BILL GALVANO
President of the Senate

JOSE R. OLIVA
Speaker of the House

Joint Legislative Auditing Committee

Representative Jason Fischer, Chair
Senator Jeff Brandes, Vice Chair

Meeting Packet
Thursday, November 14, 2019
1:30 p.m. to 3:30 p.m.
306 House Office Building
(Mashburn Hall)

The Florida Legislature

COMMITTEE MEETING AGENDA

JOINT LEGISLATIVE AUDITING COMMITTEE

Representative Jason Fischer, Chair
Senator Jeff Brandes, Vice Chair

MEETING DATE: **Thursday, November 14, 2019**

TIME: **1:30 p.m. to 3:30 p.m.**

PLACE: **Mashburn Hall (306 House Office Building)**

MEMBERS:

Senator Dennis Baxley	**Representative Michael Caruso**
Senator Tom Lee	**Representative Chip LaMarca**
Senator Bill Montford	**Representative Sharon Pritchett**
Senator Kevin Rader	**Representative Bob Rommel**
	Representative Jackie Toledo
	Representative Patricia Williams

Consideration of a request for an Auditor General operational audit of the Belle Glade Housing Authority submitted by Representative Roth as Chair of the Palm Beach County Legislative Delegation

Consideration of a request for an Auditor General operational audit of the City of Gainesville submitted by Senator Perry and Representative Clemons

Consideration of a request for an Auditor General audit of the Florida Commission on Offender Review submitted by Senator Brandes

Consideration of the Committee's report required by the Transparency Florida Act, s. 215.985, F.S.

The Committee is expected to consider taking action against local governmental entities that have failed to file an annual financial report and/or annual financial audit (if required) in accordance with ss. 218.32(1) and 218.39, F.S.

The Committee is expected to consider taking action against local governmental entities that have failed to provide the Auditor General with significant items missing from audit reports submitted in accordance with s. 218.39, F.S.

Consideration of the Department of the Lottery's audit for the 2019-20 fiscal year

1 **Audit Request: Belle Glade Housing Authority**

PALM BEACH COUNTY LEGISLATIVE DELEGATION

301 NORTH OLIVE AVENUE
SUITE 701.6
WEST PALM BEACH, FL 33401
561/355-2406

October 14, 2019

Honorable Jason Fischer, Chairman
Joint Legislative Auditing Committee
876 Pepper Building
111 W. Madison Street
Tallahassee, FL 32399-1400

Dear Chairman Fischer,

I am submitting a request for an audit of the Belle Glade Housing Authority (BGHA) on behalf of the members of the Palm Beach County Legislative Delegation (Delegation). Palm Beach County Commissioner Melissa McKinlay spoke about alleged conditions at the BGHA operated facilities at our delegation meeting on October 3, 2019 in West Palm Beach, Florida. This request for an audit was unanimously approved by the Delegation.

The delegation subsequently received an official letter of request from Palm Beach County Mayor Mack Bernard and Commissioner Melissa McKinlay dated October 7, 2019. This letter is enclosed.

As Delegation Chair, I ask that an Operational Audit be conducted to determine any deficiencies of the Belle Glade Housing Authority in doing their part to ensure safe and sanitary housing conditions for their tenants in Belle Glade, some of which are the poorest and hardest working residents in Palm Beach County.

Respectfully,

Rick Roth
Chairman

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West Palm Beach, FL 33402-1989
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October 7, 2019

The Honorable Rick Roth
Florida House of Representatives
100 Village Square, Suite 104
Palm Beach Gardens, FL 33410

Dear Representative Roth:

As discussed at the Palm Beach County Legislative Delegation Public Hearing on October 4, please accept this letter to the Delegation as a formal request for a Joint Legislative Audit Committee audit of the Belle Glade Housing Authority (BGHA).

The Legislature authorized the creation of housing authorities under Chapter 421, F.S. Under this authority, the City of Belle Glade created the BGHA in 1947, and its city commission selects the Authority's Governing Board. This legislation provides the Joint Legislative Audit Committee the jurisdiction to audit housing authorities when necessary. The egregious conditions at the BGHA warrant such an investigation.

The BGHA operates two rural housing complexes, the Okeechobee Center and the Osceola Center. Their residents are among the poorest and hardest working in the County. At the end of June, the County learned of vast and serious health and public safety concerns at the Okeechobee Center ranging from mold covering walls causing respiratory issues, roaches and rodents infesting units, and broken pipes.

These concerns sparked immediate state and federal attention. The Florida Department of Health has nearly completed inspections for all of the Okeechobee Center's units and each of its reports has declared the conditions unsatisfactory. The United States Department of Agriculture, the mortgage holder and provider of rural housing vouchers to many of the residents, is also highly concerned and co-inspected the property alongside the Department of Health. The USDA has issued servicing letters to the BGHA to force it into a plan of action to improve the property as quickly as possible.

Senator Marco Rubio recognized the severity of the problems at the Okeechobee Center and similar rural housing properties throughout Florida. He included language in the FY 2020 Agriculture Appropriations bill that expressed the Senate Appropriations Committee's concern about "sanitary and safety deficiencies" in rental facilities participating in the USDA's Multi-Family Housing Program. His language seeks to speed up the remediation of such properties by requiring the USDA Secretary to submit a report to the

Committee regarding the "status and findings of all inspections within the last 5 years of properties that received financial assistance through the Multi-Family Housing Program." This language was favorably reported out of the Committee by a 31-0 vote.

We are appreciative of how well local, state, and federal authorities have worked together thus far to ensure the residents of the Okeechobee Center have the dignity of living in a safe environment. Through the Joint Legislative Audit Committee's scrutiny, the Legislature can help ensure the BGHA is held accountable to ensure this mismanagement never happens again.

Thank you again for your assistance in this important matter, and for all the Legislative Delegation does to represent the citizens of Palm Beach County.

Sincerely,

Mack Bernard
Mayor Mack Bernard
Palm Beach County Commission
District 7

Melissa McKinlay
Melissa McKinlay
Palm Beach County Commission
District 6

cc: Members, Palm Beach County Legislative Delegation
Members, Palm Beach County Commission
Victoria Nowlan, Executive Director, PBC Legislative Delegation
Rebecca DeLaRosa, Director, PBC Legislative Affairs

Enclosed: FL Dept. of Health Inspection Reports for Okeechobee Center
Palm Beach Post article, dated July 15, 2019

The Palm Beach Post
REAL NEWS STARTS HERE

Cockroaches, rat droppings, mold: Glade family's horrid living conditions

By Hannah Morse
Posted Jul 15, 2019 at 9:12 AM
Updated Jul 15, 2019 at 2:42 PM

U.S. Sens. Marco Rubio and Rick Scott urged the federal government to investigate conditions at the Okeechobee Center.

Concerns about unsanitary and potentially toxic living conditions in a public housing unit in Belle Glade has reached Washington, where Florida's two U.S. senators have now joined a campaign started by a Palm Beach County commissioner.

Mold and pests have driven a family of five — two 6-year-old girls, a 1-year-old boy and their parents — from their three-bedroom unit in rural Palm Beach County.

The 1-year-old boy was diagnosed with asthma, had a foreign object in his ear canal suspected to be a cockroach and had to have surgery to put tubes in his ears "because the mold in the house is so bad," said Commissioner Melissa McKinlay, who represents the western communities in District 6. One of the 6-year-old girls woke up one night to find a rat biting her toes.

The family's plight and the conditions in the rural public housing complexhas captured the attention of U.S. Sens. Marco Rubio and Rick Scott.

"Protecting Florida families living in low-income housing has been a top priority for me. I have taken on multiple slumlords throughout Florida in this struggle, and I am proud to stand with Sen. Rick Scott and local leaders in Palm Beach County to find a solution for the unacceptable living conditions at Okeechobee Center under the Belle Glade Housing Authority," Rubio said in an email statement.

Rubio and Scott wrote a joint letter to U.S. Department of Agriculture Secretary Sonny Perdue on Tuesday, calling the living conditions "very troubling" and asking Perdue to "investigate and remediate any problems in Belle Glade as soon as possible."

McKinlay has been working to rectify the situation since last month, when she learned about the family while asking about homeless student counts in the Glades area, and recently offered to use leftover campaign funds to buy new bedding for the children.

>>RELATED: A decade in the making, residents starting to buy from affordable housing stock

During a July 2 commission meeting, McKinlay had a warning for landlords.

"I just want this to serve as a heads up that we will be looking at all of the housing conditions in the Glades and coming down hard on landlords that are not treating their residents properly and allowing them to live in a safe and healthy environment," she said.

Julie Swindler, CEO of Families First of Palm Beach County, told The Palm Beach Post that the Belle Glade family had reached out to the organization this spring, but the problem had gone on since at least November.

"Our job is to work with those families and children to assist them so children are able to develop appropriately," Swindler said. "Where they've been living has not been conducive to the environment which these children need to live."

The Okeechobee Center and the Osceola Center are two public housing complexes run by the Belle Glade Housing Authority on behalf of the U.S. Department of Agriculture. Alan Sullivan, executive director of the Belle Glade Housing Authority, could not be reached for comment.

There are 400 units in the Okeechobee Center, where the Belle Glade family lived, and 314 units in the Osceola Center. More than half of the units were built in 1968, and the latest buildings were built in 1997.

"This family is extremely clean," Swindler said. "It was the home itself. It's in need of repair."

>>Palm Beach County in 2030: New western communities attract buyers — and raise traffic concerns

A 45-minute inspection by the state health department July 2 found eight violations, including live cockroaches and rat droppings, insufficient lighting, mold on the walls and ceiling of the kitchen, living room, three bedrooms and bathroom, and gaps between the air conditioning unit and air handler that allowed pests to get into the home.

According to a June letter McKinlay sent to Perdue, the U.S. agriculture secretary, management had provided pest removal services. The family could pay management $200 to remove the mold, the letter said, otherwise it is the family's responsibility to clean it.

"This is what some families are living in in this community," McKinlay told her fellow commissioners.

It's the "most egregious" case McKinlay has ever witnessed, she told The Post on Thursday, but it's far from uncommon.

Grand Lake Apartments in Belle Glade was ordered to make health and safety repairs in 2015 to prevent 200 residents from being forced to relocate. The complex terminated all their leases in August 2018 after damages sustained from Hurricane Irma. Days before Christmas in 2016, Belle Glade told 14 families to vacate their apartments after the building was deemed dangerous.

>>MORE: Families try to cope after ouster from apartments three days before Christmas

McKinlay raised concerns about the age and conditions of the Okeechobee and Osceola Centers in a letter sent to Rubio in February 2017, suggesting that project-based housing vouchers could help landlords keep up with maintenance or build new units.

The unit that the Belle Glade family is slated to move into, also in the Okeechobee Center, had problems of its own. A half-hour inspection on July 5 found seven violations including no running water or power, gaps in the air conditioning unit that could attract pests and lack of window screens.

A second inspection of the unit three days later still resulted in an "unsatisfactory" report because, although most infractions had been corrected, there was still no running water or power. Transferring utilities from one unit to another is the responsibility of the tenant, the facility manager told the health department inspector, according to the report.

Palm Beach County is "one of the most expensive places to live," Swindler said, with many residents not able to make a living wage. McKinlay said this latest example "absolutely" reaffirms the need for safe affordable housing in Palm Beach County.

"The Legislature must fully fund the Sadowski Trust Fund (the state's affordable housing trust fund). And Congress and the President must fund [the U.S. Department of Housing and Urban Development], [the Community Development Block Grant program] and the USDA housing programs and institute rules that would penalize providers that allow residents to live in these conditions," McKinlay told The Post in a text message.

The U.S. Department of Agriculture's Rural Development state director for Florida is expected to meet with McKinlay later this month to discuss public facilities and housing in the Glades area, which had been scheduled prior to these revelations.

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STAFF ANALYSIS

Date: November 8, 2019

Subject: Request for an Operational Audit of Housing Authority of The City of Belle Glade

Analyst	Coordinator
White DW	DuBose KD

I. Summary:

The Joint Legislative Auditing Committee (Committee) has received a request from Representative Rick Roth on behalf of the members of the Palm Beach County Legislative Delegation to have the Committee direct the Auditor General to conduct an operational audit of the Housing Authority of The City of Belle Glade (Authority) to determine any deficiencies of the Authority in doing its part to ensure safe and sanitary housing conditions for its tenants in Belle Glade.

II. Present Situation:

Current Law

Joint Rule 4.5(2) provides that the Legislative Auditing Committee may receive requests for audits and reviews from legislators and any audit request, petition for audit, or other matter for investigation directed or referred to it pursuant to general law. The Committee may make any appropriate disposition of such requests or referrals and shall, within a reasonable time, report to the requesting party the disposition of any audit request.

Joint Rule 4.5(1) provides that the Legislative Auditing Committee may direct the Auditor General or the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct an audit, review, or examination of any entity or record described in Section 11.45(2) or (3), *Florida Statutes*.

Section 11.45(3)(a), *Florida Statutes*, provides that the Auditor General may, pursuant to his or her own authority, or at the discretion of the Legislative Auditing Committee, conduct audits or other engagements as determined appropriate by the Auditor General of the accounts and records of any governmental entity created or established by law.

Section 11.45(2)(j), *Florida Statutes*, provides, in part, that the Auditor General shall conduct a follow-up to his or her audit report on a local governmental entity no later than 18 months after the release of the audit report to determine the local governmental entity's progress in addressing the findings and recommendations contained in the previous audit report.

Request for an Operational Audit of the Housing Authority of the City of Belle Glade

Representative Roth, on behalf of the members of the Palm Beach County Legislative Delegation, (Delegation), has requested the Committee to direct an operational audit of the Housing Authority of

The City of Belle Glade (Authority) to determine any deficiencies of the Authority in doing its part to ensure safe and sanitary housing conditions for its tenants in Belle Glade. At their meeting on October 3, 2019, the Delegation heard from a Palm Beach County Commissioner about alleged conditions at the Authority's operated facilities and unanimously approved the request for an audit of the Authority. Subsequently, the Delegation received an official letter from the Palm Beach County Mayor and the Palm Beach County Commissioner describing the health and public safety concerns at the Authority's facilities and requesting an operational audit of the Authority. This letter is attached to the Delegation's letter.

Background

The Housing Authority of The City of Belle Glade (Authority) [1] was created upon the adoption of City Resolution 623 by the City Commission of the City of Belle Glade on July 3, 1947, pursuant to Section 421.04, *Florida Statutes*, which declared that there was a shortage of safe or sanitary dwelling accommodations in the City available to persons of low income at rentals they could afford. The City of Belle Glade (City) is located in western Palm Beach County on the southeastern shore of Lake Okeechobee,[2] and has an estimated population of 17,979.[3]

The Authority, a dependent special district under Florida law, [4] is governed by a seven-member Board of Commissioners, which are appointed by the City Commission.[5] The Authority provides low income housing and related facilities to the Belle Glade area, which is defined by Chapter 421 to be the City of Belle Glade and the area within 5 miles of its territorial boundaries.[6] The Authority owns and operates two housing facilities, the Okeechobee Center with a total of 400 units[7] and the Osceola Center with a total of 314 units.[8] The Okeechobee Center is located in unincorporated Palm Beach County, and the Osceola Center is located within the City of Belle Glade.[9]

Concerns

As previously mentioned, the Palm Beach County Legislative Delegation received a letter from the Palm Beach County Mayor and a Palm Beach County Commissioner regarding concerns at the Authority's facilities. The letter stated that "[a]t the end of June, the County learned of vast and serious health and public safety concerns at the Okeechobee Center ranging from mold covering walls causing respiratory issues, roaches and rodents infesting units, and broken pipes. These concerns sparked immediate state

[1] Although required by Section 189.069(1)(b), *Florida Statutes*, the Authority neither has an official website nor, as of November 7, 2019, is its required information available on the website of the City of Belle Glade, the local general-purpose government upon which it is dependent.
[2] *Letter of Transmittal; City of Belle Glade, Florida; Comprehensive Annual Financial Report, For the Year Ended September 30, 2018*, page 2.
[3] University of Florida, College of Liberal Arts and Sciences, Bureau of Economic and Business Research, *Florida Estimates of Population by County and City 2019 (Table 1 only)*, page 11.
[4] *Official List of Special Districts Online*, Special District Accountability Program, Florida Department of Economic Opportunity.
[5] Note 1 to the Financial Statements, *Housing Authority of The City of Belle Glade, Florida Financial Statements with Independent Auditor's Report Thereon, September 30, 2018, and 2017*, page 15.
[6] *Id*.
[7] Individual, concrete-walled homes as reported by: Suzy Khimm, *Rats, roaches, mold: Under USDA's watch, some rural public housing is falling apart*, nbcnews.com, September 23, 2019.
[8] Hannah Morse, *Cockroaches, rat droppings, mold: Glade family's horrid living conditions*, The Palm Beach Post, July 15, 2019.
[9] Burton v. City of Belle Glade, 178 F.3d 1175, 1183 (11th Cir. 1999).

and federal attention. The Florida Department of Health has nearly completed inspections for all of the Okeechobee Center's units and each report has declared the conditions unsatisfactory." The letter further stated that U.S. Department of Agriculture (USDA) is also highly concerned and has issued servicing letters to force the Authority into a plan of action to improve the facilities as quickly as possible. The letter concludes by stating, "Through the Joint Legislative Auditing Committee's scrutiny, the Legislature can help ensure the [Authority] is held accountable to ensure this mismanagement never happens again."

