually?*

Based on the annual costs that Richland County incurs to run the bond court, the potential cost to the City would be approximately **\$523,200.47** annually. This is a cost per defendant calculation (See calculations below).

**Costs to operate County Bond Court**

Judge Salary	\$492,839.18
Staff Salary	\$538,973.1
Operating Costs	\$20,402.00
Total	\$1,052,214.28

**Current cost per defendant**

Bond settings FY 18/19 (County only)	7,964 Defendants
County Bond Court Costs FY 18/19	\$1,052,214.28
Cost to set bond per defendant	\$132.12

**Potential dollar figure city would pay annually to county**

City bond settings FY 18/19	3,960 Defendants
Cost per defendant	\$132.12
Total	\$523,200.47

### *How Would County Bond Court Spend the New Money?*

After running a pilot program for many months and setting the City's bonds, the costs to the County would include:

- I. We would need at least 4 new law clerks
- II. The vast majority of expenses would be salary payments. The personnel cost would potentially break down as follows:
  - a. 4 new law clerks ( $\$45,000 \times 4$ ) =  $\$180,000$
  - b. 10% pay increase for judges (increased liability risks plus additional work) = approx.  $\$225,000$ 
    - i. 10% pay increase for full time judges ( $\$11,400 \times 15$  judges) =  $\$171,000$
    - ii. 10% pay increase for part time judges ( $\$7,600 \times 7$  judges) =  $\$53,200$
- III. Because Richland County already runs a large bond court, the additional costs of operating expenses (other than salaries/positions) would be marginal. However, there would be an annual approximate costs of  $\$5,000$  in paper, supplies, and computer equipment.

**Additional New Costs:**  $\$410,000$

#### Summary

The City has told us that it costs them approximately  **$\$387,640.85$**  to run their bond court. However, these costs were how much the City was paying before they were told by Court Administration that they were not in compliance with proper bond court operations. The City was not conducting the proper amount of bond court hearings per day.

To determine how much the City would have to pay the County to operate their bond court, we used a "per-defendant" cost. We determined approximately how much it costs to set one defendant's bond based on the judge's salaries, personnel salaries, and operating costs. This number came out to  **$\$132.12$**  per defendant. We took this cost per defendant and multiplied it times the approximate number of defendants that the City arrests each year (3,960 defendants). This came to  **$\$523,200.47$**  annually.

While it appears that the City would be paying more under this proposal, in reality they would actually be saving money. They would also be saving on the intangible costs that are incurred with running a bond court – these costs are outlined below.

The new costs to the County bond court estimate is approximately  **$\$410,000$** . Because the City would pay  **$\$523,200.47$**  annually to the County, the difference between the costs would ensure that the County did not "see red" and avoid costs overruns or unforeseen expenses.

*Non-Dollar Figure Costs (Intangibles)*

The potential liability from setting bonds ranges from the political to the financial. Judges have to be extremely knowledgeable and prepared when setting bonds so as not to release an inmate who poses a potential risk of reoffending a violent crime, while at the same time complying with statutory requirements mandating that the majority of individuals receive bonds. Judges have to answer to Court Administration, circuit court judges, and the Chief Justice, if they fail to set proper bonds. This can result in disciplinary actions, suspension, and even removal from office.

Another liability in handling bond settings is making sure that a defendant is not being improperly held in Alvin S. Glenn. Court staff has to work hand in hand with detention staff to make sure that no magistrate or municipal defendant is staying beyond the 30-day maximum sentence. Other potential liability costs may include worker's compensation expenses, travel expenses, overtime, etc. The liability costs associated with running a bond court can far exceed the dollar figure of operation costs.

Finally, the consolidation of the two bond courts would allow for the City of Columbia Bond Court to come into compliance with the Supreme Court Order, RE: Bond Hearing Procedures in Summary Courts, September 19, 2007.

**COUNTY ATTORNEY'S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:**

**REGULATORY COMPLIANCE:**

**MOTION OF ORIGIN:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

#### STRATEGIC & GENERATIVE DISCUSSION:

Chief Magistrate Edmond recommends implementing a consolidation plan of Columbia Bond Court and Richland County Bond Court. Over three years ago, Richland County converted into a 24-hour bond court, which allows for simplifying the bonding process for the public, reducing process time of inmates, and reduce the daily jail population. The Bond Court Consolidation plan will overhaul this arrangement and allow Richland County to handle the entire bond process from the City – from actually setting the bonds to handling posting the bonds. Richland County currently handles the bond process for several other municipalities in the entirety, including Forest Acres, Irmo, Cayce, and more.

The objective of this plan would be to combine the City and County bond courts into one bond court process.

As of March 2020, Richland County Magistrate Court has taken over setting bond for the City of Columbia in order to have a trial run of a consolidated bond court. In conjunction with Alvin S. Glenn, City of Columbia, and Richland County Magistrate Court, the consolidated bond is working as one unit. Therefore, the only key steps needed are a formal agreement between the City and County that would set out the parameters and costs for this service.

This proposal would affect the Richland County Bond Court. The Bond Court procedure is found under S.C. Code Title 17, Chapter 15.

This request will impact the strategic initiative of Richland County Bond Court. Our bond court has been operating as a 24/7 court for several years now. This consolidation would further develop the bond court.

Consolidation of bond courts will reduce costs to the County because the City would pay an annual sum of money to the County to include their defendants. The consolidation would also improve efficiency by having one bond court at the jail as opposed to two.

If bond court consolidation is denied, then Alvin S. Glenn will go back to two bond courts – the City and the County. This will reduce efficiency and increase the time defendants spend in jail before being released on bond.

#### ADDITIONAL COMMENTS FOR CONSIDERATION:

The current system of operating two separate and distinct bond courts inside of Alvin S. Glenn produces many inefficiencies. The City of Columbia is the only municipality that Richland County does not set bond for. While the City does have a large docket of cases per year compared to the next closest municipality (Forest Acres: 300-400), the County is able to seamlessly set these other municipalities bonds in an efficient and effective manner.

There are two main factors to consider when deciding whether to incorporate and consolidate the City bond court. First, if the City is willing to pay an annual premium to the County, then it would make fiscal sense to set all bonds that occur in Richland County. Based on the County's bond court current ability to set all other municipal bonds, as well as our ability to conduct a 24-7 bond court, the Magistrate system is equipped to expand our docket size.

Second, the consolidation of the two bond courts makes sense in respect to government efficiency and productivity. By having one central bond court, all parties will know who is in charge and where to direct complaints or questions. Victims will know that no matter which law enforcement agency arrested the defendant, their case will be heard by the County bond court. The elected Sheriff and appointed police chief will be able to speak directly to one judge, the Chief Magistrate, when discussing bond hearing issues.

Overall, consolidating the two bond courts will allow for a more efficient and productive bond court that will benefit many county agencies and will have a net positive fiscal impact, if the City pays the appropriate premium.