Since mid-2019, there have been various news articles regarding the living conditions in the Authority's two housing facilities, in particular at the Okeechobee Center, as well as actions being taken by Federal, state, and local officials, including the following:

- "Concerns about unsanitary and potentially toxic living conditions in a public housing unit in Belle Glade has reached Washington, where Florida's two U.S. senators have now joined a campaign started by a Palm Beach County commissioner. Mold and pests have driven a family of five…from their three-bedroom unit…The 1-year-old boy was diagnosed with asthma, had a foreign object in his ear canal suspected to be a cockroach and had to have surgery to put tubes in his ears 'because the mold in the house is so bad,' said Commissioner…who represents the western communities in District 6. One of the 6-year-old girls woke up one night to find a rat biting her toes."[10] In addition, a "45-minute inspection by the state health department [on] July 2 [of the unit] found eight violations, including live cockroaches and rat droppings, insufficient lighting, mold on the walls and ceiling of the kitchen, living room, three bedrooms and bathroom, and gaps between the air conditioning unit and air handler that allowed pests to get into the home."[11]

- Senators Rubio and Scott "wrote a joint letter to U.S. Department of Agriculture Secretary Sonny Perdue…calling the living conditions 'very troubling' and asking Perdue to 'investigate and remediate any problems in Belle Glade as soon as possible.' "[12]

- In late July 2019, USDA officials met with the Authority's Executive Director and Board Chair to discuss a USDA letter given to the Authority, the purpose of which was to notify them of "some issues [USDA has] with their management of the facility and meeting certain guidelines to assure that the residents have a safe, sanitary environment to live in…the group discussed what the [Authority] needed to take care of immediately, like replacing…roofs on 40 of its units and leveling out foundations using fill dirt."[13] The Authority had until August 12th to respond to the letter.[14]

- USDA stated that "it followed all standard policies and procedures in Belle Glade, noting that the government had poured millions into the complex over the years to expand and rehabilitate the buildings. The property's owner has $3 million in reserves that it should have spent on repairs long ago."[15] The Authority submitted a written plan to USDA in mid-August "explaining how it was 'stepping up on our care of the property,' and is now waiting for a response. But the management

[10] Hannah Morse, *Cockroaches, rat droppings, mold: Glade family's horrid living conditions,* The Palm Beach Post, July 15, 2019.
[11] *Id*.
[12] *Id*.
[13] Hannah Morse, *Fed government steps in, tries to fix horrid conditions at Belle Glade public housing unit,* The Palm Beach Post, August 8, 2019.
[14] *Id*.
[15] Suzy Khimm, *Rats, roaches, mold: Under USDA's watch, some rural public housing is falling apart,* nbcnews.com, September 23, 2019.

also blames some of the most egregious health and safety violations on [the] tenants…[stating] that cultural difference have exacerbated the chronic mold and mildew…'they don't want to run the air conditioning.' "[16]

- In mid-October 2019, U.S. Representative Alcee Hastings wrote to the U.S. Department of Agriculture Secretary "expressing deep concern with the ongoing housing conditions present in the Okeechobee/Osceola Centers, insisting they are not safe…and urg[ing] immediate action from the USDA to ensure safe and sanitary housing for the residents."[17] His letter stated that "[i]t is my understanding that the USDA received complaints from residents, which led [USDA] to issue a notice of non-compliance on July 29, 2019 to the owner for sub-standard physical conditions, operations, and financial statements of which they responded in a letter dated August 13, 2019. Thus, I ask…the following questions:[18]
  - What is the date of the most recent inspections of the Okeechobee/Osceola Centers and what were the findings of those inspections?
  - Does the owner of the Okeechobee/Osceola Centers remain in non-compliance with the USDA's Rural Housing Program?
  - What is the USDA's plan on ensuring the owner's compliance to make these complexes livable and safe for its residents?"

Oversight

Section 381.0086, *Florida Statutes*, provides the Department of Health (DOH) with the authority to adopt rules necessary to protect the health and safety of migrant farmworkers and other migrant labor camp or residential migrant housing occupants. Section 381.0087, *Florida Statutes*, provides that DOH personnel may issue citations that contain an order of correction or an order to pay a fine, or both, for violations of Sections 381.008-381.00895, *Florida Statutes*. DOH adopted Rule 64E-14, *Florida Administrative Code*, which sets forth rules relating to migrant labor camps and residential migrant housing. The DOH Division of Environmental Health's Migrant Farmworker Housing Program (Program) works to protect the health and safety of the people living in migrant farmworker housing, and helps to reduce the number of migrant farmworkers exposed to unhealthy conditions where they live and work.[19] The 67 county health departments are utilized to accomplish Program responsibilities and ensure uniformity and continuity with Program rules and procedures by providing: (1) plan review and permitting, (2) pre-inspection and routine inspections, (3) investigations, (4) education, and (5) application of state laws and rules.[20]

The United States Department of Agriculture, Rural Development (USDA-RD), offer loans, grants and loan guarantees to help create jobs and support economic development and essential services such as housing, health care, first responder services and equipment, and water, electric and communications infrastructure in rural America.[21] To accomplish its goals, there are staff operating in 47 State Rural

[16] *Id*.
[17] *Alcee Hastings Calls on USDA to Ensure Belle Glade Centers are Safe and Sanitary*, Florida Daily, October 17, 2019.
[18] *Id*.
[19] Florida Department of Health, Environmental Health, website: http://www.floridahealth.gov/environmental-health/migrant-farmworker-housing/index.html (last visited November 7, 2019).
[20] *Id*.
[21] United States Department of Agriculture, Rural Development, website: https://www.rd.usda.gov/about-rd (last visited November 7, 2019).

Development offices, in addition to the National Office in Washington, D.C. and St. Louis, MO.[22] USDA-RD's Rural Housing Service offers a variety of programs to build or improve housing and essential community facilities in rural areas and offers loans, grants, and loan guarantees through single-family, multi-family, and community facilities programs.[23] The Multi-Family Housing Program - Farm Labor Housing Direct Loans & Grants Program provides affordable financing to develop housing for year-round and migrant or seasonal domestic farm laborers.[24] Program funds may be used for construction, improvement, repair and purchase of housing for domestic farm laborers is the primary objective of this program.[25] In prior years, the Authority borrowed funds through USDA-RD to finance certain housing construction, repairs, water and sewer system improvements, and other related costs and currently owes USDA-RD approximately $3 million relating to these funds.[26] Therefore, USDA-RD has certain oversight responsibilities related to the Authority and its facilities.

Committee staff contacted staff of the DOH Palm Beach County (county health department) and the USDA-RD's Florida office, located in Gainesville. Items discussed included: (1) status of inspections of the housing units at the Authority's facilities, (2) current actions being taken relating to the reported concerns, and (3) any anticipated action of these offices. During these discussions, staff and documentation provided by staff indicated the following:

- The Authority's facilities are deemed as residential migrant housing and are, therefore, inspected at least twice quarterly in accordance with Rule 64E-14.004(4), *Florida Administrative Code*.[27]
- Within the past few months, DOH Palm Beach County staff, with the assistance of USDA-RD staff for several days, completed inspections on all 400 units at the Okeechobee Center, with unsatisfactory conditions noted.[28] Violations observed during the inspections included:[29]
  (1) access roads with deep crater/depressions in road surface and parking area;
  (2) drainage issues such as potholes with standing water;
  (3) ingress/egress at front of many units is uneven, unpaved, and prone to flooding;
  (4) blocked/boarded windows, missing/damaged disability ramps, and an inoperable rear door;
  (5) mold on the walls and ceilings in many units;
  (6) evidence of infestations of rodents, roaches, and wasps in and around many units;
  (7) units with either no or non-working smoke detectors;
  (7) light fixtures not working; and
  (8) gaps between the air conditioning units and air handler that allowed pests to get into the units.
- Inspections on some units at the Osceola Center have also disclosed issues, including mold on the walls and ceilings, windows covered with metal mesh or bars preventing safe egress, and roach infestation.[30]

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[22] United States Department of Agriculture, Rural Development, website: https://www.rd.usda.gov/about-rd/offices (last visited November 7, 2019).
[23] United States Department of Agriculture, Rural Development, website: https://www.rd.usda.gov/about-rd/agencies/rural-housing-service (last visited November 7, 2019).
[24] United States Department of Agriculture, Rural Development, website: https://www.rd.usda.gov/programs-services/farm-labor-housing-direct-loans-grants (last visited November 7, 2019).
[25] *Id*.
[26] *Management's Discussion and Analysis; Housing Authority of The City of Belle Glade, Florida Financial Statements with Independent Auditor's Report Thereon, September 30, 2018, and 2017*, page 8.
[27] Telephone conversations with Florida Department of Health Palm Beach County staff on October 30, 2019.
[28] *Id*.
[29] Department of Health, Migrant Labor Camp Residential Migrant Housing Inspection Reports (on file in Committee Office).
[30] *Id*.

- A lot of the buildings were built in the 1960s, and many are beyond the point where repairs will rectify the issues for more than a temporary time period. They really need to be demolished and rebuilt.[31]
- There have been management, as well as tenant education, challenges that have complicated the issues occurring at the Authority's facilities. One example is the utilization of air conditioning during Florida's warm weather months. If not utilized, mold and mildew growth in buildings tend to increase exponentially. However, a number of the Authority's tenants are from areas where air conditioning is not routinely used, if at all, and, despite the Authority's efforts, certain tenants do not regularly use it.[32]
- As previously mentioned, USDA-RD issued a servicing letter[33] to the Authority in late July 2019 relating to concerns at the Authority's facilities, and the Authority provided its response to USDA-RD regarding such in mid-August 2019. A second servicing letter to the Authority was just issued, and, upon receipt, the Authority has 15 days to provide its response to USDA-RD. Items being addressed include:
  - Use of bond reserve funds: USDA-RD has authorized the Authority to use these funds to make needed repairs and renovations to 40 vacant units so that tenants currently in units with the most egregious conditions can be relocated into them, and then repairs can begin on those housing units.[34]
  - Management of the Authority's facilities: USDA-RD staff are working with the Authority to contract with a third-party property management company that has experience in managing these types of housing facilities to take over the day-to-day management of the Authority's facilities. This is anticipated to take place by December 1, 2019.[35]
- As previously mentioned, the Authority currently owes USDA-RD approximately $3 million relating to funds borrowed through USDA-RD to finance housing construction, repairs, water and sewer system improvements, and other related costs in prior years.[36] While USDA-RD does have the authority to foreclose on the Authority's property, this is not considered optimal because it could ultimately result in displacement of the tenants. Also, USDA-RD has oversight authority relating to the facilities as long as the Authority has outstanding debt financed through it.[37]

Financial Audit

Section 421.091(1), *Florida Statutes*, provides that a complete and full financial accounting and audit in accordance with federal audit standards of public housing agencies shall be made biennially by a certified public accountant and submitted to the Federal Government in accordance with its policies. The Authority's most recent financial audit report available is for the 2017-18 fiscal year and did not include any audit findings. In addition, the audit report stated that there were no audit findings or recommendations in the prior year that required corrective action.

Summary of Certain Financial Information Included in the Authority's Audit Report:

[31] Telephone conversations with USDA staff on November 5, 6, and 8, 2019.
[32] *Id*.
[33] Per USDA staff, servicing letters are confidential between USDA and the recipient; therefore, Committee staff did not have access to the servicing letters to the Authority.
[34] *See supra* note 31.
[35] *Id*.
[36] *See supra* note *26.*
[37] *See supra* note 31.

- "The Authority had operating revenues of $2,839,831 in 2018, and $2,874,668 in 2017, and an average occupancy rate of 96% and 95% respectively. Of the Authority's 713 rental units, 691 and 681 were occupied at the year-end respectively."[38]
- "The Authority's net investment in capital assets decreased by $276,651; restricted net position decreased by $237,192; and unrestricted net position increased by $97,227."[39]
- "At September 30, 2018, the Authority had a total of $2,908,000 in bonds outstanding versus $3,091,000 in the prior year."[40]
- "Future Plans…In July of 2016 the USDA/RD performed a physical inspection of the Authority's property. RD had concerns about the condition of the oldest units in the Authority's housing inventory due to their age. It was agreed that the Authority would contract with an outside inspection company to perform a 'Capital Needs Assessment' to report on the condition of each set of units according to their construction period. The Authority contracted with Zeffert & Associates to perform the CNA and the report was completed and submitted to the USDA/RD. Management is awaiting the response from the USDA/R[D] but has increased their budget for 'Repairs and Maintenance of Buildings' and contracted to replace 45 Roofs in Fiscal Years 2018 and 2019 in order to continue to get ahead of the rehabilitation efforts."[41]
- "The Authority replaced forty-five roofs totaling $308,888."[42]
- The Authority has 713 housing units and had a 96 percent occupancy rate for the fiscal year.[43]

Other Considerations

The Auditor General, if directed by the Committee, will conduct an operational audit as defined in Section 11.45(1)(g), *Florida Statutes*, and take steps to avoid duplicating the work efforts of other audits being performed of the Authority's operations, such as the financial audit. The primary focus of a financial audit is to examine the financial statements in order to provide reasonable assurance about whether they are fairly presented in all material respects. The focus of an operational audit is to evaluate management's performance in establishing and maintaining internal controls and administering assigned responsibilities in accordance with laws, rules, regulations, contracts, grant agreements, and other guidelines. Also, in accordance with Section 11.45 (2)(j), *Florida Statutes*, the Auditor General will be required to conduct an 18-month follow-up audit to determine the Authority's progress in addressing the findings and recommendations contained within the previous audit report.

The Auditor General has no enforcement authority. If fraud is suspected, the Auditor General may be required by professional standards to report it to those charged with the Authority's governance and also to appropriate law enforcement authorities. Audit reports released by the Auditor General are routinely filed with law enforcement authorities. Implementation of corrective action to address any audit findings is the responsibility of the Authority's governing board and management, as well as the citizens living within the boundaries of the Authority. Alternately, any audit findings that are not corrected after three successive audits are required to be reported to the Committee by the Auditor General, and a process is provided in Section 218.39(8), *Florida Statutes*, for the Committee's involvement. First, the Authority may be required to provide a written statement explaining why corrective action has not been taken and to provide details of any corrective action that is anticipated. If the statement is not determined to be

[38] *See supra* note *26*, page 4.
[39] *Id*.
[40] *Id.*, page 7.
[41] *Id.*, page 8.
[42] *Id.*, page 4.
[43] *Other Supplemental Schedules – Schedule of Rental Information; Housing Authority of The City of Belle Glade, Florida, Financial Statements with Independent Auditor's Report Thereon, September 30, 2018, and 2017*, page 46.

sufficient, the Committee may request the Chair of the Authority's governing body to appear before the Committee. Ultimately, if it is determined that there is no justifiable reason for not taking corrective action, the Committee may direct the Department of Economic Opportunity to proceed pursuant to the provisions specified in Sections 189.062 [inactive status] or 189.067 [court enforcement], *Florida Statutes*.

III. Effect of Proposed Request and Committee Staff Recommendation

If the Committee directs the Auditor General to perform an operational audit of issues relating to the Housing Authority of the City of Belle Glade, the Auditor General, pursuant to the authority provided in Section 11.45(3), *Florida Statutes*, should focus on the Authority's administration and management of its facilities. The Auditor General shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Representative Roth, on behalf of the Palm Beach County Legislative Delegation, as included in his request letter are considered.

IV. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

If the Committee directs the audit, the Auditor General will absorb the audit costs within her approved operating budget.

V. Related Issues:

None.

This staff analysis does not reflect the intent or official position of the requestor.

2 Audit Request: City of Gainesville

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR KEITH PERRY
8th District

COMMITTEES:
Criminal Justice, *Chair*
Infrastructure and Security, *Vice Chair*
Appropriations Subcommittee on Criminal and Civil Justice
Appropriations Subcommittee on Transportation, Tourism, and Economic Development
Banking and Insurance
Education

JOINT COMMITTEE:
Joint Administrative Procedures Committee

October 24, 2019

The Honorable Jason Fischer, Chairman
Joint Legislative Auditing Committee
324 Senate Office Building
404 South Monroe St.
Tallahassee, FL 32399-1100

Dear Chairman Fischer,

I, along with Representative Chuck Clemons, respectfully request that the Joint Legislative Auditing Committee direct the Auditor General to conduct a comprehensive and in-depth audit of the operational practices and managerial oversight of the City of Gainesville.

Representative Clemons and I have heard from multiple constituents who are concerned with the city's deteriorating financial health under the supervision of the City Commission. Our constituents believe that apparent misuses of funds, inadequate financial planning and internal controls, increasingly frequent restructuring of bonds and interest rate swaps (including a vaguely defined $1.55 billion restructuring approved by the City Commission October 17), and a lack of financial transaction transparency collectively warrant an audit by the State of Florida.

First, our constituents are concerned with the firing of former Gainesville Auditor Carlos Holt following several of his audits over an extended period of time highlighted Gainesville's lack of standard accounting practices and oversight. They point to an uncompleted 2018-2019 audit plan and the failure of the Commission to approve a 2019-2020 audit plan following audits performed by Mr. Holt, including: a 2017 audit into the City of Gainesville Parks, Recreation and Cultural Affairs Department's credit card use oversight; a 2017 audit into insufficient security and reporting at Gainesville's Regional Transit System; as well as the alarming findings by Gainesville's external auditor Purvis Gray regarding the 2019 Gainesville Comprehensive Audit Financial Report.