**ATTACHMENTS:**

1. Supreme Court Order
2. Correspondence from the City of Columbia

2007-09-19-01

# The Supreme Court of South Carolina

RE: BOND HEARING PROCEDURES IN SUMMARY COURTS

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## ORDER

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I find that recent events have necessitated my revisiting the previous Order of the Chief Justice dated November 28, 2000, concerning bond hearing procedures and detention facility issues arising in magistrate and municipal courts.

Accordingly, pursuant to Article V, § 4, of the South Carolina Constitution,

IT IS ORDERED that the Chief Magistrate in each county, in cooperation with, and with input from the other magistrates and municipal judges, shall arrange a schedule so that a magistrate or municipal judge will always be available, in person or on-call, to conduct bond proceedings. The Chief Magistrate shall also inform the municipal courts of the details of the County bond schedule, so as to ensure the availability of a magistrate to issue warrants and conduct bond proceedings for the municipal courts when the municipal judge is unavailable. After hours and weekends does not constitute unavailability in and of itself. The Chief Magistrate shall establish a procedure with all municipal courts within the County whereby they provide the Chief Magistrate with a monthly bond schedule indicating their availability for bond court. Nothing in this Order precludes counties and municipalities from entering into agreements whereby magistrates set bond on criminal charges arising from municipalities within their County.

Bond proceedings shall be conducted at least twice daily, once in the morning and once in the evening, at specific times which take into consideration all agencies involved. Should a Chief Magistrate desire to specify a schedule which deviates from the twice daily schedule, the revised schedule and the reason for the deviation must be submitted in writing to the Chief Justice for approval. Any deviations from the twice daily schedule approved prior to the issuance of this Order remain in effect. Nothing in this Order precludes a Chief Magistrate from regularly scheduling bond hearings more than twice daily. If, under extraordinary circumstances, the on-call magistrate or municipal judge is requested to conduct a bond hearing at a time other than the regularly scheduled time, hearings shall be held for the entire jail population eligible for release. The on-call magistrate or municipal judge shall immediately inform the Chief Magistrate that a special bond proceeding was conducted.

All persons incarcerated, booked, and charged with a bailable offense must have a bond hearing within twenty-four hours of their arrest as required by S.C. Code Ann. § 22-5-510, except for those individuals who are released on bond in lieu of recognizance pursuant to S.C. Code Ann. § 22-5-530. Any county or municipality utilizing the provisions of S. C. Code Ann. § 22-5-530 must comply with the Order of the Chief Justice dated December 11, 2003, which addresses procedures required by that statute. All persons incarcerated, booked, and charged with a non-bailable offense must have a first appearance before a magistrate or municipal judge within twenty-four hours of their arrest. Further, in all cases which fall under the purview of this Order, whether bailable or non-bailable, the bonding magistrate or municipal judge must ensure that the procedures set forth in S.C. Code Ann. §§ 16-3-1505 to -1830, regarding victims' rights, are fully observed.

All incarcerated individuals statutorily required to receive a bond hearing must receive an in-person bond hearing conducted by a duly appointed judicial officer prior to their release. Bond hearings shall not be conducted over the telephone and orders of release shall not be transmitted by facsimile from remote locations. The only exception to these requirements is in those counties where videoconferencing of bond hearings is approved by Order of the Supreme Court. All videoconferencing must strictly adhere to the requirements set forth in the Order of the Supreme Court dated May 2, 2006.

Further, any individual initially incarcerated without having been formally charged with the violation of a crime, who remains incarcerated for a maximum of twenty-four hours of delivery by law enforcement to the detention facility without having been formally charged with the violation of a crime, shall be

discharged from the detention facility by the magistrate or municipal judge conducting bond hearings. However, if law enforcement or a prosecutorial agency presents compelling written evidence to the bonding magistrate or municipal judge as to why an individual should not be released within twenty-four hours pursuant to this provision of this Order, the bonding magistrate or municipal judge, after considering the evidence, may delay discharge of the defendant for an additional period not to exceed twenty-four hours. Any written evidence presented and accepted by the bonding judge as compelling evidence to delay the release of an uncharged individual must be immediately forwarded to the Chief Magistrate of that county. The Chief Magistrate in each county is responsible for coordinating with the necessary local officials, which includes, but may not be limited to, the custodian of the detention facility, local law enforcement, and any affected prosecutorial agencies, to ensure that the required and proper accounting, notification, and release of individuals under this provision of this Order is fulfilled, regardless of whether the initial detention was initiated by municipal or county law enforcement.

Finally, bond proceedings shall be open to the public and press, and must be conducted in a facility or manner so as to facilitate any parties, including victims, who wish to attend. Allowance of cameras in the courtroom must comply with Rule 605, SCACR, which addresses media coverage in court proceedings. If facilities are not conducive to the allowance of general access, the location of bond hearings must be changed to allow such access. Alternatively, entities may consider videoconferencing of bond hearings to accommodate access of parties where facilities are prohibitive to access.

Any violation of the provisions of this Order shall be reported immediately to the Office of Court Administration. Any preferential treatment in bonding procedures is a violation of this Order and of the Canons and Rules of Judicial Conduct, Rules 501 and 502, SCACR, and shall be treated accordingly.

This Order revokes and replaces the previous Order of the Chief Justice dated November 28, 2000, regarding bond hearings. The provisions of this Order are effective immediately.

S/Jean Hoefler Toal

Jean Hoefler Toal

Chief Justice

September 19, 2007  
Columbia, South Carolina



Teresa Wilson, City Manager  
City of Columbia  
1737 Main Street - PO Box 147  
Columbia, SC 29217

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The Honorable Tomothy C. Edmond  
Chief Magistrate  
Richland County Central Court  
Upper Township District  
7615-A Wilson Boulevard  
Columbia, SC 29203

CAJ9SMP 29203





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We Are Columbia

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April 22, 2021

The Honorable Tomothy C. Edmond  
Chief Magistrate  
Richland County Central Court  
Upper Township District  
7615-A Wilson Boulevard  
Columbia, SC 29203

Dear Chief Magistrate Edmond,

It is my understanding that Richland County Council has indicated an interest in consolidating the County and the City bond courts. Columbia City Council members have also indicated that they are interested in exploring a consolidation of the bond courts. This consolidation initiative has the potential to be a great benefit to both the courts and the public, resulting in cost savings and enhanced provision of court services.

Certainly, there will be some logistical issues to consider and plan for in implementing this change and we are looking forward to the opportunity to work with you in addressing these. Please contact my office as you schedule meetings about this initiative, and I will ensure that staff are available to represent the City in these discussions.