Secondly, our constituents are concerned with Gainesville Regional Utility's (GRU) lack of financial transparency and stability. As a result of a 2018 referendum, the City of Gainesville remains in charge of GRU. In 2019, the Gainesville City Commission identified a "budget crisis" and authorized GRU to restructure older bonds and issue newer bonds, which raised

REPLY TO:
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☐ Marion County Board of Commissioners, 115 SE 25th Avenue, Ocala, Florida 34471 (352) 732-1249
☐ Putnam County Government Complex, 2509 Crill Avenue, Palatka, Florida 32177
☐ 316 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5008

Senate's Website: *www.flsenate.gov*

BILL GALVANO
President of the Senate

DAVID SIMMONS
President Pro Tempore

Gainesville's 30-year debt service from $1.6 billion to $1.7 billion. The financial consequences of these decisions have forced GRU to repeatedly increase rates and have frozen the level of GRU's cash transfers to the City's General Fund, resulting in FY2020 property tax millage rate increases of more than 15 percent. We have also received complaints about GRU compounding the Local Utility Tax with the State Gross Receipts Tax.

Additionally, GRU spent $10,000 in the midst of the "budget crisis" on a guest speaker for an annual fundraiser that is meant to benefit academic scholarships for Gainesville students. The hiring of guest speaker Andrew Gillum garnered media scrutiny due to his endorsement of Mayor Lauren Poe mere months before the fundraiser. Following the outcry, the funds were donated to a charity of the City Commission and GRU's choosing; however, there was no follow-up to determine if these funds were distributed correctly.

In addition, following the departure of two City Finance Directors, the public's access to the annual financial reports prepared by the external auditors have been significantly delayed for two consecutive years. In order to reconcile the City's financial records in 2018, the interim City Manager, without informing the City Auditor, contracted for financial statement reconciliation services with the same accounting firm the City Auditor had hired to perform the city's FY2018 audit. Following these irregularities, the City's FY2018 Comprehensive Annual Financial Report was delivered to the Auditor General significantly past the statutory deadline of June 30.

Residents have expressed severe frustration over bearing the financial responsibility of correcting the city's perceived missteps. It is our duty to ensure our constituents are safeguarded from the dangers of government overreach, and we intend to use every tool available to represent the best interests of Gainesville residents. It is our hope that an independent audit will provide the City of Gainesville with the solutions needed to restore the financial integrity of our community.

Attached you will find letters of concern and supporting documents from our constituents. We appreciate your support in this matter.

Sincerely,

W. Keith Perry

Senator Keith Perry

Chuck Clemons

Representative Chuck Clemons

cc: The Honorable Jeff Brandes, Alternating Chairman
Kathy Dubose, Joint Legislative Auditing Committee

STAFF ANALYSIS

Date: November 12, 2019

Subject: Request for an Operational Audit of the City of Gainesville

Analyst	Coordinator
DuBose KD	DuBose KD

I. Summary:

The Joint Legislative Auditing Committee (Committee) has received a request from Senator Keith Perry and Representative Chuck Clemons to have the Committee direct the Auditor General to conduct a comprehensive and in-depth audit of the operational practices and managerial oversight of the City of Gainesville (City).

II. Present Situation:

Current Law

Joint Rule 4.5(2) provides that the Legislative Auditing Committee may receive requests for audits and reviews from legislators and any audit request, petition for audit, or other matter for investigation directed or referred to it pursuant to general law. The Committee may make any appropriate disposition of such requests or referrals and shall, within a reasonable time, report to the requesting party the disposition of any audit request.

Joint Rule 4.5(1) provides that the Legislative Auditing Committee may direct the Auditor General or the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct an audit, review, or examination of any entity or record described in Section 11.45(2) or (3), *Florida Statutes*.

Section 11.45(3)(a), *Florida Statutes*, provides that the Auditor General may, pursuant to his or her own authority, or at the discretion of the Legislative Auditing Committee, conduct audits or other engagements as determined appropriate by the Auditor General of the accounts and records of any governmental entity created or established by law.

Section 11.45(2)(j), *Florida Statutes*, provides, in part, that the Auditor General shall conduct a follow-up to his or her audit report on a local governmental entity no later than 18 months after the release of the audit report to determine the local governmental entity's progress in addressing the findings and recommendations contained in the previous audit report.

Request for an Operational Audit of the City

Senator Perry and Representative Clemons have requested the Committee to direct the Auditor General to conduct a comprehensive and in-depth audit of the operational practices and managerial oversight of the City. Of the types of audits the Auditor General is authorized to conduct, in accordance with Section

11.45(1), *Florida Statutes*, an operational audit most closely aligns with this request. As stated by Senator Perry and Representative Clemons, they have heard from "multiple constituents who are concerned with the [C]ity's deteriorating financial health under the supervision of the City Commission. Our constituents believe that apparent misuses of funds, inadequate financial planning and internal controls, increasingly frequent restructuring of bonds and interest rate swaps (including a vaguely defined $1.55 billion restructuring approved by the City Commission October 17), and a lack of financial transaction transparency collectively warrant an audit by the State of Florida."[1]

Specific concerns, listed in the request letter, that have been raised by the constituents include:

- The firing of the City's internal auditor after his office released several audits over an extended period of time that highlighted the City's lack of standard accounting practices and oversight.
- The Gainesville Regional Utility's (GRU) lack of financial transparency and stability.
    - Bond restructuring of older bonds that has allegedly resulted in utility rate increases and property tax millage rate increases.
    - The payment of $10,000 to a guest speaker for an annual fundraiser intended to benefit academic scholarships for Gainesville students.
- Issues and delays related to the City's annual financial reports.

Background

The City of Gainesville was established in 1854, incorporated in 1869, and adopted its current charter in 1927.[2] [3] It is located in Alachua County and has an estimated population of 133,068.[4]

The City operates under the commission/manager form of government.[5] The City's charter provides for a variable number of commissioners, based on the population.[6] When the City has a population of 110,000 or over, as it does now, the charter provides for a seven-member commission to hold the legislative power of the City.[7] This includes a Mayor, elected at large, and six other Commission members, four of whom are elected by the voters of each of four districts and two of whom are elected at large.[8] Each currently serve a three-year term.[9] The Commission appoints six charter officers who are each vested with the authority to administer the assigned duties of their respective offices, including the employment and removal of all subordinate employees of their respective offices. The charter officers are the City Manager, City Attorney, Clerk of the Commission, City Internal Auditor, General Manager for Utilities and Equal Opportunity Director.[10] The City provides services to its residents, including

[1] Letter from Senator Perry and Representative Clemons to Committee Chairman Jason Fischer (October 24, 2019) (on file in Committee Office).
[2] *Letter of Transmittal, City of Gainesville, Florida, Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018*, page vi.
[3] Chapter 12760, *Special Acts of the 1927 Legislature.*
[4] University of Florida, College of Liberal Arts and Sciences, Bureau of Economic and Business Research, *Florida Estimates of Population by County and City 2019 (Table 1 only)* available at https://www.bebr.ufl.edu/population/data (last visited November 12, 2019).
[5] *See supra* note 2.
[6] Charter of the City of Gainesville, as created by Chapter 12760, *Laws of Florida, 1927*, and as amended by Chapter 90-394, *Laws of Florida, 1990* available at: https://library.municode.com/fl/gainesville/codes/code_of_ordinances?nodeId=PTICHLA (last visited November 10, 2019).
[7] *Id.*
[8] *Id.*
[9] *Id.*
[10] *Id.*

police and fire protection, community development, streets, recreation, parks, cultural affairs, and other general government activities.[11] It also operates transit, stormwater, golf course, building code enforcement, solid waste, water, wastewater, natural gas distribution, telecommunications, and electric utility enterprises.[12]

Concerns Listed in the Audit Request Letter

City Internal Auditor

The City Internal Auditor (City Auditor) was fired by the City Commission in June 2019.[13] While it is the prerogative of the Commission to hire and fire employees in this position, this situation was controversial for several reasons. Some of these reasons are described below.

The City Auditor had issued some reports that showed a lack of oversight with City programs.[14] Most recently, his office released an audit on the Reichert House Youth Academy (program).[15] The program, overseen by the Police Chief and the City's Police Department, "serves more than 120 at-risk youth annually and aims to assist predominately black adolescents into adulthood through military-like structure and lessons."[16] The audit found that the 31-year-old program had a lack of standard business processes, a lack of transparency, grants being obtained and managed outside the City's oversight, inaccurate and inadequate procedures for performance metrics, and poorly documented purchases."[17] The City Auditor stated that "he had no assurance that funds are fully being spent on the program and detailed a long list of concerns."[18] Although he stated "[i]t's all fixable, [t]here's nothing in this report that isn't fixable in two months," the report was not well received by program volunteers and employees in attendance when it was presented to the City Commission.[19] The City Commission approved a motion to accept the audit report; however, two Commissioners voted against it.[20] The then Interim City Manager requested that the "audit be reviewed and completed by a third party due to multiple interactions between [the City Auditor] and the Gainesville Police Department over the last few months."[21] During public comments, citizens supported the third-party review of the audit and asked for the dismissal of the City Auditor.[22]

Before he was fired, the City Auditor's attorney sent a letter to the City Commission that claimed a pattern of discrimination and retaliation against the City Auditor because of the audit of the program, described above.[23] This included the leak of a confidential police investigation report that contained

[11] Note 1(A) to the Financial Statements; *City of Gainesville, Florida, Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018*, page 31.
[12] *Id.*
[13] City of Gainesville, Minutes - Final June 6, 2019, City Commission, page 13.
[14] Letter from Donald Fields, Ph.D. to the Joint Legislative Auditing Committee (8/20/2019) (on file in Committee Office).
[15] The audit report is available at: https://www.cityofgainesville.org/Portals/0/auditor/AuditReports/Audit%20of%20the%20City%20of%20Gainesville%E2%80%99s%20Reichert%20House%20Youth%20Academy%20%E2%80%93%20Governance,%20Financial%20Processes,%20and%20Performance%20Metrics%20-%20Part%20A.pdf (last visited November 10, 2019).
[16] Andrew Caplan, *City leaders dispute Reichert House audi*t, The Gainesville Sun, April 18, 2019.
[17] *See supra* note 15, page 3.
[18] *Id.*
[19] *Id.*
[20] Josephine Fuller, *Gainesville City Commissioners Accept Reichert House Audit Despite Controversy*, www.WUFT.org, April 19, 2019.
[21] *Id.*
[22] *Id.*
[23] Josh Kimble and Landon Harrar, *Gainesville City Commission votes to fire city auditor without cause*, WCJB.com, June 6, 2019.

sensitive personal information related to the City Auditor and his family.[24] Reportedly, the City Auditor contacted the City Commission and indicated that it would be best for both parties if he left employment and then, several weeks later, the City acted to terminate him.[25] A former Mayor stated "it's a bad look for the city who he believes 'fired the messenger' who was doing his job to reveal money mismanagement within city programs."[26]

After he was fired, the City Auditor filed a complaint with the City's Police Department regarding the release of investigative reports about the City Auditor and his family members.[27] These reports, which included health and mental health treatment and related personal information, were available to only a small number of City officials and staff; however, the complaint alleged that someone mailed these reports to a reporter, certain Alachua County and City employees, and others.[28]

Gainesville Regional Utilities (GRU)

GRU is the City's municipal utility, and it operates electric, water, wastewater, natural gas, and telecommunications systems.[29] It issues its own independent audit report and is reported as an enterprise fund in the City's annual financial audit report.[30] Selected information included in GRU's 2017-18 fiscal year audit report follows:

- Each year, GRU transfers funds to the City's General Fund.[31] During the 2017-18 and 2016-17 fiscal years, the amount transferred was $36.4 million and $35.8 million, respectively.[32] The transfers, made monthly, are based on a pre-defined formula that is predominately tied to the revenues generated.[33] However, the funds may only be transferred to the extent they are not necessary to pay operating and maintenance expenses, debt service on outstanding bonds and subordinated debt or to make other necessary transfers under the Utilities System Revenue Bond Resolution.[34]

[24] Jennifer Cabrera, *The events leading to Holt's firing require an investigation,* Alachua Chronicle, June 18, 2019. This article provides an overview of events related to the firing of the Auditor including: (1) the leaked police report was related to a domestic abuse allegations in 2018; (2) no information was presented to contradict the findings in the program's audit; (3) a confidential draft version of the program's audit was provided by a City employee to a member of the public, causing the Auditor to release the final report sooner than planned; (4) the City Auditor was prepared to file a complaint with the Gainesville Office of Equal Opportunity and his attorney offered to discuss a settlement with the City to include two years of pay and specified leave payments; (4) the Auditor was fired without cause and eligible for up to 20 weeks of severance pay; and (5) after the termination vote, some Commissioners questioned the City's failure to address the leak of the sensitive information.

[25] *See supra* note 23.

[26] *Id*.

[27] Jennifer Cabrera, *Former City Auditor files complaint with GPD,* Alachua Chronicle, July 11, 2019.

[28] *Id.*

[29] M*anagement's Discussion and Analysis; Financial Statements and Independent Auditors' Report - Gainesville Regional Utilities, Gainesville, Florida, September 30, 2018 and 2017,* page 4.

[30] The most recent audit report is available at: https://www.gru.com/Portals/0/Audited%20financial%20statement_Final%202018.pdf (last visited November 10, 2019).

[31] This is common among Florida municipalities that operate utilities. The General Fund is the chief operating fund of the City.

[32] Note 12 to the Financial Statements; *Financial Statements and Independent Auditors' Report - Gainesville Regional Utilities, Gainesville, Florida, September 30, 2018 and 2017,* page 54.

[33] *Id.*

[34] *Id.* The full name of the resolution is provided on page 18.

- Long-term debt increased by $696.9 million, or 75%, in the 2017-18 fiscal year.[35] This was due to the issuance of utilities system revenue bonds and tax-exempt commercial paper notes.[36] During the prior year long-term debt decreased $18.1 million or 1.6%.[37]
- The auditors reported no findings.[38]

GRU's General Manager issued a white paper in early 2019 titled "GRU at a Crossroads – How we got here and what path to take" in response to a discussion at a January City Commission meeting regarding GRU's financial issues.[39] Some of his comments and observations include:

- GRU is entering its 107th year of operation and has grown to be the fifth largest municipal utility in Florida.[40]
- Every three to five years representatives of GRU and the City's General Government (GG) meet to discuss their organizational needs, expectations, and limitations.[41] The goal is to collaborate on a Memorandum of Understanding that lays out an annual payment structure for the transfer of funds from GRU to GG.[42]
- In the ten years before the 2017-18 fiscal year, GRU had more funds than required for the transfer to GG in five years and did not have sufficient funds to make the full transfer during the remaining five years.[43]
- GRU is projecting an annual shortfall of between $6 million and $12 million a year.[44]
- There has been less demand for the utility's services due to newer appliances, more efficient homes, conservation efforts, and other reasons.[45] In prior years, the City spent considerable funds on conservation programs that actively encouraged/promoted and paid for customers to use less of its products. Other programs and the economy also effected GRU's revenues.[46]
- GRU's operating costs are rising due to inflation; costs outside of employee salaries, such as chemicals and supplies, are largely outside of its control.[47]
- GRU's debt more than doubled between the 1999-2000 and 2012-13 fiscal years.[48] In 2012, the debt was restructured which substantially reduced debt payments for nine years in exchange for increasing them for over 20 years.[49]
- He refers to two "ill-fated electric business decisions."[50] These contracts related to the purchase of solar and biomass power.[51]

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[35] M*anagement's Discussion and Analysis; Financial Statements and Independent Auditors' Report - Gainesville Regional Utilities, Gainesville, Florida, September 30, 2018 and 2017,* page 7.
[36] *Id.*
[37] *Id*.
[38] *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; Financial Statements and Independent Auditors' Report - Gainesville Regional Utilities, Gainesville, Florida, September 30, 2018 and 2017*, page 94.
[39] The white paper is available at: https://www.gru.com/Portals/0/GRU%20Crossroads_white%20paper.pdf (last visited November 10, 2019).
[40] *Id*., page 3.
[41] *Id.*
[42] Specifically, the transfer is to the City's General Fund, as mentioned previously.
[43] *See supra* note 39, pages 3-4.
[44] *Id.*, page 4.
[45] *Id.*, page 5.
[46] *Id.*, pages 5-6.
[47] *Id.*, page 7.
[48] *Id.*
[49] *Id.*, page 8.
[50] *Id*.
[51] *Id.*

- Most of the mitigation strategies used since 2012 have not been successful in addressing the current financial difficulties.[52]
- GRU's budget is approximately $420 million; its debt service payments have increased from $25 to $98 million per year since 2004.[53]

In February and March 2019, the City Commission approved three bond issues for GRU, totaling $248 million.[54] After using some of the new bonds to retire existing bond debt, GRU's debt will increase by about $114 million to a total of $1.7 billion.[55] The vote on the third bond issue in March occurred a week after one of the three nationally recognized rating agencies downgraded GRU by one notch, citing its "high leverage" of existing debt.[56]

Citizens have expressed concerns about the impact the decisions and practices of the City Commission and GRU will have on their utility bills and ad valorem taxes. The City Commission approved an increase in the City's millage rate, effective for the 2019-20 fiscal year, of .5500 mills to 5.2974.[57] [58]

Brighter Tomorrow Scholarship Banquet

Questions have been raised related to the public purpose of at least certain funds provided by GRU as the sponsor of the Brighter Tomorrow Scholarship Banquet (banquet). This event "is billed as a fundraiser to give scholarships to students from underrepresented demographics."[59] Reportedly, the purpose of the banquet is to attract some of the students to work for GRU when they graduate; however, none of the 31 scholarship recipients to date have been employed by GRU.[60]

Some of the reported issues include:

- The payment of a $10,000 honorarium to Andrew Gillum for speaking at the 2019 banquet.[61] This occurred months after he had endorsed the Mayor in his reelection[62] and at a time when "[C]ity officials [were] discussing rate increases and looking to cut $12 million from [GRU's] budget."[63]
- Questionable records were provided to support banquet expenses; however, it appears that approximately $35,000 was absorbed by GRU to cover the cost of the banquet.[64]
- The list of Sponsor and Supporter donors included many contractors who do business with the City or GRU, and it appeared to some to be a "Pay to Play," "Shakedown," or "quid pro quo" list.[65]
- Inconsistencies in who was required to pay for their ticket to the banquet, including City and GRU employees and their guests.[66]

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[52] *Id.*, pages 10-11.
[53] *Id.*, page 13.
[54] Andrew Caplan, *Gainesville to restructure, increase debt despite rating dip*, The Gainesville Sun, March 21, 2019.
[55] *Id.*
[56] *Id.*
[57] Andrew Caplan, *City approves property tax hike*, The Gainesville Sun, July 18, 2019.
[58] *City Manager's Approved Financial & Operating Plan*, City of Gainesville, Florida for Fiscal Years 2020-2021, page 5, available at: https://www.cityofgainesville.org/Portals/0/bf/FinalBudget2020.pdf.
[59] Letter and enclosures from Jo Lee R. Beaty, Gainesville resident, to Senator Perry (October 16, 2019) (on file in Committee Office).
[60] *Id.* Reportedly, the event has occurred annually since 2009.
[61] *Id.*
[62] Drew Wilson, *Andrew Gillum endorses Lauren Poe for Gainesville Mayor*, FLORIDA POLITICS, January 30, 2019.
[63] Andrew Caplan, *Gillum banquet appearance stirs debate over use of funds*, The Gainesville Sun, April 6, 2019.
[64] *See supra* note 59.
[65] *Id.*
[66] *Id.*

Timeliness of Financial Reporting

Citizens have concerns regarding a significant delay in the public's access to the annual financial reports prepared by the City's external audit firm for the past two years, following the departure of two Finance Directors.[67] Committee records show that the City submitted its annual financial audit report to the Auditor General for the 2004-05 through the 2015-16 fiscal years in either late March or early April following the fiscal year end, which was at least several months before the deadline provided in law.[68] [69] The City submitted the two most recent audit reports, for the 2016-17 and 2017-18 fiscal years, to the Auditor General in mid-June and late-July, respectively. Although these dates were later than the City's typical submission date, only the most recent audit report was submitted after the statutory deadline of June 30th. The Committee has the authority to enforce sanctions against municipalities, and other local governmental entities, when required financial reports have not been submitted. However, there is no penalty provided in law for late-filed reports, if the report(s) are submitted before the Committee takes action at a publicly-noticed meeting. The Committee is expected to take action against entities that have not filed the most recently due reports, for the 2017-18 fiscal year, at its November 14, 2019 meeting.

At times, delays in the submission of an audit report may be due to issues outside of a local government's control, such as staffing or workload issues with the external audit firm. However, for the most recent audit report submitted, correspondence provided to the Committee staff indicated that the City's lack of preparedness for the audit caused delays for the audit firm, required a revised schedule, and may have resulted in additional fees.[70] The Audit Partner stated that they "lost approximately 9 staff weeks due to lack of City's preparedness."[71]

The City's contract with its external audit firm for the 2017-18 fiscal year audit was initially forecasted to be at an all-inclusive price of $95,600; however, the audit firm subsequently requested a contract amendment due to unforeseen conditions that required substantial additional work effort.[72] The City Commission at its June 6, 2019 meeting approved this request, for a fixed-fee of $148,600.[73]

In addition to these recent delays and the increased work required of the audit firm, the number and type of findings reported in the most recent audit report, listed on pages 10-11, appear to indicate difficulties in the City's Finance Department.

Other Concerns Provided by Citizens to Senator Perry and/or Representative Clemons

Contract Management

There is concern that either the City does not have effective procedures in place for its contracts or that it does not monitor or enforce the terms and conditions that are included in its contracts.[74] Furthermore,

[67] *See supra* note 1.
[68] Section 218.39(1), *Florida Statutes*, specifies the deadline for local governmental entities to submit required annual financial audit reports to the Auditor General. Since October 1, 2011, the deadline has been no later than 9 months after the end of the fiscal year. Prior to this date, the deadline was no later than 12 months after the end of the fiscal year. All municipalities have a fiscal year ending on September 30th; therefore audit reports are now due no later than June 30th of the following year.
[69] Committee Database screenshots are available by contacting the Committee's Office.
[70] Email from Barbara Boyd, CPA Partner Purvis Gray & Company, LLP, to Carlos Holt, City Auditor, (January 29, 2019) (on file in Committee Office).
[71] *Id.*
[72] https://gainesville.legistar.com/LegislationDetail.aspx?ID=3954904&GUID=4557E826-C8FB-4BAD-B510-3561FA5F32BE&Options=&Search= (last visited November 9, 2019).
[73] *Id.* The contract amount increased by $53,000 (55%).
[74] *See supra* note 59.

there is a belief that contracts are not managed to protect the public interest.[75] A contract the City had with a non-profit organization, now known as Peaceful Paths, Inc.,[76] was provided as an example.

Peaceful Paths, Inc.
This organization provides emergency shelter and other services for domestic violence victims.[77] Several decades ago it leased a home located on City-owned property near one of the City's water reclamation facilities.[78] In 1989, the City executed a Quit-Claim Deed (Deed) to transfer the property to the organization for the sum of $1.00.[79] A provision in the agreement stated that "[t]his conveyance is made upon the condition that upon abandonment or cessation of the use of the land by the Grantee [the organization now known as Peaceful Paths] for use solely as a sexual and physical abuse resource center, the title hereby conveyed shall revert to the Grantor [City].[80]

Over the years, Peaceful Paths made significant improvements to the physical structures on the property.[81] In 2015, it vacated the property and moved to a new facility.[82] Representatives of GRU became interested in acquiring this property to provide an additional buffer to the area surrounding the water reclamation facility and an opportunity for additional expansion.[83] Although GRU is city-owned, its business transactions are handled separately from the City's general government. Representatives of the City, GRU, and Peaceful Paths negotiated a sale of the property from Peaceful Paths to the City for $225,000.[84] On July 7, 2016, the City Commission approved a sales contract for this amount and authorized the transfer of the property to GRU.[85] [86] Certain citizens believe that property should have reverted to the City, as stated in the Deed, because Peaceful Paths was no longer using the property.[87] Rather, the City compensated the organization for some of the improvements it had made.[88] The Deed did not contemplate any improvements.[89] Additional documentation provided to the Committee staff disclosed that the City's Mayor served as an Officer/Director for Peaceful Path, Inc., from at least February 2013 until August 30, 2016.[90] [91]

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[75] *Id.*
[76] *Id.* In 1989, when the contract was executed, the organization was named the Sexual and Physical Abuse Resource Center, Inc. In 2000, it filed records with the Department of State to change its name to Peaceful Paths, Inc.
[77] https://www.peacefulpaths.org/emergencyshelter (last visited on November 8, 2019).
[78] *See supra* note 59. Transcript from the June 29, 2016 Meeting of the GRU Utility Advisory Board.
[79] *Id.* Quit-Claim Deed, dated October 2, 1989.
[80] *Id.*
[81] *See supra* note 59. Transcript from the June 29, 2016 Meeting of the GRU Utility Advisory Board.
[82] *Id.*
[83] *Id.*
[84] *Id.*
[85] Prior to this City Commission meeting, GRU's Utility Advisory Board (Board) discussed this issue; however, it declined to recommend, for or against, or modify the pending $225,000 sales contract. This occurred, at least in part, because certain documents requested by the Board were not available. Per its website, the Board serves as an advisor to the City Commission on policy and governance decisions regarding utility services.
[86] City of Gainesville, Minutes - Final, July 7, 2016.
[87] *See supra* note 59.
[88] Transcript from the July 7, 2016 Gainesville City Commission meeting.
[89] *See supra* note 79.
[90] Florida Not For Profit Corporation Annual Reports for 2013, 2014, 2015, 2016, and Amended Annual Report for 2016 (on file in the Committee Office). These reports are required to be filed, at least annually, with the Florida Department of State.
[91] During the meeting, when asked by a citizen, the Mayor stated that he was no longer a member of Peaceful Path's Board. However, the record cited in the previous note (Amended Annual Report for 2016) reflects that he was not removed from Peaceful Path's Board until more than seven weeks later. The Final Minutes of the meeting report that the Mayor voted to approve the sales contract.

GoFundMe Account Fund and Use of the City's Seal
Documents provided to Committee staff include information related to a GoFundMe account established by a member of the City Commission in 2017.[92] Reportedly, the purpose of the account was to raise funds for his defense against a lawsuit that was filed by his opponent in the 2016 election.[93] The lawsuit accused the Commissioner of residing outside of the district he was elected to represent.[94] A citizen has alleged that the Commissioner used the City's Seal on his GoFundMe page, during much of the fundraising, until it was removed after the City Clerk was notified.[95]

Community Weatherization Coalition
The City, along with Alachua County and GRU, reportedly provide funding to the Community Weatherization Coalition (CWC).[96] The mission of this organization, according to its website, is to "improve home weatherization and energy efficiency for low-income households through education, volunteer work projects, and community-building."[97] Concerns have been raised about the lack of accountability for the funds the CWC receives and its connection to elected officials.

Public Records Access
Citizens have alleged multiple instances of the City's and GRU's failure to provide access to public records or to provide such access within a reasonable period of time. One citizen stated that, "the public has learned when records requests are met with no response, stalling, inappropriate responses, and exorbitant charges (with inadequate explanation), there is something we need to know the public entity doesn't want known."[98]

Additional Concerns Shared by the Former City Auditor
The recently fired City Auditor provided a list of his concerns to Senator Perry to use as support for the audit request. Some of these concerns were also shared by others and are included in those concerns previously discussed. His remaining concerns include: [99]

- Possible misuse and complete lack of transparency of Federal grant funds. This has resulted in an internal investigation by the Department of Justice.
- The transfer of City funds, received through grants and donations, over a period of years to private 501(c)(3) organizations. These organizations have no transparency or reporting to the City or its citizens.
- Current efforts to discontinue having an independent City Auditor.[100]
- Failure to provide, or maintain on file, formal evaluations for the six Charter Officers.

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[92] Email from Annie Orlando, Former GRU Utility Advisory Board Member, to Senator Perry (September 10, 2019) (on file in Committee Office).
[93] *Id.*
[94] *Id.*
[95] *Id.*
[96] *Id.*
[97] http://communityweatherization.org/ (last visited November 8, 2019).
[98] *See supra* note 59.
[99] Letter from Carlos Lee Holt (former City Auditor) to Senator Perry (September 10, 2019) (on file in Committee Office).
[100] The City's Charter authorizes, but does not require, the City Commission to hire an internal auditor. The Government Finance Officers Association (GFOA) recommends that every government consider the feasibility of establishing a formal internal audit function "because such a function can play an important role in helping management to maintain a comprehensive framework of internal controls. As a rule, a formal internal audit function is particularly valuable for those activities involving a high degree of risk (e.g., complex accounting systems, contracts with outside parties, a rapidly changing environment)." [https://www.gfoa.org/internal-audit-function.]

- Donation checks paid by GRU to a 501(c)(3) organization (Reichert House Inc.); however, rather than being deposited into this organization's account, they were deposited into the bank account of an unknown owner.[101] [102]

Comment
Some of the concerns described above are policy decisions or legal issues, rather than audit issues. In describing one of the concerns, a citizen stated that it is at least the appearance of impropriety.[103] In their request letter, Senator Perry and Representative Clemons state "[i]t is our duty to ensure our constituents are safeguarded from the dangers of government overreach, and we intend to use every tool available to represent the best interests of Gainesville residents. It is our hope that an independent audit will provide the City of Gainesville with the solutions needed to restore the financial integrity of our community."[104] Committee staff understand that collectively the concerns, and the number of citizens with concerns, are the basis for the audit request.

Financial Audit

The City has obtained annual financial audits of its accounts and records by an independent certified public accountant (CPA). The City has submitted the audit reports to the Auditor General's Office in accordance with Section 218.39(1), *Florida Statutes*.[105] The most recent financial audit report submitted to the Auditor General is for the 2017-18 fiscal year and included the audit findings listed below. (Note: The first three findings are considered by the auditors to be material weaknesses as defined by *Government Auditing Standards*, issued by the Comptroller General of the United States):[106]

- *Bank Reconciliations*: During the year, bank reconciliations were not completed on a timely basis and included unreconciled differences. Additionally, the auditors noted that certain transactions, such as credit card receipts, are not reconciled monthly, but rather unreconciled differences are carried forward and adjusted each month by the monthly net activity of those transactions, so discrepancies may exist that are not identified and investigated. The auditors recommend that the City implement procedures to ensure that all bank accounts are reconciled within the following month, and that any identified discrepancies be properly investigated and corrected.
- *Financial Close and Reporting*: The auditors identified several accounts which were materially misstated, including revenue and accounts receivable, expenditures/expenses and accounts payable, capital assets, and equity. In addition, it was necessary for the auditors to assist accounting staff with other material adjustments and reconciliations, including entries related to net pension liability, net OPEB[107] liability, and various government-wide accrual adjustments. The auditors recommend that the City review the sufficiency of its current staffing within the finance department to ensure complete, accurate and timely financial information is available. The auditors also

[101] *See supra* note 99, letter and documentation provided with letter.
[102] This organization is not the same as the Reichert House Youth Academy, which was the subject of the audit discussed previously.
[103] *See supra* note 59.
[104] *See supr*a note 1.
[105] Pursuant to Section 218.39(7), *Florida Statutes*, these audits are required to be conducted in accordance with rules of the Auditor General promulgated pursuant to Section 11.45, *Florida Statutes*. The Auditor General has issued *Rules of the Auditor General, Chapter 10.550 - Local Governmental Entity Audits* and has adopted the auditing standards set forth in the publication entitled *Government Auditing Standards* (2011 Revision) as standards for auditing local governmental entities pursuant to Florida law.
[106] *Schedule of Findings and Questioned Costs* and *Management Letter*; *City of Gainesville, Florida, Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018*, pages 223-225 and pages 227-228, respectively.
[107] Other Post-Employment Benefits.

recommend that financial close and reporting processes be documented and periodically reviewed to ensure consistency in the implementation of those processes.

- *Capital Outlay Reconciliation*: The auditors noted that funds expended for capital outlay exceeded the additions to capital assets by approximately $8 million. After review, management identified approximately $6 million of additional assets that should have been capitalized. The auditors recommend that the City review and document its processes over capital assets to determine what changes should be made to prevent errors in the future. Those processes should include maintaining an accurate and complete capital assets sub-ledger, reviewing projects in process to determine when they should be placed in service and depreciated, and reconciling capital outlay accounts to capital asset additions.
- *Segregation of Duties*: The auditors noted that the following financial reporting processes lacked adequate segregation of incompatible duties:
  - *Payroll*: Members of the payroll division are able to make corrections to an employees' time as may be necessary to ensure payroll is processed timely and accurately. However, there was no process in place to review changes made by members of the payroll division, making it possible for them to adjust their own time.
  - *Payroll*: Departmental timekeepers enter employee time into the remote time entry system. A secondary review and approval of each batch is performed to ensure no timekeeper is able to approve his or her own time. However, during the year, there were no controls in place to prevent timekeepers from changing pay rates in the system within their department.
  - *Journal Entries*: The City's internal control process over journal entry reporting properly includes a secondary review of journal entries before they are posted into the system. However, the auditors noted that the system itself does not prevent one person from posting a journal entry, and there is no review of the entries posted to ensure that all were properly approved. The auditors recommend that the City implement procedures to either limit the ability of one person to post a journal entry without a secondary review, or that all entries posted in the system be reviewed periodically to ensure all were properly reviewed.

  The auditors noted that several mitigating controls exist. However, they stated that detection controls are not as effective as preventative controls. The auditors recommend that the City review its processes and separate incompatible duties when possible.
- *Database Documentation*: The auditors noted that it appears there is a lack of documentation of the current ERP databases and various data elements (data field attributes) used by the ERP application modules. Documentation should describe the purpose of each of the databases and the relationship between the database components.

Summary of Certain Financial Information Included in the City's Audit Report:[108]

- "The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at [September 30, 2018] by $661,909,742 (net position). This is a decrease of 3.73% from [the prior fiscal year].
- The City's total net position increased $153,549 as a result of fiscal year operations.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of $85,236,635, a decrease of $6,139,491 in comparison with the prior year. Of the total ending fund balances, $33,623,752 is available for spending at the City's discretion (committed, assigned and unassigned fund balances).
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was $17,023,490."

[108] *Management's Discussion and Analysis; City of Gainesville, Florida, Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018,* page 4.

- The transfer from GRU to the City's General Fund, described on page 4, accounted for approximately 32% of General Fund revenues during the year.[109]

Other Considerations

The Auditor General, if directed by the Committee, will conduct an operational audit as defined in Section 11.45(1)(g), *Florida Statutes*, and take steps to avoid duplicating the work efforts of other audits being performed of the City's operations, such as the annual financial audit. The primary focus of a financial audit is to examine the financial statements in order to provide reasonable assurance about whether they are fairly presented in all material respects. The focus of an operational audit is to evaluate management's performance in establishing and maintaining internal controls and administering assigned responsibilities in accordance with laws, rules, regulations, contracts, grant agreements, and other guidelines. Also, in accordance with Section 11.45 (2)(j), *Florida Statutes*, the Auditor General will be required to conduct an 18-month follow-up audit to determine the City's progress in addressing the findings and recommendations contained within the previous audit report.

The Auditor General has no enforcement authority. If fraud is suspected, the Auditor General may be required by professional standards to report it to those charged with the City's governance and also to appropriate law enforcement authorities. Audit reports released by the Auditor General are routinely filed with law enforcement authorities. Implementation of corrective action to address any audit findings is the responsibility of the City's governing board and management, as well as the citizens living within the boundaries of the City. Alternately, any audit findings that are not corrected after three successive audits are required to be reported to the Committee by the Auditor General, and a process is provided in Section 218.39(8), *Florida Statutes*, for the Committee's involvement. First, the City may be required to provide a written statement explaining why corrective action has not been taken and to provide details of any corrective action that is anticipated. If the statement is not determined to be sufficient, the Committee may request the Mayor, or his designee, to appear before the Committee. Ultimately, if it is determined that there is no justifiable reason for not taking corrective action, the Committee may direct the Department of Revenue and the Department of Financial Services to withhold any funds not pledged for bond debt service satisfaction which are payable to the City until the City complies with the law.

III. Effect of Proposed Request and Committee Staff Recommendation

If the Committee directs the Auditor General to perform an operational audit of the City of Gainesville as addressed herein, the Auditor General, pursuant to the authority provided in Section 11.45(3), *Florida Statutes*, shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Senator Perry and Representative Clemons as included in their request letter and herein are considered.

IV. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

[109] *Id.*, page 13.

B. Private Sector Impact:

None.

C. Government Sector Impact:

If the Committee directs the audit, the Auditor General will absorb the audit costs within her approved operating budget.

V. Related Issues:

None.

This staff analysis does not reflect the intent or official position of the requestor.

3 Audit Request: Florida Commission on Offender Review

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR JEFF BRANDES
24th District

COMMITTEES:
Appropriations Subcommittee on Criminal and Civil Justice, *Chair*
Criminal Justice, *Vice Chair*
Appropriations
Appropriations Subcommittee on Transportation, Tourism, and Economic Development
Banking and Insurance
Innovation, Industry, and Technology
Rules

JOINT COMMITTEES:
Joint Legislative Auditing Committee, *Alternating Chair*
Joint Legislative Budget Commission

October 18, 2019

Representative Jason Fischer, Chair
Joint Legislative Auditing Committee
876 Pepper Building
111 W. Madison Street
Tallahassee, FL 32399-1400

Dear Representative Fischer:

I request that the Joint Legislative Auditing Committee authorize a targeted operational audit by the Auditor General of the Florida Commission on Offender Review (FCOR).

In the FY 2019-20 Legislative Budget Request (LBR), the FCOR requested $500,000 for additional staff to address its backlog of cases. In the request, the agency indicated it could process an additional 1,200 cases per year with this amount of funding. The Legislature appropriated, and the Governor signed the GAA containing an additional $750,000 to be used to address the FCOR backlog. I request a review as follows:

- Review the performance of all investigators as measured by the number of cases each investigator completes annually. Identify and analyze the associated performance standards for the employees assigned to the backlog; determine how many cases per year each investigator is completing and compare to the individualized performance standards; review policies and procedures for investigations; identify best practices to expedite investigations and determine whether or not the FCOR is applying those best practices. Identify process improvements that could lead to expedited review. Please specify the performance of new investigators hired pursuant to the $750,000 dedicated to the backlog.
- Review the current workload for clemency and conditional medical release. Review the standards, policies and procedures for conditional medical release. Analyze compliance with standards, policies and procedures. Identify process improvements that could lead to expedited review.

REPLY TO:
❒ 9800 4th Street North, Suite 200, St. Petersburg, Florida 33702 (727) 563-2100
❒ 416 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5024

Senate's Website: *www.flsenate.gov*

BILL GALVANO
President of the Senate

DAVID SIMMONS
President Pro Tempore

- Review the handling of restoration of rights cases. Identify resources dedicated to this case type. Review standards, policies and procedures for restoration of rights; identify best practices and whether or not the agency is applying best practices. Identify process improvements that could lead to expedited review.

Because of the sustained backlog of cases at FCOR, I am very concerned that best practices be applied to ensure cases are moving as quickly as possible.

Kind Regards,

Jeff Brandes

State Senator, District 24

STAFF ANALYSIS

Date: November 13, 2019

Subject: Request for an Operational Audit of the Florida Commission on Offender Review

Analyst	Coordinator
DuBose KD	DuBose KD

I. Summary:

The Joint Legislative Auditing Committee (Committee) has received a request from Senator Jeff Brandes to have the Committee direct the Auditor General to conduct a targeted operational audit of the Florida Commission on Offender Review (FCOR).

II. Present Situation:

Current Law

Joint Rule 4.5(2) provides that the Legislative Auditing Committee may receive requests for audits and reviews from legislators and any audit request, petition for audit, or other matter for investigation directed or referred to it pursuant to general law. The Committee may make any appropriate disposition of such requests or referrals and shall, within a reasonable time, report to the requesting party the disposition of any audit request.

Joint Rule 4.5(1) provides that the Legislative Auditing Committee may direct the Auditor General or the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct an audit, review, or examination of any entity or record described in Section 11.45(2) or (3), *Florida Statutes*.

Section 11.45(3)(a), *Florida Statutes*, provides that the Auditor General may, pursuant to his or her own authority, or at the discretion of the Legislative Auditing Committee, conduct audits or other engagements as determined appropriate by the Auditor General of the accounts and records of any governmental entity created or established by law.

Section 11.45(2)(f), *Florida Statutes*, requires the Auditor General to conduct an operational audit of the accounts and records of state agencies at least once every three years.

Audit Request

Senator Brandes has requested a targeted operational audit of the FCOR. His focus is on the backlog of cases, and he stated that he is "very concerned that best practices be applied to ensure cases are moving as quickly as possible." For the current fiscal year, the Legislature appropriated an additional $750,000 to address the FCOR backlog. This appropriation, approved by the Governor, was greater than the $500,000 requested by the FCOR in its Legislative Budget Request. The FCOR indicated that it could process an additional 1,200 cases per year based on its original request.

Senator Brandes specifically requests the Auditor General to:

- "Review the performance of all investigators as measured by the number of cases each investigator completes annually. Identify and analyze the associated performance standards for the employees assigned to the backlog; determine how many cases per year each investigator is completing and compare to the individualized performance standards; review policies and procedures for investigations; identify best practices to expedite investigations and determine whether or not the FCOR is applying those best practices. Identify process improvements that could lead to expedited review. Please specify the performance of new investigators hired pursuant to the $750,000 dedicated to the backlog.
- Review the current workload for clemency and conditional medical release. Review the standards, policies and procedures for conditional medical release. Analyze compliance with standards, policies and procedures. Identify process improvements that could lead to expedited review.
- Review the handling of restoration of rights cases. Identify resources dedicated to this case type. Review standards, policies and procedures for restoration of rights; identify best practices and whether or not the agency is applying best practices. Identify process improvements that could lead to expedited review."

Background

The FCOR, previously known as the Florida Parole Commission,[1] is a quasi-judicial decision-making body authorized by Article IV, section 8(c) of the Florida Constitution. It is comprised of three commissioners, who are appointed by the Governor and Cabinet and subject to confirmation by the Florida Senate.[2] The commissioners are full-time salaried employees, and they are supported by 129 additional full-time equivalent staff positions.[3] The FCOR operates with a central office, located in Tallahassee, and 12 regional field offices.[4] Its FY 2019-20 operating budget is $11,400,577.[5] As of October 30, 2019, the FCOR had 59 positions titled "Commission Investigator," of which 54.75 were filled (92.8%). In addition, it had five positions titled "Commission Investigator Supervisor," all of which were filled.[6] These figures do not include Other Personal Services (OPS) positions.

The FCOR's website states that it:[7]

- Is "[r]esponsible for the careful selection of candidates who are appropriate for parole.
- Holds 36 hearings per year including hearings held throughout the state to encourage participation by victims, victims' families, and inmates' families who would otherwise not be able to attend.
- Administers parole, conditional medical release, control release, conditional release, and addiction recovery release supervision.

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[1] In 2014, Senate Bill 1636 (now Chapter 2014-191, *Laws of Florida*) changed the name of the Florida Parole Commission to the Florida Commission on Offender Review.
[2] Sections 947.01 and 947.02(1), *Florida Statutes*.
[3] Transparency Florida website available at: http://www.transparencyflorida.gov/Positions/Positions_Detail.aspx?FY=20&PG=%20&BE=78010000&R=AF&SC=F&OB=Y (last visited November 5, 2019). Scroll down to view the three listings for Commissioner – Parole Commission.
[4] Auditor General Report Number 2019-025, *Commission on Offender Review Parole, Conditional Medical Release Program, and Selected Administrative Activities – Operational Audit*, page 1.
[5] Transparency Florida website available at: http://www.transparencyflorida.gov/OperatingBudget/Agency_Public.aspx?FY=20&OB=Y (last visited November 13, 2019).
[6] *See supra* note 3.
[7] Florida Commission on Offender Review, 2018 Annual Report, page 5, available at: https://www.fcor.state.fl.us/docs/reports/Annual%20Report%202018%20WEB.pdf (last visited November 13, 2019).

- Acts as the administrative and investigative arm of the [G]overnor and Cabinet who sit as the Board of Executive Clemency."

Selected Activities of the FCOR

Parole

Certain inmates who committed qualifying offences before 1995 are eligible for parole.[8] The FCOR administers this program and is responsible for setting parole release dates,[9] determining the terms and conditions of parole and, once released, monitoring the parolee's progress.[10] It conducts revocation hearings when alleged violations are reported and may return the parolee to prison.[11]

Conditional Medical Release

Section 947.149, *Florida Statutes*, authorizes the FCOR to establish the conditional medical release program. Inmates are eligible for consideration for release under this program when they have a medical or physical condition that is determined by the Department of Corrections to be either permanently incapacitating or terminally ill.[12] The authority and whether or not to grant conditional medical release and establish additional conditions of conditional medical release rests solely within the discretion of the FCOR.[13] The FCOR also has the authority to order inmates who have been released under this program to be returned to the Department of Corrections for a conditional medical release revocation hearing, if their medical or physical conditions improve to the extent that they no longer meet the program's criteria.[14]

Control Release

The Commissioners of the FCOR also sit as the Control Release Authority (Authority).[15] The purpose of the Authority is to address overcrowding in the state prison system.[16] Staff of the FCOR serve as staff to the Authority.[17] The Authority is required to implement a system for determining the number and type of inmates who must be released into the community under control release in order to maintain the state prison system between 99 and 100 percent of its total capacity as defined in Section 944.023, *Florida Statutes*.[18]

Section 947.146, *Florida Statutes*, provides guidance to the Authority that includes, in part:

- A list of the inmates who are not eligible for control release;
- Criteria that must be included when setting control release dates;
- Determining when control release is no longer needed to reduce the state prison population;
- Factors used to determine eligibility for control release;
- The power and duty to adjust control release dates; and
- The conditions of control release and the consequences when the terms and conditions are violated.

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[8] *Id.*, page 6.
[9] *Id.*
[10] *Id.*
[11] *Id.*
[12] Section 947.149(1), *Florida Statutes*.
[13] Section 947.149(3), *Florida Statutes*.
[14] Section 947.149(5)(a), *Florida Statutes.*
[15] Section 947.146(1), *Florida Statutes*.
[16] Section 947.146, *Florida Statutes*.
[17] Section 947.146(1), *Florida Statutes.*
[18] Section 947.146(2), *Florida Statutes*.

The FCOR's 2018 Annual Report states that "[c]urrently, the Commission [Authority] is not reviewing the inmate population for discretionary release under this authority as there are sufficient prison beds to house the current prison population…. a small number of control releases remain under supervision."[19]

Conditional Release

The FCOR administers the Conditional Release Program, but it does not set the release dates for inmates.[20] According to the FCOR's Annual Report, the Conditional Release Program "is a non-discretionary release program and requires mandatory post prison supervision for inmates who are sentenced for certain violent crimes and who have served a prior felony commitment at a state or federal correctional institution, or who are sentenced as habitual offenders, violent habitual offenders, violent career criminals, or designated sexual predators."[21] The FCOR is assigned the responsibility of establishing the terms and conditions of each inmate's conditional release, monitoring the progress of those who are released, and conducting revocation hearings when alleged violations are reported.[22]

Addiction Recovery Release Supervision

Offenders with a history of substance abuse or addiction, who have not previously been convicted of a violent offense and meet all qualifying conditions, must be given addiction-recovery supervision once released from a state correctional facility.[23] The FCOR establishes the terms and conditions of supervision, monitors the offenders' progress, and conducts revocation hearings when warranted, and may return the offender to prison.[24]

Clemency

The FCOR serves as the administrative and investigative arm of the Clemency Board (Board), which is comprised of the Governor and Cabinet.[25] According to the FCOR's website, "[c]lemency is the constitutionally authorized process that provides the means through which convicted felons may be considered for relief from punishment and seek restoration of their civil rights. The clemency function is an act of mercy that absolves an individual from all, or any part, of the punishment that the law imposes."[26] There are various types of clemency including, but not limited to, full pardon, pardon without firearm authority, remission of fines and forfeitures, and restoration of civil rights in Florida.[27] The restoration of civil rights includes the rights to vote, sit on a jury, and hold public office.[28] Amendment Four to the Florida Constitution, approved by voters in November 2018, applies only to the right to vote for selected offenders.[29]

Two offices within the FCOR are dedicated to the clemency process, the Office of Executive Clemency and the Office of Clemency Investigations.[30] The Board appoints the Coordinator, who is the official custodian of records, provides verification of eligibility and Board actions, and prepares agendas, orders,

[19] *See supra* note 7, page 7.
[20] *Id.*, page 6.
[21] *Id.*
[22] *Id.*
[23] Section 944.4731, *Florida Statutes*.
[24] *See supra* note 7, page 6.
[25] *See supra* note 7, page 7.
[26] FCOR's website available at: https://www.fcor.state.fl.us/clemencyOverview.shtml (last visited November 5, 2019).
[27] *Id.*
[28] *Id.*
[29] *Id.*
[30] FCOR Fact Sheet (Clemency Frequently Asked Questions -What role does the Florida Commission on Offender Review (FCOR) have in the clemency process?) available at https://www.fcor.state.fl.us/mediaFactSheet.shtml (last visited November 5, 2019).

and certificates.[31] The Office of Clemency Investigations conducts comprehensive, confidential investigations for the Board on those who apply for clemency.[32]

The Board meets on a quarterly basis, most recently on September 25, 2019.[33] For this meeting, the FCOR provided the Board with 82 in-depth clemency investigations for its consideration.[34]

Workload and Staffing Issues

The FCOR issues and provides online access to *Monthly Accomplishment Reports.*[35] A summary of selected information from the most recent quarter, July through September 2019, includes the following:

Office of the Commission Clerk Cases Docketed[36]	**July**	**August**	**September**
Parole	117	64	108
Parole Granted	2	3	3
Parole Denied	0	0	0
Conditional Medical Release	5	10	7
Conditional Medical Release granted	1	8	3
Conditional Medical Release denied	4	2	4
Conditional Release[37]	782	548	790
Addiction Recovery Supervision[38]	139	94	151

Revocations for Parole, Conditional Release, Addiction Recovery Release, Conditional Medical Release, and Control Release Cases[39]	**July**	**August**	**September**
Warrants Issued	193	174	176
Cases Reviewed and Prepared for Docket	150	100	154

Field Services	**July**	**August**	**September**
Parole Interviews	86	70	115
Revocation Interviews	200	229	169
Revocation Hearings	54	36	122
Total Interviews and Hearings	**340**	**335**	**406**

[31] *Id.*
[32] *Id.*
[33] 2019 Clemency Board Meeting Dates available at: https://www.fcor.state.fl.us/clemency.shtml (last visited November 7, 2019).
[34] FCOR *Monthly Accomplishments Report - September 2019* available at: https://www.fcor.state.fl.us/docs/reports/Monthly%20Accomplishments%20Report%20-%20September%202019.pdf (last visited November 5, 2019).
[35] Available at: https://www.fcor.state.fl.us/monthlyReports.shtml (last visited November 5, 2019).
[36] The FCOR generally holds three hearings each month. This figure represents the number of cases that were on the docket each month.
[37] The FCOR sets conditions for this type of release, but does not set the dates or grant release.
[38] *Id.*
[39] Staff of the FCOR indicated that most of the revocations are for conditional release (Phone conversation on November 5, 2019).