Sincerely,

Teresa Wilson  
City Manager

cc: The Honorable Daniel M. Coble, Associate Chief Magistrate, Richland County Court  
Mr. Leonardo Brown, Administrator, Richland County  
Ms. Pamela Benjamin, Chief of Staff, City of Columbia

**RICHLAND COUNTY  
ADMINISTRATION**

2020 Hampton Street, Suite 4069  
Columbia, SC 29204  
803-576-2050



**Agenda Briefing Addendum**

<b>Prepared by:</b>	Ashiya A. Myers	<b>Title:</b>	Assistant to the County Administrator
<b>Department:</b>	Administration	<b>Division:</b>	
<b>Date Prepared:</b>	April 28, 2021	<b>Meeting Date:</b>	May 25, 2021
<b>Approved for Consideration:</b>	County Administrator		Leonardo Brown, MBA, CPM
<b>Committee:</b>	Administration & Finance		
<b>Agenda Item:</b>	4g. Request from Chief Magistrate – Bond Court Consolidation		

**COUNCIL INQUIRY #1:**

Committee Chairperson Malinowski requested the previously considered briefing documentation and associated minutes for the Bond Court Consolidation proposal.

*Reply:*

See attachment 1.

**ADDITIONAL COMMENTS FOR CONSIDERATION:**

Chief Magistrate Edmond has provided correspondence from the City of Columbia.

**ATTACHMENTS:**

1. Compiled agenda briefings for the Bond Court Consolidation item



**Agenda Briefing**

**To:** Committee Chair Joyce Dickerson and Members of the Committee  
**Prepared by:** Tomothy Edmond, Chief Magistrate  
**Department:** Magistrate  
**Date Prepared:** December 11, 2019      **Meeting Date:** February 25, 2020

<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	March 18, 2020
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	January 28, 2020
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	January 15, 2020
<b>Approved for Council consideration:</b>	County Administrator	Leonardo Brown, MBA, CPM	

**Committee** Administration & Finance  
**Subject:** Bond Court Consolidation – City of Columbia and Richland County

**Recommended Action:**

Chief Magistrate Edmond recommends implementing a consolidation plan of Columbia Bond Court and Richland County Bond Court. Richland County and the City of Columbia currently operate two separate bond courts inside Alvin S. Glenn Detention Center. Over two years ago, Richland County converted into a 24-hour bond court, which allows for simplifying the bonding process for the public, reducing process time of inmates, and reduce the daily jail population. As of today, the City of Columbia is currently operating two bond court sessions, one in the morning and one in the late afternoon. The Bond Court Consolidation plan will overhaul this arrangement and allow Richland County to handle the entire bond process from the City – from actually setting the bonds to handling posting the bonds. Richland County currently handles the bond process for several other municipalities in the entirety, including Forest Acres, Irmo, Cayce, and more.

The objective of this plan would be to combine the City and County bond courts into one bond court process; to reduce the costs to the City, including tangible/fixed costs as well as intangible costs; to increase the efficiency of Alvin S. Glenn in regards to bond setting; and to benefit government entities involved in this process – the Sheriff’s Department, the Solicitor’s Office, the Magistrate Court, and Alvin S. Glenn staff.

**Motion Requested:**

I move to accept the Chief Magistrate’s recommendation to enter into an agreement with the City of Columbia to consolidate both bond courts, which would include a complete take over of their bond court and bond process, in which the City would pay an annual fee to the County.

**Request for Council Reconsideration:**  Yes

### Fiscal Impact:

The potential fiscal impact would consist of annual money paid to the County by the City, as well as potential increase in staff personell at bond court. The current costs to run the Richland County Bond Court, based on salaries alone, are:

- **Judge Salaries**
  - 7 part-time judges
  - \$76,500 per year
  - 12 hour shifts
  - Part-time judges work solely at bond court
  - Part-time judges salary is calculated based on full-time judge salary
  - Full-time judges have to fill in at bond court
- **Staff Salaries**
  - 1 bond court manager
  - 1 bond court assistant manager
  - 9 bond court clerks
  - Bond court staff work solely at bond court and receive an additional \$4,000 stipend on top of their salary
  - Average salary: \$39,000

The approximate costs for the City of Columbia to run their bond court:

- Judge salary
- Clerk salary
- Court officers salary
- Overtime payments to CPD officers waiting for bond court
- Holding over defendants
  - It costs the city \$71 a day to house an inmate. If a defendant is arrested after the city has already held bond court, then he will have to spend an extra night at ASG and wait for the next day's hearing. Even if the defendant makes bond, he will still have to have it paid at the city's court on Washington Street before they close that day. Otherwise, he will have to spend an additional night in ASG.
- Liability
  - Sanctions from Court Administration
  - Civil liability for holding defendants over 24 hours without bond setting

These dollar figure costs do not account for the non-dollar figure costs of operating a bond court, particularly liability:

Annually, Richland County Magistrate Court has to budget approximately \$480,000 to operate the bond court alone. This dollar figure consist of judges' salaries plus staff salaries. This operation dollar number does not include many more non-numerical figures, which make operating a bond court hazardous. The biggest cost in this area is liability.

The potential liability from setting bonds ranges from the political to the financial. Judges have to be extremely knowledgeable and prepared when setting bonds so as not to release an inmate who poses a

potential risk of reoffending a violent crime, while at the same time complying with statutory requirements mandating that the majority of individuals receive bonds. Judges have to answer to Court Administration, circuit court judges, and the Chief Justice, if they fail to set proper bonds. This can result in disciplinary actions, suspension, and even removal from office.

Another liability in handling bond settings is making sure that a defendant is not being improperly held in Alvin S. Glenn. Court staff has to work hand in hand with detention staff to make sure that no magistrate or municipal defendant is staying beyond the 30-day maximum sentence. Other potential liability costs may include worker’s compensation expenses, travel expenses, overtime, etc. The liability costs associated with running a bond court can far exceed the dollar figure of operation costs.

Finally, the consolidation of the two bond courts would allow for the City of Columbia Bond Court to come into compliance with the Supreme Court Order, RE: Bond Hearing Procedures in Summary Courts, September 19, 2007.

Based on the annual cost that Richland County incurs to run the bond court (based on salaries alone), the potential cost to the City would be approximately \$480,000 annually:

**Costs to operate R.C. Bond Court**

Judge Salary	\$535,500
Staff Salary	\$429,000
<b>Total</b>	<b>\$964,500</b>

**Current cost per defendant**

Bond settings FY 18/19 (county only)	R.C. Bond Court Costs FY 18/19	Cost to set bond per defendant
7,964	\$964,500	<b>\$121.11</b>

**Potential dollar figure city would pay annually to county**

City bond settings FY 18/19	Cost per defendant	Total
3,960	\$121.11	<b>\$479,595.60</b>

**Additional Considerations:**

Budget Director James Hayes indicated there are concerns about the fiscal impact being absorbed by the City as well as incurring additional costs by the County.

**Motion of Origin:**

There is no associated Council motion of origin.

Council Member	
Meeting	
Date	

**Discussion:**

The current system of operating two separate and distinct bond courts inside of Alvin S. Glenn produces many inefficiencies and double costs. The City of Columbia is the only municipality that Richland County does not set bond for. While the City does have a large docket of cases per year compared to the next closest municipality (Forest Acres: 300-400), the County is able to seamlessly set these other municipalities bonds in an efficient and effective manner.

There are two main factors to consider when deciding whether to incorporate and consolidate the City bond court. First, if the City is willing to pay an annual premium to the County, then it would make fiscal sense to set all bonds that occur in Richland County. Based on the County’s bond court current ability to set all other municipal bonds, as well as our ability to conduct a 24-7 bond court, the Magistrate system is equipped to expand our docket size.

The defendants that are arrested by the City of Columbia would follow the same process as defendants arrested by the above listed agencies/municipalities.

Richland County bond court operates 24-hours a day and has multiple bond sessions throughout the day and night. Any defendant arrested for a crime that has a victim would have their bond set at 2PM that day (the cutoff for this time is approximately 12:30PM). The 2PM docket allows for law enforcement and victim services to have a set time in the day to inform victims of when the bond will be set. All other charges (e.g., drugs, public disorderly, etc.) are set shortly after arrest during one of the staggered bond sessions.

Richland County set approximately 8,000 bonds in the last fiscal year. The City of Columbia set approximately 4,000. The City sets all Columbia bonds, whether that is for municipal charges or General Sessions charges (excluding murder, CSC 1st, etc.):

<b>18 / 19 FY City Bond Inmates Processed</b>				
	<b>PR Bonds</b>	<b>Surety Bonds</b>	<b>Total City Process</b>	<b>Total Book –INs at ASGDC</b>
18-Jul	223	102	359	1063
18-Aug	290	85	398	1172
18-Sep	221	65	316	1042
18-Oct	224	82	331	982
18-Nov	185	102	305	936
18-Dec	207	67	316	997
19-Jan	174	93	301	954
19-Feb	224	91	329	990
19-Mar	212	90	316	945
19-Apr	209	102	303	918
19-May	230	117	354	986
19-Jun	223	89	332	939
	2622	1085	3960	11924

The County would assume all bond settings at Alvin S. Glenn.

Second, the consolidation of the two bond courts makes sense in respect to government efficiency and productivity. The biggest impact will be felt by the Alvin S. Glenn Detention Center, the Solicitor’s Office, the Sheriff’s Department, the Columbia Police Department, and the Magistrate Court System. All elected and appointed officials of these listed departments support the consolidation. By having one central bond court, all parties will know who is in charge and where to direct complaints or questions. Victims will know that no matter which law enforcement agency arrested the defendant, their case will be heard by the County bond court. The elected Sheriff and appointed police chief will be able to speak directly to one judge, the Chief Magistrate, when discussing bond hearing issues. Alvin S. Glenn will have to dress out less inmates because all City inmates will be heard using the 24-7 bond court system, as opposed to the City’s current one, and sometimes two, hearings a day.

Overall, consolidating the two bond courts will allow for a more efficient and productive bond court that will benefit many county agencies and will have a net positive fiscal impact, if the City pays the appropriate premium.

The County Attorney's office recommended "that language be included in any agreement that the City must pay all costs associated with liabilities occurring on any City matter, including attorneys' fees and damages."

**Attachments:**

1. Operational Costs of Bond Court
2. Potential Cost for City of Columbia Annually
3. Non-Dollar Figure Costs (Liability)
4. Operational Functions
5. Supreme Court Order

## Operational Costs of Bond Court

### City of Columbia Bond Court Operation Costs

- Judge salary
- Clerk salary
- Court officers salary
- Overtime payments to CPD officers waiting for bond court
- Holding over defendants
  - It costs the city \$71 a day to house an inmate. If a defendant is arrested after the city has already held bond court, then he will have to spend an extra night at ASG and wait for the next day's hearing. Even if the defendant makes bond, he will still have to have it paid at the city's court on Washington Street before they close that day. Otherwise, he will have to spend an additional night in ASG.
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### Richland County Bond Court Operation Costs

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## Potential Cost for City of Columbia Annually

### Costs to operate R.C. Bond Court

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### Potential dollar figure city would pay annually to county

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**Non-Dollar Figure Costs (Liability)**

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Another liability in handling bond settings is making sure that a defendant is not being improperly held in Alvin S. Glenn. Court staff has to work hand in hand with detention staff to make sure that no magistrate or municipal defendant is staying beyond the 30-day maximum sentence. Other potential liability costs may include worker's compensation expenses, travel expenses, overtime, etc. The liability costs associated with running a bond court can far exceed the dollar figure of operation costs.

Finally, the consolidation of the two bond courts would allow for the City of Columbia Bond Court to come into compliance with the Supreme Court Order, RE: Bond Hearing Procedures in Summary Courts, September 19, 2007.

## Operational Functions

Currently, defendants that we serve are those arrested by Law Enforcement agencies that serve in Richland County, but not limited to:

- Richland County Sheriff's Department
- Richland County Probation Pardon and Parole
- SC Highway Patrol
- SLED
- USC Police Department
- Benedict College Police Department
- Columbia College Police Department
- Allen Police Department
- Department of Natural Resources
- Capitol Police
- State Transport Police
- Forest Acres Police Department
- Irmo Police Department
- Cayce Police Department
- SC Attorney General

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2007-09-19-01

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RE: BOND HEARING PROCEDURES IN SUMMARY COURTS

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scheduled time, hearings shall be held for the entire jail population eligible for release. The on-call magistrate or municipal judge shall immediately inform the Chief Magistrate that a special bond proceeding was conducted.

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Further, any individual initially incarcerated without having been formally charged with the violation of a crime, who remains incarcerated for a maximum of twenty-four hours of delivery by law enforcement to the detention facility without having been formally charged with the violation of a crime, shall be discharged from the detention facility by the magistrate or municipal judge conducting bond hearings. However, if law enforcement or a prosecutorial agency presents compelling written evidence to the bonding magistrate or municipal judge as to why an individual should not be released within twenty-four hours pursuant to this provision of this Order, the bonding magistrate or municipal judge, after considering the evidence, may delay discharge of the defendant for an additional period not to exceed twenty-four hours. Any written evidence presented and accepted by the bonding judge as compelling evidence to delay the release of an uncharged individual must be immediately forwarded to the Chief Magistrate of that county. The Chief Magistrate in each county is responsible for coordinating with the necessary local officials, which includes, but may not be limited to, the custodian of the detention facility, local

law enforcement, and any affected prosecutorial agencies, to ensure that the required and proper accounting, notification, and release of individuals under this provision of this Order is fulfilled, regardless of whether the initial detention was initiated by municipal or county law enforcement.

Finally, bond proceedings shall be open to the public and press, and must be conducted in a facility or manner so as to facilitate any parties, including victims, who wish to attend. Allowance of cameras in the courtroom must comply with Rule 605, SCACR, which addresses media coverage in court proceedings. If facilities are not conducive to the allowance of general access, the location of bond hearings must be changed to allow such access. Alternatively, entities may consider videoconferencing of bond hearings to accommodate access of parties where facilities are prohibitive to access.