Pending Clemency Cases Assigned to Field Offices[40]	July	August	September
With Hearing[41]	2,817	2,826	2,874
Without a Hearing[42]	172	178	164
Total Cases	**2,989**	**3,004**	**3,038**

The FCOR's most recent annual report, which covered the 2017-18 fiscal year, provides the following breakdown of the workload hours per function:[43]

Function	Percent of Hours Spent on Function
Clemency	58%
Revocations	23%
Parole & Conditional Medical Release	9%
Victims' Services[44]	5%
Conditional/Control Release & Addiction Recovery Release	5%

The Legislative intent of the additional $750,000 provided to the FCOR for the 2019-20 fiscal year is to help with the investigative portion of the clemency process and to reduce the backlog.[45] It specifically funds OPS positions.[46]The *Monthly Accomplishments Reports* for the three months of the first quarter of the 2019-20 fiscal year indicate that nine new full-time OPS Investigators have been hired.[47] Per discussion with staff of the FCOR, an estimated 15 OPS employees have now been hired related to the clemency backlog.[48]

In its Legislative Budget Request for the 2020-21 Fiscal Year, the FCOR provides an analysis regarding the impact a reduction in the number of full time equivalent OPS employees will have on the

[40] These figures do not represent all clemency cases that have been filed, but only those that have been assigned to a field office.
[41] With a Hearing investigations are those where offenders are eligible for consideration after seven years have passed since the date of completion of all sentences and conditions of supervision imposed for all felony convictions. Source: FCOR Website – Frequently Asked Questions – Clemency available at https://www.fcor.state.fl.us/docs/media/ReporterClemencyFAQs.pdf (last visited November 5, 2019).
[42] Without a Hearing cases are those where offenders are eligible for consideration only after five years have passed since the date of completion of all sentences and conditions of supervision imposed for all felony convictions, if no crimes have been committed and if the applicant has not been arrested for a misdemeanor or felony for the five years prior to the date the application is being reviewed. Source: FCOR Website – Frequently Asked Questions – Clemency available at https://www.fcor.state.fl.us/docs/media/ReporterClemencyFAQs.pdf (last visited November 5, 2019).
[43] *See Supra* note 7, page 8.
[44] This function provides direct, personal service to crime victims and their families through the various release and clemency processes. Source: Florida Commission on Offender Review, 2018 Annual Report, available at: https://www.fcor.state.fl.us/docs/reports/Annual%20Report%202018%20for%20web.pdf, page 9, (last visited November 5, 2019).
[45] Ana Ceballos, *To ease Florida's clemency backlog, lawmakers add $750,000,* Miami Herald, April 30, 2019.
[46] Phone conversation with FCOR staff on November 5, 2019. The budget issue is listed on the Transparency Florida website available at: http://transparencyflorida.gov/Info/BudgetIssues.aspx?FY=20&BE=78010000&AC=030000&Fund=1000&FundType=&LI=%20752&SC=F&OB=Y (last visited November 5, 2019).
[47] FCOR Monthly Accomplishments Reports for July, August, and September 2019 available at https://www.fcor.state.fl.us/monthlyReports.shtml (last visited on November 5, 2019).
[48] Phone conversation with FCOR staff on November 5, 2019.

organization, as a budget reduction exercise.[49] The analysis assumes the reduction of 31 such positions with a $1.1 million impact. The FCOR states that the reduction "would result in an increase of the pending clemency workload. The [FCOR's] programs such as parole, conditional medical release, control release, conditional release, and addiction recovery release all have statutorily mandated time frames, while the clemency activity does not. If reductions were made, the [FCOR] would have no alternative but to make reductions in OPS employees that complete clemency cases."[50] The assumption used in the analysis is that each clemency case requires 22.8 hours.

According to FCOR staff, as of October 1, 2019, there were 23,644 pending clemency cases.[51] This includes 10,688 Restoration of Civil Rights (RCR) cases and 12,956 non-RCR clemency cases such as Full Pardon, Specific Authority to Own, Possess or Use Firearms, Remission of Fines, Commutation of Sentence and Request for Review.[52] The RCR cases include 567 RCR Without a Hearing Cases and 10,121 RCR With a Hearing Cases.[53]

Operational Audit

The Auditor General is required, pursuant to Section 11.45(2)(f), *Florida Statutes*, to perform an operational audit of the FCOR at least once every three years. The most recent audit report was released in September 2018.[54] Its scope related to parole, the conditional medical release program, and selected administrative activities.[55] The audit did not disclose any reportable conditions (findings). As stated in the audit report, "[n]othing came to our attention through our audit procedures to indicate that Commission controls, as designed and implemented, were not adequate to ensure that parole, the conditional medical release program, or the selected administrative activities were properly administered and related laws, rules, and other guidelines were followed."[56]

The preceding audit report, released in August 2016, included four findings in the areas of post-prison supervisory release programs and selected administrative activities.[57] These findings were corrected prior to the next audit.[58]

III. Effect of Proposed Request and Committee Staff Recommendation

The Auditor General conducts several types of audits, as defined in to Section 11.45(1), *Florida Statutes*. These audits include operational audits and performance audits,[59] and all are conducted in compliance

[49] Florida Fiscal Portal website available at http://floridafiscalportal.state.fl.us/Document.aspx?ID=19190&DocType=PDF (last visited November 5, 2019).
[50] *Id.*
[51] Email from FCOR to Committee staff on November 7, 2019 (on file in Committee office).
[52] *Id.*
[53] *Id.* See notes 41 and 42 for the Without a Hearing and With a Hearing Case criteria.
[54] Auditor General Report Number 2019-025, *Commission on Offender Review Parole, Conditional Medical Release Program, and Selected Administrative Activities – Operational Audit.*
[55] *Id.*
[56] *Id.* page 1.
[57] Auditor General Report Number 2017-005, *Commission on Offender Review, Post-Prison Supervisory Release Programs and Selected Administrative Activities – Operational Audit.*
[58] *See supra* note 54, page 3.
[59] An operational audit means an audit whose purpose is to evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other

with professional auditing standards. Although the audit request specifies an operational audit, the Committee may wish to allow the Auditor General the discretion to determine the type of audit that her office can perform that will best meet the information needs of Senator Brandes.

If the Committee directs the Auditor General to perform a targeted audit of the FCOR, the Auditor General, pursuant to the authority provided in Section 11.45(3), *Florida Statutes*, shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Senator Brandes as included in his request letter are considered.

IV. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

If the Committee directs the audit, the Auditor General will absorb the audit costs within her approved operating budget.

V. Related Issues:

None.

This staff analysis does not reflect the intent or official position of the requestor.

guidelines. A performance audit means an examination of a program, activity, or function of a governmental entity. The term includes an examination of issues related to: economic efficiency, or effectiveness of the program; structure or design of the program to accomplish its goals and objectives; adequacy of the program to meet the needs identified by the Legislature or governing body; alternative methods of providing program services or products; goals, objectives, and performance measures used by the agency to monitor and report program accomplishments; the accuracy or adequacy of public documents, reports, or requests prepared under the program by state agencies; compliance with the program with appropriate policies, rules, or laws; and, any other issues related to government entities as directed by the Legislative Auditing Committee.

BILL GALVANO
President of the Senate

JOSE R. OLIVA
Speaker of the House

TRANSPARENCY FLORIDA
STATUS AND RECOMMENDATIONS

Joint Legislative Auditing Committee
November 2019

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Joint Legislative Auditing Committee

Representative Jason Fischer, Chair
Senator Jeff Brandes, Vice Chair

Senator Dennis Baxley
Senator Tom Lee
Senator Bill Montford
Senator Kevin Rader

Representative Michael Caruso
Representative Chip LaMarca
Representative Sharon Pritchett
Representative Bob Rommel
Representative Jackie Toledo
Representative Patricia Williams

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SCOPE

As required by s. 215.985(7), F.S., this report from the Joint Legislative Auditing Committee (Committee) provides recommendations related the possible expansion of the Transparency Florida website,[1] including whether to expand the scope to include educational, local governmental, and other non-state governmental entities. Also, as required by s. 215.985(13), F.S., this report provides the progress made in establishing the single website required by the Transparency Florida Act and recommendations for enhancing the content and format of the website and related policies and procedures.

BACKGROUND

Overview of the Transparency Florida Act

The "Transparency Florida Act (Act),"[2] an act relating to transparency in government spending, requires several websites for public access to government entity financial information.

The Act, as originally approved in 2009,[3] required a single website to be established by the Executive Office of the Governor (EOG), in consultation with the appropriations committees of the Senate and the House of Representatives. Specified information relating to state expenditures, appropriations, spending authority, and employee positions and pay rates was required to be provided on the website.

Responsibilities assigned by law to the Committee included:

- provide oversight and management of the website;[4]
- propose additional state fiscal information to be included on the website;
- develop a schedule for adding information from other governmental entities to the website;[5]
- coordinate with the Financial Management Information Board in developing any recommendations for including information on the website which is necessary to meet the requirements of s. 215.91(8); and,
- prepare an annual report detailing progress in establishing the website and providing recommendations for enhancement of the content and format of the website and related policies and procedures.

In 2011, the Act was revised to require the Chief Financial Officer (CFO) to provide public access to a state contract management system that provides information and documentation relating to the contracting agency.[6] Other revisions included: (1) requiring the State's five water management districts to provide monthly financial statements to their board members and to make such statements available for public access on their website, (2) exempting municipalities and special districts with total annual revenues of less than $10 million from the Act's requirements, and (3) several technical and clarifying changes.[7] Also, a

[1] Refers to the website established by the Executive Office of the Governor, in consultation with the appropriations committees of the Senate and the House of Representatives, which provides information related to the approved operating budget for the State of Florida.
[2] Chapter 2013-54, L.O.F.
[3] Chapter 2009-74, L.O.F.
[4] Section 11.40(4)(b), F.S. (2009)
[5] These entities included any state, county, municipal, special district, or other political subdivision whether executive, judicial or legislative, including, but not limited, to any department, division, bureau, commission, authority, district, or agency thereof, or any public school district, community college, state university, or associated board.
[6] Chapter 2011-49, L.O.F.
[7] *Id*.

revision to s. 11.40, F.S., removed the Committee's responsibility to manage and oversee the Transparency Florida website.[8]

Further revisions to the Act were adopted in 2013.[9] In addition to the two websites previously required, the Act now also requires the following websites:

- The EOG, in consultation with the appropriations committees of the Senate and the House of Representatives, is required to establish and maintain a website that provides information relating to fiscal planning for the State. Minimum requirements include the Legislative Budget Commission's long-range financial outlook; instructions provided to state agencies relating to legislative budget requests; capital improvements plans, long-range program plans and legislative budget requests (LBR) submitted by each state agency or branch of state government; any amendments to LBRs; and, the Governor's budget recommendation submitted pursuant to s. 216.163, F.S.
- The Department of Management Services is required to establish and maintain a website that provides current information relating to each employee or officer of a state agency, a state university, or the State Board of Administration. Minimum requirements include providing the names of employees and their salary or hourly rate of pay; position number, class code, and class title; and employing agency and budget entity.
- The EOG, in consultation with the appropriations committees of the Senate and the House of Representatives, is required to establish and maintain a single website that provides access to all other websites (four) required by the Act.

Additional revisions include:

- The minimum requirements for the Act's original website (information relating to state expenditures, appropriations, spending authority, and employee positions) were expanded to include balance reports for trust funds and general revenue; fixed capital outlay project data; a 10-year history of appropriations by agency; links to state audits or reports related to the expenditure and dispersal of state funds; and links to program or activity descriptions for which funds may be expended.
- The Committee is no longer required to recommend a format for collecting and displaying information from governmental entities, including local governmental and educational entities. Rather, the Committee is required to recommend: (1) whether additional information from these entities should be included on the website, and (2) a schedule and a format for collecting and displaying the additional information.
- Language related to the contract tracking system required to be posted by the CFO is expanded to: (1) provide timelines, (2) require each state entity to post information to the contract tracking system, (3) address confidentiality and other legal issues, (4) provide definitions, and (5) authorize Cabinet members to post the required contract tracking information to their own agency-managed websites in lieu of posting on the CFO's tracking system.

No substantive revisions to the Act have been made since 2013. Additional details relating to the Act in its current form may be found in Appendix A.

[8] Chapter 2011-34, L.O.F.
[9] Chapter 2013-54, L.O.F.

Previous Committee Effort

The Committee has issued five previous reports related to the Act. A brief summary of the recommendations of each report follows.

2010 Committee Report

The act, as originally written, required the Committee to develop a plan to add fiscal information for other governmental entities, such as municipalities and school districts, to the website. Although the Committee was authorized to also make recommendations related to state agency information, much of that information was specified in statute and was being implemented by the EOG, in consultation with the appropriations committees of the Senate and the House of Representatives. The Committee's initial focus was on school districts due to the consistency of financial information required of the State's 67 school districts. Specific recommendations and timeframes for adding school district fiscal information to *Transparency Florida*[10] were provided. Also, general recommendations were provided for adding fiscal information for other governmental entities, including state agencies, universities, colleges, counties, municipalities, special districts, and charter schools/charter technical career centers.

The Committee recommended the use of three phases for the addition of school district financial information to *Transparency Florida*. The Committee wanted citizens who visit either the home page of a school district's website or *Transparency Florida* to have the ability to easily access the school district's financial information that was located on the school district's website, the Department of Education's (DOE) website, and *Transparency Florida*.

The overall approach was to recommend that information which was readily available, with minimal effort and cost, to be included for school districts during the first phases of implementation. Most of the information should be located on the DOE's website with links to access it on *Transparency Florida*. This information included numerous reports prepared by the school districts, the DOE, and the Auditor General. The Committee expected that the first two phases could be accomplished without the need for additional resources.

Ultimately, once all phases were implemented, the goal was to provide transaction-level details of expenditures. Stakeholders expressed concern about the school districts' ability to provide this level of detail. School districts' accounting systems have the ability to capture expenditures at the sub-function and the sub-object levels.[11] These systems do not usually capture details of the amount spent on specific supplies, such as pencils or paper, or on a roofing project. Stakeholders also had concerns about the school districts' ability to provide this information on their websites, primarily due to cost and staffing issues. Their preference was for the State to build a data-system and require the school districts to upload via FTP (File Transfer Protocol) a monthly summary of expenditures at the sub-function and sub-object levels to *Transparency Florida*. Although Committee members were interested in more detailed information, this approach was agreed to with the idea that it was a starting point. In addition, the Committee recommended that the school districts provide vendor histories, to include details of expenditures for each vendor.

Although both the State and the school districts would incur costs, the main financial burden of the project would fall on the State. Rough estimates of the State's cost ran into the millions of dollars. Due to the

[10] For the purpose of this report, *Transparency Florida* refers to www.transparencyflorida.gov/, the original website created pursuant to the Transparency Florida Act.

[11] For example, sub-function categories include costs associated with K-12, food services, and pupil transportation services; sub-object categories include costs associated with classroom teachers, travel, and textbooks.

uncertainty of the cost estimates, the Committee members voted to recommend to delay this phase until further information is available.

2011 Committee Report

The initial Committee report, discussed above, recommended deferring implementation related to detailed school district financial transactions until the Committee had additional information and could further discuss the issues and potential costs involved. The premise was that the school districts would transmit monthly data to the State for display on *Transparency Florida*. As explained, the cost was expected to be in the millions of dollars, but only a rough estimate was available.

In light of the continued financial difficulties being faced by the State, the Committee decided to abandon this approach and recommend an alternative. The new focus was to keep local information at the local level and for the State to provide access to it on *Transparency Florida*.

Although the Committee understood that the goal of the project was to provide more financial transparency at all levels of government, it recognized that local governments[12] know best what information their citizens want available for review. The Committee did not believe that it was the State's responsibility to design and build a system to collect and display local governments' information. Rather, the Committee recommended that the State work in partnership with local governments, as they increase transparency on their websites, so that the full financial burden did not fall on the local governments.

The Committee recommended that representatives for each type of entity develop suggested guidelines for the type of financial information and the level of detail that should be included. Each local government should be responsible for providing its financial information on its own website. A link should be included on *Transparency Florida* for each entity that implements the suggested guidelines in order to provide a central access point.

The Committee suggested that the guidelines include a uniform framework to display the information in a well-organized fashion so as to provide easy, consistent access to all online financial information for all local governments. When developing the suggested guidelines, some of the financial information that the Committee recommended for consideration included a searchable electronic checkbook, plus various documents that are prepared during the normal course of business, such as budget documents, monthly financial statements, audit reports, and contracts and related information. The Committee's intent was to provide an opportunity for increased financial transparency for Florida's citizens, by providing guidance and flexibility to local governments, without causing a financial burden in the process.

2014 Committee Report

The Committee was presented with a draft of the report which included an update for the status of *Transparency Florida* and the related websites, but did not include any recommendations. Rather, the section of the report titled "Recommendations" included only the wording "To Be Determined." A separate handout was provided in the meeting packet which included: (1) recommendations that had been suggested by Committee members, (2) a series of questions intended to guide the members during their discussion of possible recommendations, and (3) a chart which listed various types of financial-related information that could potentially be considered in an expansion of the Transparency Florida website. Specifically, this information was related to non-State entities, such as school districts, municipalities and other local entities, and included items such as budget documents, monthly financial statements, and contract information.

[12] Local government in this context referred to all non-state entities subject to the requirements of the Transparency Florida Act at the time of the Committee's recommendation.

The Committee approved a motion to adopt the draft report "as is" by a vote of 10-1. This meant that the recommendations remained "To Be Determined" and no new information would be recommended for addition to *Transparency Florida* or the related websites. The member who voted against the motion did so because he had submitted a recommendation related to the online posting of college employee salaries that he had not had an opportunity to discuss prior to the time the motion was offered. At a subsequent meeting, the Committee adopted a related recommendation; however, because the report had already been approved, it was not available to be revised. Therefore, the recommendation was included in the cover letter which accompanied the report. The cover letter stated "[o]n February 17, 2014, the Committee recommended that the Florida Has a Right to Know website include the salary of each State University and Florida College System institution employee by position number only. The name of the employee should not be attached to the salary. Currently, the website provides the name and salary of each State University employee, in compliance with s. 215.985(6), F.S. The salaries of Florida College System institution employees are neither provided on the website, nor are they required to be provided under the provisions of the Transparency Florida Act (s. 215.985, F.S.)."

2015 Committee Report

The Committee's only recommendation was identical to the recommendation included in the cover letter for the 2014 report. The Committee recommended that the Florida Has a Right to Know website include the salary of each State University and Florida College System institution employee by position number only. The name of the employee should not be attached to the salary. As mentioned in the previous paragraph, the website provides the name and salary of each State University employee. No information is provided on the website for Florida College System institution employees.