Any violation of the provisions of this Order shall be reported immediately to the Office of Court Administration. Any preferential treatment in bonding procedures is a violation of this Order and of the Canons and Rules of Judicial Conduct, Rules 501 and 502, SCACR, and shall be treated accordingly.

This Order revokes and replaces the previous Order of the Chief Justice dated November 28, 2000, regarding bond hearings. The provisions of this Order are effective immediately.

S/Jean Hofer Toal  
Jean Hofer Toal  
Chief Justice

September 19, 2007  
Columbia, South Carolina



## Richland County Council

### ADMINISTRATION AND FINANCE COMMITTEE

April 28, 2020 – 3:30 PM

Council Chambers

2020 Hampton Street, Columbia, SC 29204

COMMITTEE MEMBERS PRESENT: Joyce Dickerson, Chair; Bill Malinowski, Yvonne McBride, Joe Walker and Dalhi Myers

OTHERS PRESENT: Michelle Onley, Larry Smith, Stacey Hamm, Jennifer Wladischkin, John Thompson, Clayton Voignier, Ashiya Myers, Angela Weathersby, Leonardo Brown, Chris Eversmann, Tariq Hussain, Dale Welch, Kimberly Williams-Roberts, Ashley Powell, Synithia Williams, Michael Maloney, David Bertolini, Brad Farrar, Brittney Hoyle-Terry, Quinton Epps, Dante Roberts and Michael Niermeier

1. **CALL TO ORDER** – Ms. Dickerson called the meeting to order at approximately 6:00 PM.
2. **APPROVAL OF MINUTES**
  - a. February 25, 2020 – Ms. McBride moved, seconded by Mr. Walker, to approve the minutes as distributed.

In Favor: Dickerson, McBride, Walker and Myers

The vote in favor was unanimous.

3. **ADOPTION OF AGENDA** – Ms. McBride moved, seconded by Ms. Myers, to adopt the agenda as published.

In Favor: Dickerson, McBride, Walker and Myers

The vote in favor was unanimous.

4. **ITEMS FOR ACTION**

- a. Bond Court Consolidation – City of Columbia and Richland County – Ms. McBride moved, seconded by Mr. Walker, for discussion of this item.

Ms. Myers inquired who is recommending the consolidation, and what efficiencies will the County realize. When we consolidate, what savings can be quantified for the County?

Judge Coble stated we currently run the 24/7 bond court, and we handle all of Richland County Sheriff's Department bonds, as well as, other municipalities, including Forest Acres, Irmo, etc. The only municipality they do not currently handle is Columbia; therefore, we have to have 2 separate courtrooms, judges and paperwork that Alvin S. Glenn and Director Myers have to handle for each bond setting. By having the one procedure and process, it makes it much more efficient for Victim's Services, Solicitor's Office and the Public Defender's Office because there is one bond court being set by one agency, which would be Richland County Magistrates. As to the

quantifiable numbers, when it comes to monetary saving, the City of Columbia would pay, which is outlined in the briefing document. The City would be responsible for paying the judge and staff's salaries, as well as, other miscellaneous items to make it more efficient. The dollar figures he and Judge Edmond put together reflect what it currently cost to set an individual bond, and what it would cost the City of Columbia based on an estimated number of arrestees and defendants they set bond on per year. The cost per defendant would seem to be the most efficient, and easiest way, to see what the cost would be.

Ms. Myers stated she would love to see Director Myers and the Alvin S. Glenn Team have one process, rather than two, because the streamlining and making it consistent would help them, and make it more efficient at the Detention Center. Her questions go to the things we see now at the Detention Center, where the costs of maintaining a detainee, for Richland County, is greater than what we are reimbursed by municipalities. She is concerned that we quantify the numbers, and we do not just agree, based on back of the napkin analyses of what the actual cost is, but to have the Finance Department provide us an actual cost we can bank on, so the taxpayers are made whole. Also, she is concerned on the liability side. There are constitutional issues, with regard to how quickly people get access to a judge once they are brought in. These are detainees who have been not been adjudicated guilty of anything. She wants to be sure our Legal Department is recommending this, and has come forward to say this method is the one they would support.

Mr. Smith stated apparently the City of Columbia and County representatives meet with the Magistrates to discuss this issue. It is his understanding, there was an issue that came up regarding whether or not the Supreme Court had issued an edit to the City about their ability to hold bond hearings within the required time. At this point, we do not understand what was issued by the Supreme Court against the City. His concern is that if we consolidate without this issue being resolved that the County assumes that issue. He stated we did not get any clarity, from the City, about what it was that required the Supreme Court to intervene, as it relates to their bonds.

Ms. McBride stated she believes the idea is awesome, but she is also concerned about the liability issues and us having good cost projections.

Ms. McBride made a substitute motion, seconded by Ms. Myers, to defer this item until the May committee meeting.

Ms. Myers inquired if this item is time sensitive.

Ms. Dickerson responded she does not believe the item is time sensitive.

Judge Coble responded, due to the pandemic, bond court has been crunched; therefore, this needs to be addressed sooner rather than later.

In Favor: Malinowski, Dickerson, McBride, Walker and Myers

The vote in favor was unanimous.

- b. Airport Property Use for a Promotional Event – Mr. Walker moved, seconded by Ms. Myers, to forward to Council with a recommendation to approve the use of landside airport property for the purpose of conducting a fundraising event for the 371st Infantry Regiment WWI Memorial Monument Association at the Jim Hamilton – LB Owens Airport.

Mr. Malinowski stated the briefing document notes the event was endorsed favorably by the Airport Commission at their July 2019 meeting. It was originally brought to A&F on February

**Administration and Finance**  
**April 28, 2020**

-2-



**Agenda Briefing**

**Prepared by:** Daniel Coble, Associate Chief Magistrate

**Department:** Central Court

**Date Prepared:** May 11, 2020

**Meeting Date:** May 21, 2020

<b>Legal Review</b>	Elizabeth McLean via email	<b>Date:</b>	May 13, 2020
<b>Budget Review</b>	James Hayes via email	<b>Date:</b>	May 13, 2020
<b>Finance Review</b>	Stacey Hamm via email	<b>Date:</b>	May 13, 2020
<b>Other Review:</b>	Chief Magistrate Tomothy Edmond	<b>Date:</b>	May 13, 2020
<b>Approved for Consideration:</b>	Assistant County Administrator	John M. Thompson, Ph.D., MBA, CPM	

**Committee** Administration & Finance

**Subject:** Bond Court Consolidation – City of Columbia and Richland County

**Recommended Action:**

Chief Magistrate Edmond recommends implementing a consolidation plan of Columbia Bond Court and Richland County Bond Court. Richland County and the City of Columbia currently operate two separate bond courts inside Alvin S. Glenn Detention Center. Over two years ago, Richland County converted into a 24-hour bond court, which allows for simplifying the bonding process for the public, reducing process time of inmates, and reduce the daily jail population. As of today, the City of Columbia is currently operating two bond court sessions, one in the morning and one in the late afternoon. The Bond Court Consolidation plan will overhaul this arrangement and allow Richland County to handle the entire bond process from the City – from actually setting the bonds to handling posting the bonds. Richland County currently handles the bond process for several other municipalities in the entirety, including Forest Acres, Irmo, Cayce, and more.

The objective of this plan would be to combine the City and County bond courts into one bond court process; to reduce the costs to the City, including tangible/fixed costs as well as intangible costs; to increase the efficiency of Alvin S. Glenn in regards to bond setting; and to benefit government entities involved in this process – the Sheriff’s Department, the Solicitor’s Office, the Magistrate Court, and Alvin S. Glenn staff.

**Motion Requested:**

I move to accept the Chief Magistrate’s recommendation to enter into an agreement with the City of Columbia to consolidate both bond courts, which would include a complete takeover of their bond court and bond process, in which the City would pay an annual fee to the County.

**Request for Council Reconsideration:**  Yes

**Fiscal Impact:**

Brief Overview

There are several cost factors that are considered and factored when determining what the City would pay annually to the County. Non-dollar figure costs (liability) are also considered.

- I. Non-Dollar Figure Costs (Liability)
- II. Current Magistrate Court Costs: **\$1,037,882.28**
- III. Current City of Columbia Costs: **\$342,640.85**
- IV. Actual Costs for Consolidation: **\$403,116.53**

Non-Dollar Figure Costs (Liability)

The potential liability from setting bonds ranges from the political to the financial. Judges have to be extremely knowledgeable and prepared when setting bonds so as not to release an inmate who poses a potential risk of reoffending a violent crime, while at the same time complying with statutory requirements mandating that the majority of individuals receive bonds. Judges have to answer to Court Administration, circuit court judges, and the Chief Justice, if they fail to set proper bonds. This can result in disciplinary actions, suspension, and even removal from office.

Another liability in handling bond settings is making sure that a defendant is not being improperly held in Alvin S. Glenn. Court staff has to work hand in hand with detention staff to make sure that no magistrate or municipal defendant is staying beyond the 30-day maximum sentence. Other potential liability costs may include worker’s compensation expenses, travel expenses, overtime, etc. The liability costs associated with running a bond court can far exceed the dollar figure of operation costs.

Current Magistrate Court Costs

The **current** costs to run the Richland County Bond Court, based on salaries and operating expenses:

<u>Expense</u>	<u>Description</u>			<u>Total</u>
<b>Judges</b>	7 Part-time judges	\$391,483.98 (Salary)	\$101,355.20 (FICA/retirement)	\$492,839.18
<b>Staff</b>	Bond Court Manager/ Bond Court Assistant Manager	\$113,088.15	\$26,247.76	\$139,335.91

	9 Bond Court Clerks	\$324,354.51	\$75,282.68	\$399,637.19
<b>Operating Expenses</b>	Supplies: Consumable office supplies such as paper, pencils, ribbons, print cartridges			\$1,500.00
	Copy Machine: Pollock			\$950.00
	Service Contract: Serving equipment			\$300.00
	Repairs-Equipment: Repairs			\$800.00
	Non-Capital Computers: Computers			\$2,500.00
				<b>\$1,037,882.28</b>

The cost to set bond per defendant:

Bond Settings FY 18/19	Bond Court Costs	Cost to set bond per defendant
<b>7,964</b>	\$1,037,882.28	\$130.32/defendant

Current City of Columbia Costs

The Court Administrator from the City of Columbia sent us these answers. The **current** costs for the City of Columbia to run their bond court:

1. **Question:** How much does the City pay in personnel costs to operate bond court?  
**Answer:** Annually, the City of Columbia pays **\$336,731** in personnel cost to operate Bond Court. This amount includes a full time Bond Court Clerk, weekend Bond Court clerks, weekend Violations Clerk (who accept Bond Money on weekends), three (3) full time Police Officers (assigned to court) and a Judge (shared responsibility among full-time and part time Judges).  
**Notes:** Of the eight full time police officers assigned to Municipal Court, three officers go to bond court sessions each a day on a rotating basis.
  
2. **Question:** How many judges and how many staff members are employed to operate bond court for the City?  
**Answer:** The City has four (4) full-time Judges and four (4) part-time Judges with 5 vacancies. The Judges rotate between Traffic Court, Criminal Court, **Bond Court**, Quality of Life Court, DV Court, Jury Trials and Preliminary Hearings. In addition, there is a full time bond court clerk, weekend bond court clerks (rotated among other court clerks), weekend violation clerks (shared among existing violation clerks) and a Judge being assigned each day to Bond Court.
  
3. **Question:** How much does the City pay in operating costs to hold bond court?  
**Answer:** The City has a desktop computer, laptop computer, annual maintenance agreement on our Recording System at bond court and miscellaneous supplies, which is estimated at **\$5,909.85** annually.

Actual Costs for Consolidation

After running a pilot program for over a month and setting the City's bonds, the costs to the County would include:

<b>Need</b>	<b>Description</b>		<b>Total</b>
<b>Law Clerks</b>	Law clerks are needed for both the night shift and day shift to handle the increased paperwork. The clerks are also needed to handle communications with the public and law enforcement. <i>It is currently costing Bond Court \$5,000 per month in overtime to keep up with increased City cases.</i>	\$44,404.13 X 4 new clerks	\$177,616.53
<b>Judge's Pay</b>	Each judge will see a dramatic increase in workload and number of cases. These cases will increase the amount of work that each judge puts in during their shift. Additionally, with almost a 50% increase in cases, judges are also increasing the non-dollar liability as discussed previously. <i>*Part-time judge's salaries are based on full-time salaries. Full-time judges also rotate in for bond court.</i>	10% Pay Increase  <u>Part-time:</u> \$7,600 X 7 Judges = \$53,200  <u>Full-time:</u> \$11,400 X 15 Judges = \$171,000	\$224,200.00
<b>Operating Expenses</b>	Supplies: <i>Consumable office supplies such as paper, pencils, ribbons, print cartridges.</i> (half)		\$750.00
	Service Contract: <i>Serving equipment</i> (half)		\$150.00
	Repairs-Equipment: <i>Repairs</i> (half)		\$400.00
			<b>\$403,116.53</b>

**Motion of Origin:**

There is no associated Council motion of origin.

<b>Council Member</b>	
<b>Meeting</b>	
<b>Date</b>	

**Discussion:**

*Summary of Current and Future Operations*

Richland County bond court operates 24-hours a day and has multiple bond sessions throughout the day and night. Any defendant arrested for a crime that has a victim would have their bond set at 2PM that day (the cutoff for this time is approximately 12:30PM). The 2PM docket allows for law enforcement and victim services to have a set time in the day to inform victims of when the bond will be set. All other charges (e.g., drugs, public disorderly, etc.) are set shortly after arrest during one of the staggered bond sessions.