2017 Committee Report

The Committee approved a recommendation to revise the "Transparency Florida Act," s. 215.985(6), F.S., to add the personnel information for state college employees and officers to the required website, which is known as "Florida Has a Right to Know."

The referenced section of law requires the Department of Management Services to establish and maintain a website that provides current information relating to each employee or officer of a state agency, a state university, or the State Board of Administration. At a minimum, the information must include each employees':

- Name and hourly rate of pay;
- Position number, class code, and class title; and
- Employing agency and budget entity.

Transparency-Related Legislation

During the 2010 Legislative Session, the Legislature adopted proviso language to implement the Committee's recommendations related to school districts for the first two phases. The DOE was required to provide access to existing school district financial-related reports on its website, create a working group to develop recommendations to provide school-level data in greater detail and frequency, and publish a report of its findings by December 1, 2010. School districts were required to provide a link to *Transparency Florida* on their website. Links to the DOE and other website information were provided on *Transparency Florida*. The requirements assigned to the DOE and school districts were fulfilled.

In 2011, two bills were passed which, although not directly related to the Act, related to efforts to provide more financial transparency to Florida's citizens. Senate Bill 1292 (2011)[13] required the Chief Financial Officer to conduct workshops with state agencies, local governments, and educational entities and develop recommendations for uniform charts of accounts. The final report was due in January 2014. An entity's charts of accounts refers to the coding structure used to identify financial transactions. Most of the non-state entities are currently authorized to adopt their own charts of accounts. The school districts are the exception; the chart of accounts that they are required to use is specified by the DOE. During discussions related to determining recommendations for its first required report required by the Act, the Committee understood that the various charts of accounts used by entities across the state was an obstacle for providing financial data that could be compared from one entity to another.

Senate Bill 224 (2011)[14] required counties, municipalities, special districts, and school districts to post their tentative budgets, final budgets, and adopted budget amendments on their official websites within a specified period of time. If a municipality or special district does not have an official website, these documents are required to be posted on the official website of a county or other specified local governing authority, as applicable. Another provision required each local governmental entity to provide a link to the DFS' website to view the entity's annual financial report (AFR). The AFR presents a financial snapshot at fiscal year-end of the entity's financial condition. It includes the types of revenue received and expenditures incurred by the entity. The format and content of the AFR is prescribed by the DFS.[15] See Appendix B for the specific requirements of the bill.

In 2013, a provision in House Bill 5401,[16] the bill which revised the Act, created the User Experience Task Force. Its purpose was to develop and recommend a design for consolidating existing state-managed websites that provide public access to state operational and fiscal information into a single website. The task force was comprised of four members, with one member each designated by the Governor, Chief Financial Officer, President of the Senate, and Speaker of the House. The task force's work plan was required to include a review of: (1) all relevant state-managed websites, (2) options for reducing the number of websites without losing detailed data, and (3) options for linking expenditure data with related invoices and contracts. The recommendations, due March 1, 2014, were required to include: (1) a design that provides an intuitive and cohesive user experience that allows users to move easily between varied types of related data, and (2) a cost estimate for implementation of the design.[17]

In 2014, Senate Bill 1632[18] required all independent special districts that had been created for one or more fiscal years to maintain an official website, effective October 1, 2015.[19] The website is required to include

[13] Chapter 2011-44, L.O.F.
[14] Chapter 2011-144, L.O.F.
[15] See s. 218.32, F.S.
[16] Chapter 2013-54, L.O.F.
[17] The Task Force focused on 11 state-managed websites, including *Transparency Florida*, that provide state-wide financial information and recommended the following: (1) the use of www.floridasunshine.gov as a portal to access the information provided on these websites; (2) three levels of support for the portal, including a Transparency Steering Committee and the current website managers (i.e., the Governor's Office, the CFO's Office, etc.); (3) a three-pronged approach to education and training that includes a PowerPoint presentation and video of Florida's budget process; (4) categorizing the financial information provided in one of four categories: revenue, budget, spend, and audit; and (5) website features to include consistency in the display of webpages, the ability to search each website, compatibility with major web browsers, and numerous other suggestions to enhance the users' experience. The estimated cost to implement these recommendations is less than $300,000; however the Task Force acknowledged that their recommendations are very high-level. The report stated that "[d]etailed requirements should be further developed to quantify the effort, costs, implementation schedule, and the detailed design." [p. 34]
[18] Chapter 2014-22, L.O.F.
[19] Dependent special districts are not required to maintain a separate website; however, their information must be accessible online from the website of the local general-purpose government that created the special district.

information specified in s. 189.069, F.S., such as the special district's charter, contact information, description of the boundaries, budget, and audit report(s).

House Bill 479 (2016) required special district budget documents to remain posted on their official website for a specified period of time. The tentative budget must remain online for 45 days and the final adopted budget and adopted budget amendments must remain online for two years.

The Legislative intent of House Bill 1073[20] (2018) was to create the Florida Open Financial Statement System, an interactive repository for governmental financial statements. The Chief Financial Officer (CFO) is authorized to: (1) consult with various stakeholders for input on the design and implementation of the system; and (2) choose contractors to build one or more eXtensible Business Reporting Language (XBRL) taxonomies suitable for state, county, municipal, and special district financial filings and to create a software tool that enables financial statement filers to easily create XBRL documents consistent with such taxonomies. The CFO must require that all work products be completed no later than December 31, 2021. If the CFO deems the work products adequate, all local governmental financial statements for fiscal years ending on or after September 1, 2022, must be filed in XBRL format and must meet the validation requirements of the relevant taxonomy.

Senate Bill 190[21] (2019), an act relating to higher education, includes the only recommendation in the Committee's 2017 report. It requires payroll related information for employees of Florida College System institutions to be posted on a website maintained by the Department of Management Services. The website previously included the salary or hourly rate of pay and position information for each employee or officer of state agencies, state universities, and the State Board of Administration, but excluded Florida College System institutions.

House Bill 861[22] (2019), an act relating to local government financial reporting, requires the following:

- County and municipal budget officers must annually submit the following information to the Office of Economic and Demographic Research:
    - Government spending per resident, including, at a minimum the spending per resident for the previous five fiscal years;
    - Government debt per resident, including, at a minimum, the debt per resident for the previous five fiscal years;
    - Median income within the county or municipality;
    - Average county or municipal employee salary;
    - Percent of budget spent on salaries and benefits for county or municipal employees; and
    - Number of special taxing districts, wholly or partially within the county or municipality.
- County and municipality tentative budget must remain on the county's or municipality's website for at least 45 days.
- County and municipality final adopted budget must remain on the county's or municipality's website for at least two years.
- Adopted amendment(s) to a municipality's budget must remain on its website for at least two years.

[20] Chapter 2018-102, L.O.F.
[21] Chapter 2019-103, L.O.F.
[22] Chapter 2019-56, L.O.F.

Senate Bill 7014[23] (2019), an act relating to government accountability, requires the following:[24]

- The monthly financial statement that each water management district must provide to its governing board and post on its website must now be prepared in the form and manner prescribed by the Department of Financial Services.
- Adopted amendment(s) to a county's budget must remain on its website for at least two years.

House Bill 9[25] (2019) increases accountability and transparency for community redevelopment agencies (CRAs) by requiring the following:

- By January 1, 2020, each CRA must publish on its website digital maps that depict the geographic boundaries and total acreage of the CRA. Subsequent changes to this information must be posted within 60 days after the date such change takes place.
- Beginning March 31, 2020, each CRA must file an annual report with the county or municipality that created it and publish the report on the CRA's website. The report must include: (1) the most recent audit report; (2) performance data for each plan authorized, administered, or overseen by the CRA (total number of projects started and completed and estimated costs, total expenditures from the redevelopment trust fund, original assessed real property values within the CRA, current assessed real property values within the CRA, and total amount expended for affordable housing for low-income and middle-income residents); and (3) a summary indicating the extent to which the CRA has achieved the goals set out in its CRA plan.

[23] Chapter 2019-15, L.O.F.
[24] This bill includes some requirements related to the period of time certain county and municipal budget documents must remain posted online that are identical to the previous bill and are not repeated in this list.
[25] Chapter 2019-163, L.O.F.

PRESENT SITUATION

Status of Single Website

The requirements of s. 215.985(3), F.S., have been met. The single website titled "Florida Sunshine: Guiding you to the right financial source" provides external links to all other websites required by the Act and is available at http://floridasunshine.gov/. It provides access to: (1) Transparency Florida (State Finances), (2) Transparency Florida (State Budget), (3) Florida Has a Right to Know, (4) Florida Accountability Contract Tracking System (FACTS), (5) Florida Fiscal Portal, (6) Florida Government Program Summaries, and (7) Transparency Florida Act User Experience Task Force.

Status of the Website Related to the Approved Operating Budget for State Government

The requirements of s. 215.985(4), F.S., have been met. The website titled "Transparency Florida" includes detailed financial-related information for state agencies and other units of state government for the fiscal years 2008-09 through the current fiscal year, 2019-20. School district information is also available.

Summary of State Information Available on *Transparency Florida*

The main focus of *Transparency Florida* has been to provide current financial data related to the State's operating budget and daily expenditures made by the state agencies. Such financial data is updated nightly as funds are released to the state agencies, transferred between budget categories, and used for goods and services.

In September 2015, an updated version of *Transparency Florida* was released. Effort was made to provide a simpler interface for users who may not be familiar with the state appropriations process and terminology, yet retain the depth of information for the more knowledgeable users.

The Home Page provides the following nine options for users to navigate through the website:

- General Public: Summary View of Budget and Spending by Agency;
- Budget Analyst: In-depth breakdown of Budget and Spending;
- Interactive Bill: View of Budget and Spending in Appropriations Bill format;
- State Positions: List of positions with corresponding Salaries and Benefits;
- Reports: Chart, compare, filter specific Budget and Spending data;
- Quick Facts: Summarized lists of similar Budget items;
- Search: Quickly find information on Budget and Spending items;
- Site Information: Information and help with this website; and
- Other Budget Links: Links to School Districts and other Government Budget information.

The first four options all relate to the State's Operating Budget. By selecting the General Public option, some details of the operating budget are available in agency format. This format allows users to select a specific state agency, including the legislative branch and the state courts system, to view the fiscal year budget and the amount spent to date. The current fiscal year, 2019-20, is the default; however, users may view information for any fiscal year from 2008-09 through the current year by selecting from a drop-down menu. By clicking on the hyperlinks, users may drill down to view the operating budget and amount spent broken down by program.

The Budget Analyst option allows users to select either the agency format or the ledger format. The agency format displays the appropriation amount and number of positions for the fiscal year selected, listed by agency. Users may drill down to the program or service area by selecting an agency's hyperlink. Additional details, including disbursements by object and an organizational schedule of allotment balances, are provided by continuing to select hyperlinks.

The ledger format displays appropriations-related information over the course of the fiscal year. It begins with the General Appropriations Act (GAA) and includes additional entries for Supplemental Appropriations, Vetoes, Budget Amendments approved by the Legislative Budget Commission, and other actions that effect the GAA. Users can select hyperlinks to obtain additional information for each item.

The Interactive Bill format displays the initial information as it appears in the General Appropriations Act. Again, users may drill down to view more detailed information by clicking on the hyperlinks. As the user drills down, the screen displays the information described above for the Budget Analyst option. By continuing to drill down, the name of each vendor associated with an expenditure is provided. Since the State does not have electronic invoicing, images of invoices are not provided; however, the statewide document number is provided, and users may contact the specified agency contact to request further information or a copy of an invoice.

The State Positions option provides position information by agency and by program. At the agency level, the number of fixed, excess, total, reserve, authorized, established, filled, and vacant positions may be viewed. By drilling down, which may be done by selecting the hyperlink for the program area, users may view salary for the positions by selecting the Details tab. Salaries are provided by position level only and do not include employee names.

The Budget Analyst, Interactive Bill, and State Positions options allow the user to indicate whether or not he or she wishes to display the codes associated with each entry. All of the four options, including General Public, provide users with the ability to export the information into an Excel spreadsheet.

Various reports relating to the operating budget, appropriations/disbursements, fixed capital outlay, reversions, general revenue, and trust funds may be generated from *Transparency Florida* by selecting the Reports option. These reports include:

- Operating budget by expenditure type, fund source, or program area;
- Comparison of operational appropriations for two fiscal years by state agency and/or category;
- Comparison of operational appropriations to disbursements made within one fiscal year by state agency and/or category;
- Comparison of operational disbursements for two fiscal years by state agency, category, and/or object code;
- Disbursements by line item;
- Fixed capital outlay appropriations and disbursements by category and/or state agency;
- Schedule of Allotment Balances;
- Annual operational reversions by fiscal year;
- Comparison of operational reversions by fiscal year;
- Fixed capital outlay appropriations, reversions, and outstanding disbursements by fiscal year;
- Five-year history of operational reversions;
- General Revenue Fund cash balance, cash receipts, and cash disbursements, by month and by year;
- Trust fund cash and investment balance in the State Treasury for current fiscal year, for all operating trust funds and their corresponding state agency;

- Trust fund cash balance and daily cash balance, for all operating trust funds and their corresponding state agency;
- Trust Fund Revenues Report;
- Revenues by Month Report; and,
- Ten-Year History of Appropriation Reports

The Quick Facts option provides information related to budget amendments, back of bill appropriations, budget issues, supplemental appropriations, and vetoes. A description of each of these items, the dollar amount (if applicable), and other details are provided.

By selecting the Search option, users may search the appropriations bill, budget issues, objects, and vendors by entering a key word or phrase or similar information and continue to drill down to obtain more detailed information.

The Site Information option provides a training overview, the agency contact list, glossary, and frequently asked questions.

Finally, by selecting the Other Budget Links option, *Transparency Florida* provides links to various reports, websites, and other documents related to the state budget as follows:

- Fiscal Analysis in Brief: an annual report prepared and published by the Legislature that summarizes fiscal and budgetary information for a given fiscal year;
- Long-Range Financial Outlook 3 Year Plan: an annual report prepared and published by the Legislature that provides a longer-range picture of the State's financial position by integrating projections of the major programs driving annual budget requirements with revenue estimates;
- The Chief Financial Officer's Transparency Florida: a webpage which includes links to:
    - State Financials (Budget, Spending and related information);
    - State Payments;
    - Florida State Contract Search (FACTS);
    - State Contract Audits;
    - State Economic Incentives Program;
    - Quasi Government Spending;
    - State Government Information;
    - State Financial Reports;
    - Transparency Glossary;
    - Local Government Financial Reporting;[26]
    - State Employee Data (Florida Has a Right to Know website); and,
    - Report Waste, Fraud and Abuse.
- Reports on State Properties and Occupancy Rates: information from the Department of Management Services' Division of Real Estate Development and Management on state-owned buildings and occupancy rates;
- Government Program Summaries: encyclopedia of descriptive information on over 200 major state programs compiled by the Office of Program Policy Analysis and Government Accountability; and,
- Reports on Public School Districts: these reports will be described in the next section of this report.

Transparency Florida includes all information required by the Act.

[26] Although labeled **Local Budgets** on this webpage, the information provided relates to actual revenues and expenditures, and not budgeted amounts. Most local governmental entities are required by law to post budget information on their own websites.

Background and Summary of School District Information Accessible from *Transparency Florida*

To date, the only non-state financial-related information that is accessible from *Transparency Florida* relates to school districts. As previously discussed, the Committee's focus for its 2010 report was on the addition of school district information to the website. Proviso language in the 2010 General Appropriations Act[27] was based on the Committee's 2010 recommendations and required the DOE to:

- Coordinate, organize, and publish online all currently available reports relating to school district finances, including information generated from the DOE's school district finance database;
- Coordinate with the EOG to create links on *Transparency Florida* to school district reports by August 1, 2010;
- Publish additional finance data relating to school districts not currently available online, including school-level expenditure data, by December 31, 2010;
- Work with the school districts to ensure that each district website provides a link to *Transparency Florida*; and
- Establish a working group to study issues related to the future expansion of school finance data available to the public through *Transparency Florida*, develop recommendations regarding the establishment of a framework to provide school-level data in greater detail and frequency, and publish a report of its findings by December 1, 2010.

The DOE met the proviso language requirements and the EOG, working in consultation with the appropriations committees of the Senate and the House of Representatives, provided access to the related school district information on *Transparency Florida*. As a result, the following reports and other information are now accessible by selecting the Links option from the *Transparency Florida* Home Page:

- School District Summary Budget
- School District Annual Financial Report
- School District Audit Reports Prepared by the Auditor General
- School District Audit Reports Prepared by Private CPA Firms
- School District Program Cost Reports
- Financial Profiles of School Districts
- Florida Education Finance Program (FEFP) Calculations
- Five-Year Facilities Work Plan
- Public School District Websites

A description of these reports is provided in Appendix C.[28]

In addition, the websites of some school districts include a link to *Transparency Florida*. The proviso language that required school districts to post the link to *Transparency Florida* on their home page was in effect for the 2010-11 fiscal year. Currently, there is no such requirement.

The DOE established the workgroup required by the proviso language to address the expansion of school district information available on *Transparency Florida*. The School District Working Group's report, published in December 2010, recommended:

[27] Proviso language for Specific Appropriations 116 through 130 of Ch. 2010-152, L.O.F.
[28] Links to school district reports on *Transparency Florida* are located at http://www.transparencyflorida.gov/Info/LinkInfo.aspx?FY=20.

- Providing school-level data at the sub-function (i.e., K-12, food services, and pupil transportation services) and sub-object (i.e., classroom teachers, travel, and textbooks) levels; [29] and,
- Uploading school district data to *Transparency Florida* via file transfer protocol (FTP) on a monthly basis.