Richland County set approximately 8,000 bonds in the last fiscal year. The City of Columbia set approximately 4,000. The City sets all Columbia bonds, whether that is for municipal charges or General Sessions charges (excluding murder, CSC 1<sup>st</sup>, etc.).

Under the consolidation, the County would assume all bond settings at Alvin S. Glenn. The defendants that are arrested by the City of Columbia would follow the same process as defendants arrested by the above listed agencies/municipalities.

<b>18 / 19 FY City Bond Inmates Processed</b>				
	<b>PR Bonds</b>	<b>Surety Bonds</b>	<b>Total City Process</b>	<b>Total Book – INs at ASGDC</b>
18-Jul	223	102	359	1063
18-Aug	290	85	398	1172
18-Sep	221	65	316	1042
18-Oct	224	82	331	982
18-Nov	185	102	305	936
18-Dec	207	67	316	997
19-Jan	174	93	301	954
19-Feb	224	91	329	990
19-Mar	212	90	316	945
19-Apr	209	102	303	918
19-May	230	117	354	986
19-Jun	223	89	332	939
	<b>2622</b>	<b>1085</b>	<b>3960</b>	<b>11924</b>

The current system of operating two separate and distinct bond courts inside of Alvin S. Glenn produces many inefficiencies and double costs. The City of Columbia is the only municipality that Richland County does not set bond for. While the City does have a large docket of cases per year compared to the next closest municipality (Forest Acres: 300-400), the County is able to seamlessly set these other municipalities bonds in an efficient and effective manner.

There are two main factors to consider when deciding whether to incorporate and consolidate the City bond court. First, if the City is willing to pay an annual premium to the County, then it would make fiscal sense to set all bonds that occur in Richland County. Based on the County's bond court current ability to set all other municipal bonds, as well as our ability to conduct a 24-7 bond court, the Magistrate system is equipped to expand our docket size.

Second, the consolidation of the two bond courts makes sense in respect to government efficiency and productivity. The biggest impact will be felt by the Alvin S. Glenn Detention Center, the Solicitor's Office, the Sheriff's Department, the Columbia Police Department, and the Magistrate Court System. All elected and appointed officials of these listed departments support the consolidation. By having one central bond court, all parties will know who is in charge and where to direct complaints or questions. Victims will know that no matter which law enforcement agency arrested the defendant, their case will be heard by the County bond court. The elected Sheriff and appointed police chief will be able to speak directly to one judge, the Chief Magistrate, when discussing bond hearing issues. Alvin S. Glenn will have to dress out less inmates because all City inmates will be heard using the 24-7 bond court system, as opposed to the City's current one, and sometimes two, hearings a day.

Overall, consolidating the two bond courts will allow for a more efficient and productive bond court that will benefit many county agencies and will have a net positive fiscal impact, if the City pays the appropriate premium.

#### *Financial/Legal Commitment by the City*

Magistrate Court and Chief Judge Edmond would not proceed with any formal consolidation of bond court without a formal financial commitment letter by the City, which would be agreed upon by all parties. Any agreement by the County and City for bond court consolidation would require a clause in the contract that the City is responsible for defending any and all claims, demands, and/or actions brought against the County or any Magistrate Judge arising from their actions of setting bonds. This language would mirror the language that we use in our Intergovernmental Agreements with other municipalities.

#### *Supreme Court Compliance*

Last year, the City met with Court Administration to discuss the issues that Court Administration had with how the City was conducting their bond court. The sole issue was that the City was only handling one bond court session per day, which is in direct violation of the Supreme Court Order, RE: Bond Hearing Procedures in Summary Courts, September 19, 2007. We have spoken with the City Court Administrator and he has confirmed that this was the sole issue they had with Court Administration, that there were no formal or written documents (aside from emails), and that the City has corrected this process by holding at least two bond settings per day (which is confirmed).

**Attachments:**

1. Supreme Court Order

# The Supreme Court of South Carolina

RE: BOND HEARING PROCEDURES IN SUMMARY COURTS

## ORDER

I find that recent events have necessitated my revisiting the previous Order of the Chief Justice dated November 28, 2000, concerning bond hearing procedures and detention facility issues arising in magistrate and municipal courts.

Accordingly, pursuant to Article V, § 4, of the South Carolina Constitution,

IT IS ORDERED that the Chief Magistrate in each county, in cooperation with, and with input from the other magistrates and municipal judges, shall arrange a schedule so that a magistrate or municipal judge will always be available, in person or on-call, to conduct bond proceedings. The Chief Magistrate shall also inform the municipal courts of the details of the County bond schedule, so as to ensure the availability of a magistrate to issue warrants and conduct bond proceedings for the municipal courts when the municipal judge is unavailable. After hours and weekends does not constitute unavailability in and of itself. The Chief Magistrate shall establish a procedure with all municipal courts within the County whereby they provide the Chief Magistrate with a monthly bond schedule indicating their availability for bond court. Nothing in this Order precludes counties and municipalities from entering into agreements whereby magistrates set bond on criminal charges arising from municipalities within their County.

Bond proceedings shall be conducted at least twice daily, once in the morning and once in the evening, at specific times which take into consideration all agencies involved. Should a Chief Magistrate desire to specify a schedule which deviates from the twice daily schedule, the revised schedule and the reason for the deviation must be submitted in writing to the Chief Justice for approval. Any deviations from the twice daily schedule approved prior to the issuance of this Order remain in effect. Nothing in this Order precludes a Chief Magistrate from regularly scheduling bond hearings more than twice daily. If, under extraordinary circumstances, the on-call magistrate or municipal judge is requested to conduct a bond hearing at a time other than the regularly scheduled time, hearings shall be held for the entire jail population eligible for release. The on-call magistrate or municipal judge shall immediately inform the Chief Magistrate that a special bond proceeding was conducted.

All persons incarcerated, booked, and charged with a bailable offense must have a bond hearing within twenty-four hours of their arrest as required by S.C. Code Ann. § 22-5-510, except for those individuals who are released on bond in lieu of recognizance pursuant to S.C. Code Ann. § 22-5-530. Any county or municipality utilizing the provisions of S. C. Code Ann. § 22-5-530 must comply with the Order of the Chief Justice dated December

11, 2003, which addresses procedures required by that statute. All persons incarcerated, booked, and charged with a non-bailable offense must have a first appearance before a magistrate or municipal judge within twenty-four hours of their arrest. Further, in all cases which fall under the purview of this Order, whether bailable or non-bailable, the bonding magistrate or municipal judge must ensure that the procedures set forth in S.C. Code Ann. §§ 16-3-1505 to -1830, regarding victims' rights, are fully observed.

All incarcerated individuals statutorily required to receive a bond hearing must receive an in-person bond hearing conducted by a duly appointed judicial officer prior to their release. Bond hearings shall not be conducted over the telephone and orders of release shall not be transmitted by facsimile from remote locations. The only exception to these requirements is in those counties where videoconferencing of bond hearings is approved by Order of the Supreme Court. All videoconferencing must strictly adhere to the requirements set forth in the Order of the Supreme Court dated May 2, 2006.

Further, any individual initially incarcerated without having been formally charged with the violation of a crime, who remains incarcerated for a maximum of twenty-four hours of delivery by law enforcement to the detention facility without having been formally charged with the violation of a crime, shall be discharged from the detention facility by the magistrate or municipal judge conducting bond hearings. However, if law enforcement or a prosecutorial agency presents compelling written evidence to the bonding magistrate or municipal judge as to why an individual should not be released within twenty-four hours pursuant to this provision of this Order, the bonding magistrate or municipal judge, after considering the evidence, may delay discharge of the defendant for an additional period not to exceed twenty-four hours. Any written evidence presented and accepted by the bonding judge as compelling evidence to delay the release of an uncharged individual must be immediately forwarded to the Chief Magistrate of that county. The Chief Magistrate in each county is responsible for coordinating with the necessary local officials, which includes, but may not be limited to, the custodian of the detention facility, local law enforcement, and any affected prosecutorial agencies, to ensure that the required and proper accounting, notification, and release of individuals under this provision of this Order is fulfilled, regardless of whether the initial detention was initiated by municipal or county law enforcement.

Finally, bond proceedings shall be open to the public and press, and must be conducted in a facility or manner so as to facilitate any parties, including victims, who wish to attend. Allowance of cameras in the courtroom must comply with Rule 605, SCACR, which addresses media coverage in court proceedings. If facilities are not conducive to the allowance of general access, the location of bond hearings must be changed to allow such access. Alternatively, entities may consider videoconferencing of bond hearings to accommodate access of parties where facilities are prohibitive to access.

Any violation of the provisions of this Order shall be reported immediately to the Office of Court Administration. Any preferential treatment in bonding procedures is a violation of this Order and of the Canons and Rules of Judicial Conduct, Rules 501 and 502, SCACR, and shall be treated accordingly.

This Order revokes and replaces the previous Order of the Chief Justice dated November 28, 2000, regarding bond hearings. The provisions of this Order are effective immediately.

S/Jean Hofer Toal  
Jean Hofer Toal  
Chief Justice

September 19, 2007  
Columbia, South Carolina



## Richland County Council

### ADMINISTRATION AND FINANCE COMMITTEE

May 21, 2020 – 2:00 PM

Council Chambers

2020 Hampton Street, Columbia, SC 29204

COMMITTEE MEMBERS PRESENT: Joyce Dickerson, Chair; Bill Malinowski and Dalhi Myers

OTHERS PRESENT: Michelle Onley, Ashiya Myers, Angela Weathersby, Leonardo Brown, Chris Eversmann, Kimberly Williams-Roberts, Ashley Powell and Quinton Epps

1. **CALL TO ORDER** – Ms. Dickerson called the meeting to order at approximately 2:00 PM.
2. **APPROVAL OF MINUTES**
  - a. April 28, 2020 – Ms. D. Myers moved, seconded by Mr. Malinowski, to approve the minutes as distributed.

In Favor: Malinowski, Dickerson and Myers

The vote in favor was unanimous.

3. **ADOPTION OF AGENDA** – Ms. Dickerson stated staff requested that Item 4(c): “Contract Amendment – Walden Pond Feasibility Study” be removed from the agenda.

Ms. D. Myers moved, seconded by Mr. Malinowski, to adopt the agenda as amended.

In Favor: Malinowski, Dickerson and Myers

The vote in favor was unanimous.

4. **ITEMS FOR ACTION**
  - a. Bond Court Consolidation – City of Columbia and Richland County – Ms. D. Myers moved, seconded by Mr. Malinowski, for approval for the purpose of discussion.

Ms. D. Myers stated she believes the Legal Department had some questions because there were some legal issues the City of Columbia needed to resolve, and she requested clarification on those issues.

Ms. McLean responded that Brad was working on this item, but she has general knowledge about the issues. The issues we had were related to the agreement we would have to sign with the City, but she is not aware of any issues the City was having related to the Supreme Court Order.

Ms. D. Myers stated she does not think we have enough information on this item, and suggested the item be deferred.

Mr. Malinowski stated one of the items in bold print, under recommended action, is to reduce the cost of the City. It does not say anything about Richland County. The figures presented to us in this agenda packet are different than the ones provided in the previous committee agenda packet, which includes the salary figures, with FICA and retirement, of \$492,000 for seven part-time judges. Then later on in the briefing document it states the salary for seven part-time judges is \$53,000, so he would like clarification on which amount is correct. Also, as you go through the briefing document, it talks about the Sheriff's Department, the Solicitor, Magistrate, and the Detention Center are benefiting from the consolidation, but Richland County is getting no benefit. In the previous briefing document, there were additional considerations by Mr. Hayes, wherein he said, "There is concern about the fiscal impact being absorbed by the City, as well as incurring additional costs by the County." He inquired if there has been a change in the concern because it was not included in the updated briefing document.

Ms. D. Myers requested whoever is moving this item forward bring back information on what it costs us to host bond court, what the per head charge is, and what we pay our bond court judges, as opposed to the incremental increase. In terms of efficiencies, she does not doubt there are efficiencies to be realized. She just wants us to have a better idea of what we are recommending, in so far as helping Richland County. In tight budgetary times, we need more than just a recommendation because it is good for a municipality, or perceived to be good for the Detention Center.

Mr. Malinowski stated the updated briefing document says it is \$130.32 per defendant. The previous briefing document has a different amount.

Ms. D. Myers made a substitute motion, seconded by Mr. Malinowski, to defer this item until staff received the information requested by the committee.

In Favor: Malinowski, Dickerson and Myers

The vote in favor was unanimous.

- b. Harris Govern Master License and Services Agreement (MLSA) for new CAMA System – Mr. Malinowski inquired if this is the Assessor's equipment, which was spoken about previously.

Ms. Dickerson responded that is her understanding.

Ms. Powell stated this is the update to the CAMA System for the Assessor's Office.

Ms. D. Myers inquired if it was in a previous budget.

Ms. Powell responded that she briefed Council on this in a previous Executive Session.

Mr. Malinowski inquired if the support and maintenance cost is above and beyond the amounts we have previously approved.

Ms. Powell responded the total cost is \$1.5M for the replacement of the system. You may recall, in the previous Executive Sessions, she mentioned there was a request for additional funding to keep the current system moving until the time of implementation. That moved forward separate, and apart from what we are coming before the committee with today.

Mr. Malinowski stated, for clarification, is the support and maintenance for the new system or the old system.

Ms. Powell responded it is for the new system and is included in the total bottom line figure.

**Administration and Finance**

**May 21, 2020**

-2-