The sub-function and sub-object levels were recommended as the most cost effective method due to the variety of accounting packages used by the school districts. These report recommendations align with the Committee's 2010 recommendations for phase three of school district implementation. The goal of this phase was to provide more frequent and detailed information than had been recommended in the two earlier phases. The Committee's 2011 recommendation, however, was to require local entities, including school districts, to post their financial information on their own website. The Committee reversed the earlier recommendation which required entities to submit data to the State and the State bearing the responsibility to design and build a system to receive and display the information on *Transparency Florida*. The Committee's 2014 and 2015 recommendation was to not require the inclusion of any additional information on *Transparency Florida* from school districts or any other entity.

Status of the Website Related to Fiscal Planning for the State

The requirements of s. 215.985(5), F.S., have been met. The website titled "Florida Fiscal Portal" includes budget-related information for the fiscal years 2000-2001 through 2020-2021. Publications available include: (1) planning and budgeting instructions provided to state agencies, (2) agency legislative budget requests, (3) the Governor's recommended budget, (4) appropriations bills, (5) the approved budget, (6) the final budget report (prepared after year-end), (7) agency long-range program plans, (8) agency capital improvement plans, (9) fiscal analysis in brief, (10) long-range financial outlook 3 year plan, and (11) other documents for selected years.

Status of the Website Related to Employee Positions and Salary

The requirements of s. 215.985(6), F.S., have been met. The website titled "Florida Has A Right To Know," allows users to search payroll data from the State of Florida People First personnel information system. The database includes information from all Executive Branch agencies, the Lottery, the Justice Administrative Commission (including state attorneys and public defenders), and the State Courts System (including judges). In addition, spreadsheets provide information related to employees of the State Board of Administration and the Florida College System institutions, and a separate database provides information for all 12 of the state universities.

Information available includes: (1) name of employee, (2) salary or other rate of pay,[30] (3) employing agency or entity, (4) budget entity, (5) position number, (6) class code, and (7) class title. The People First information is updated weekly, the university information is updated twice per year, and the Florida College System institutions and the State Board of Administration information are updated quarterly.

[29] The level of detail required by *Financial and Program Cost Accounting and Reporting for Florida Schools*. Known as the Red Book, this is the uniform chart of accounts required to be used by all Florida school districts for budgeting and financial reporting (see ss. 1010.01 and 1010.20, F.S., and Rule 6A-1.001, F.A.C.).

[30] Universities provide the amount paid per term for Other Personnel Service (OPS) employees; the remaining entities provide the hourly rate of pay for OPS employees.

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

Status of the Contract Management System

The requirements of s. 215.985(14), F.S., have been met. The CFO established the Florida Accountability Contract Tracking System (FACTS), which provides online public access to information related to contracts, grant agreements, and purchase orders executed by most state agencies. According to staff of the Department of Financial Services, the Legislature, the Department of Agriculture and Consumer Services, and the Department of Legal Affairs do not use FACTS.[31] Information available includes: (1) agency name, (2) vendor/grantor name, (3) type (contract, grant, purchase order, settlement agreement, etc.), (4) agency assigned contract ID, (5) grant award ID (if known), (6) purchase order (PO) number (if applicable), (7) total dollar amount, (8) commodity/service type, and (9) DFS contract audits (if applicable). Users may search for contract, grant, or purchase information by agency name, dollar value, commodity/service type (for contract and purchase orders), contract ID, MyFloridaMarketPlace (MFMP) purchase order number, vendor/grantor name, beginning and/or ending dates, and/or grant award ID. By selecting a specific contract, grant, or purchase order and drilling down, users may access detailed information such as statutory authority, deliverables, a record of payments made, and an image of the contract or grant agreement. State agencies are required to redact confidential information prior to posting the contract document image online. Due, in part, to the length of time necessary to review contracts to ensure that all confidential information has been redacted, there may be a delay in posting images. For contracts in which the Department of Financial Services has conducted an audit, either summary or more detailed information is available, depending on the date of the audit.[32]

Status of Water Management District Information

The requirements of s. 215.985(11), F.S., have been met. All five of the state's water management districts provide monthly financial statements to their governing board members in the meeting packet. Also, monthly financial statements are posted on the website of each water management district dating back to July 2019 or earlier.

Potential Entities Subject to Transparency Florida Act Requirements

A governmental entity, as defined in the Act, means any state, regional, county, municipal, special district, or other political subdivision whether executive, judicial, or legislative, including, but not limited to, any department, division, bureau, commission, authority, district, or agency thereof, or any public school, Florida College System institution, state university, or associated board. As originally passed, the Act required the Committee to recommend a format for displaying information from these entities on *Transparency Florida*. Smaller municipalities and special districts, defined as those with a population of 10,000 of less, were exempt from the Act. Entities that did not receive state appropriations were also exempt. Later, the Act was revised to provide an exemption based on revenues rather than population. Municipalities and special districts with total annual revenues of less than $10 million were then exempt

[31] An exemption for these two Cabinet agencies, provided in s. 215.985(14)(i), F.S., authorizes each to create its own agency-managed website for posting contracts in lieu of posting such information on the CFO's contract management system. Both agencies, the Senate, and the House of Representatives provide contract information and documents on their respective websites. In addition, information related to Department of Agriculture and Consumer Services' contracts is on FACTS.

[32] In addition, summary information is available on the CFO's State Contract Audits webpage, which can be accessed from the CFO's Transparency Florida webpage. Users may access, a comprehensive list of contracts that have been audited from 2010-11 through 2019-20 fiscal years, including the evaluation criteria used during the audit and the number of contacts with deficiencies; a list of settlement agreements by agency from 2010-11 through 2018-19; and, agency contract management reviews.

from the Act's requirements. In addition, the exemption for entities that did not receive state appropriations was removed.

Subsequent to a major revision in 2013, current law does not require specific non-state entities to be included in the Committee's recommendations or provide an exemption to any of these entities. The Committee is required to recommend "additional information to be added to a website, such as whether to expand the scope of the information provided to include state universities, Florida College System institutions, school districts, charter schools, charter technical career centers, local government units, and other governmental entities."[33] The following table shows the number of non-state entities of each type that could potentially be recommended for inclusion:

Type of Entity (Non-State)	Total Number
School Districts	67
Charter Schools and Charter Technical Career Centers	652[34]
State Universities	12
Florida College System Institutions	28
Counties	67[35]
Municipalities	412
Special Districts	1,750 active[36]
Regional Planning Councils	11
Metropolitan Planning Organizations	27
Entities affiliated with Universities and Colleges, such as the Moffitt Cancer Center	Unknown

To date, only school districts have been assigned responsibility related to the Transparency Florida Act. As previously discussed, the DOE was directed to work with the school districts to ensure that each district's website provided a link to *Transparency Florida*. This requirement was based on proviso language and was applicable for the 2010-11 fiscal year.

RECOMMENDATION

To be determined.

[33] Section 215.985(7)(a), F.S.
[34] Reported by the Department of Education on August 5, 2019.
[35] While there are 67 counties within the State, there are many more independent reporting entities since many of the constitutional officers operate their own financial management/accounting systems. The 38 counties that responded to a 2009 survey by the Florida Association of Counties reported 193 independent reporting entities.
[36] Current as of September 26, 2019.

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Appendix A

Requirements of the Transparency Florida Act		
Entity	**Section of Law**	**Requirement**
Joint Legislative Auditing Committee	215.985(7)	By November 1, 2013, and annually thereafter, the Committee shall recommend to the President of the Senate and the Speaker of the House of Representatives: • Additional information to be added to a website, such as whether to expand the scope of the information provided to include state universities, Florida College System institutions, school districts, charter schools, charter technical career centers, local government units, and other governmental entities. • A schedule for adding information to the website by type of information and governmental entity, including timeframes and development entity. • A format for collecting and displaying the additional information.
Joint Legislative Auditing Committee	215.985(13)	Prepare an annual report detailing progress in establishing the single website and providing recommendations for enhancement of the content and format of the website and related policies and procedures. Report shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 1.
Joint Legislative Auditing Committee	215.985(9)	Coordinate with the Financial Management Information Board in developing recommendations for including information on the website which is necessary to meet the requirements of s. 215.91(8).[37]
Executive Office of the Governor (EOG), in consultation with the appropriations committees of the Senate and the House of Representatives	215.985(3)	Establish and maintain a single website that provides access to all other websites required by the Transparency Florida Act. These websites include information relating to: • The approved operating budget for each branch of state government and state agency; • Fiscal planning for the state; • Each employee or officer of a state agency, a state university, Florida College System or the State Board of Administration; and, • A contract tracking system. Specific requirements include compliance with the American Disabilities Act, compatible with all major web browsers, provide an intuitive user experience to the extent possible, and provide a consistent visual design, interaction or navigation design and information or data presentation.
EOG, in consultation with the appropriations committees of the Senate and the House of Representatives	215.985(4)	Establish and maintain a website that provides information relating to the approved operating budget for each branch of state government and state agency. Information must include: • Disbursement data and details of expenditure data, must be searchable; • Appropriations, including adjustments, vetoes, approved supplemental appropriations included in legislation other than the General Appropriations Act (GAA), budget amendments, and other actions and adjustments; • Status of spending authority for each appropriation in the approved operating budget, including released, unreleased, reserved, and disbursed balances. • Position and rate information for employees; • Allotments for planned expenditures and the current balance for such allotments; • Trust fund balance reports; • General revenue fund balance reports; • Fixed capital outlay project data;

[37] The Financial Management Information Board, comprised of the Governor and Cabinet, has not met in a number of years.

Requirements of the Transparency Florida Act		
Entity	**Section of Law**	**Requirement**
EOG, in consultation with the appropriations committees of the Senate and the House of Representatives (Continued)		• A 10-year history of appropriations by agency; and • Links to state audits or reports related to the expenditure and dispersal of state funds.
EOG, in consultation with the appropriations committees of the Senate and the House of Representatives	215.985(5)	Establish and maintain a website that provides information relating to fiscal planning for the state: • The long-range fiscal outlook adopted by the Legislative Budget Commission; • Instructions to agencies relating to the legislative budget requests, capital improvement plans, and long-range program plans; • The legislative budget requests submitted by each state agency or branch of state government, including any amendments; • The capital improvement plans submitted by each state agency or branch of state government; • The long-range program plans submitted by each state agency or branch of state government; and • The Governor's budget recommendation submitted pursuant to s. 216.163. The data must be searchable by the fiscal year, agency, appropriation category, and keywords. The Office of Policy and Budget in the EOG shall ensure that all data added to the website remains accessible to the public for 10 years.
Department of Management Services (DMS)	215.985(6)	Establish and maintain a website that provides current information relating to each employee or officer of a state agency, a state university, a Florida College System institution, or the State Board of Administration. Information to include: • Name and salary or hourly rate of pay of each employee; • Position number, class code, and class title; • Employing agency and budget entity. Information must be searchable by state agency, state university, Florida College System institution, and the State Board of Administration, and by employee name, salary range, or class code and must be downloadable in a format that allows offline analysis.
Manager of each website described in 215.985(4), (5), and (6). This refers to the three preceding websites and to staff of the EOG and DMS.	215.985(8)	Submit to the Joint Legislative Auditing Committee information relating to the cost of creating and maintaining such website, and the number of times the website has been accessed.
Chief Financial Officer (CFO)	215.985(14)	Establish and maintain a secure contract tracking system available for viewing and downloading by the public through a secure website. Appropriate Internet security measures must be used to ensure that no person has the ability to alter or modify records available on the website.
Each State Entity	215.985(14)(a) and (b)	Post contract related information on the CFO's contract tracking system within 30 days after executing a contract. Information to include names of contracting entities, procurement method, contract beginning and ending dates, nature or type of commodities or services purchased, applicable contract unit prices and deliverables, total compensation to be paid or received, all payments made to the contractor to date, applicable contract performance measures, and electronic copies of the contract and procurement documents that have been redacted to exclude confidential or exempt information. If competitive solicitation was not used, justification must be provided. Information must be updated within 30 days of any contract amendments.
Water Management Districts	215.985(11)	Provide a monthly financial statement in the form and manner prescribed by the Department of Financial Services to the district's governing board and make such statement available for public access on its website.

Appendix B

Summary of Local Government Budget Requirements Related to Financial Transparency *Documents that entities are required to post on their official websites*				
Type of Entity *(Statutory Reference)*	**Tentative Budget** *(must be posted online)*	**Final Budget** *(must be posted online)*	**Adopted Budget Amendments** *(must be posted online)*	**If No Official Website**
Board of County Commissioners *ss. 129.03(3)(c) and 129.06(2)(f)2., F.S.*	2 days before public hearing and must remain on the website for at least 45 days	Within 30 days after adoption and must remain on the website for at least 2 years	Within 5 days after adoption and must remain on the website for at least 2 years	N/A
Municipality *(s. 166.241(3) and (6), F.S.)*	2 days before public hearing and must remain on the website for at least 45 days	Within 30 days after adoption and must remain on the website for at least 2 years	Within 5 days after adoption and must remain on the website for at least 2 years	If the municipality does not operate an official website, the municipality must, within a reasonable period of time as established by the county or counties in which the municipality is located, transmit the tentative and final budgets and any adopted amendment to the manager or administrator of such county or counties who shall post such documents on the county's website.
Special District (excludes Water Management Districts) (*s. 189.016(4) and (7), F.S.)*	2 days before public hearing and must remain on the website for at least 45 days	Within 30 days after adoption and must remain on the website for at least 2 years	Within 5 days after adoption and must remain on the website for at least 2 years	Each independent special district must maintain a separate website. Each dependent special district shall be prominently displayed on the home page of the local general-purpose government upon which it is dependent with a hyperlink to required information [s. 189.069(1), F.S.].
Property Appraiser *(s. 195.087, F.S.)*	N/A	Within 30 days after adoption	N/A	If the Property Appraiser does not have an official website, the final approved budget must be posted on the county's official website
Tax Collector *(s. 195.087, F.S.)*	N/A	Within 30 days after adoption	N/A	If the Tax Collector does not have an official website, the final approved budget must be posted on the county's official website
Clerk of Circuit Court *(budget may be included in county budget)* *(s. 218.35, F.S.)*	N/A	Within 30 days after adoption	N/A	Must be posted on the county's official website
Water Management District (s. *373.536(5)(d) and (6)(d), F.S.)*	2 days before public hearing and must remain on the website for at least 45 days	Within 30 days after adoption and must remain on the website for at least 2 years	Within 5 days after adoption and must remain on the website for at least 2 years [s. 189.016(7), F.S.]	Each independent special district must maintain a separate website. [s. 189.069(1), F.S.].
District School Board *(s. 1011.03(4) and (5), F.S.)*	2 days before public hearing	Within 30 days after adoption	Within 5 days after adoption	N/A

Additional Requirement
Each local governmental entity website must provide a link to the Department of Financial Services' (DFS) website to view the entity's annual financial report (AFR) submitted; if an entity does not have an official website, the county government website must provide the link.

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Appendix C

***Transparency Florida* Links:** **Reports and Other Information Available for School Districts** *(As recommended in the Committee's 2010 report)*	
Title of Report / Other Information	**Summary Description of Report / Other Information**
School District Summary Budget (http://www.fldoe.org/finance/fl-edu-finance-program-fefp/school-dis-summary-budget.stml)	*At the beginning of each fiscal year, each district school board formally adopts a budget. The District Summary Budget is the adopted budget that is submitted to the Department of Education (DOE) by school districts. The budget document provides millage levies; estimated revenues detailed by federal, state, and local sources; and estimated expenditures.*
School District Annual Financial Report (http://www.fldoe.org/finance/fl-edu-finance-program-fefp/school-dis-annual-financial-reports-af.stml)	*The Annual Financial Report is the unaudited data submitted to the DOE by school districts after the close of each fiscal year. It includes revenues detailed by federal, state, and local sources, and actual expenditures detailed by function and object.*
School District Audit Reports Prepared by the Auditor General (https://flauditor.gov/pages/Reports.aspx)	*The Auditor General provides periodic financial, federal, and operational audits of district school boards. The Auditor General also provides periodic audits of district school boards to determine whether the district: 1) complied with state requirements governing the determination and reporting of the number of full-time equivalent students under the Florida Education Finance Program and 2) complied with state requirements governing the determination and reporting of the number of students transported.*
School District Audit Reports Prepared by Private CPA Firms (https://flauditor.gov/pages/dsb_efiles.html)	*The Auditor General maintains copies of district school board financial and federal audit reports, which are prepared on a rotational basis by private certified public accounting firms.*
School District Program Cost Reports (http://webapps01.fldoe.org/transparencyreports/CostReportSelectionPage.aspx)	*The Program Cost Report data is submitted to the DOE by school districts after the close of each fiscal year. Actual expenditures by fund type are presented as either direct costs or indirect costs, and are attributed to each program at each school. A total of nine separate reports are produced from the cost reporting system.*
Financial Profiles of School Districts (http://www.fldoe.org/finance/fl-edu-finance-program-fefp/profiles-of-fl-school-diss.stml)	*The Financial Profiles of School Districts reports provide detailed summary information about revenues and expenditures of the school districts – revenues by source and expenditures by function and object.*
Florida Education Finance Program (FEFP) Calculations (http://www.fldoe.org/finance/fl-edu-finance-program-fefp/fl-edu-finance-program-fefp-calculatio.stml)	*The FEFP is the primary mechanism for funding the operating costs of the school districts, and calculations are made five times throughout each school year to arrive at each year's final appropriation. The amount allocated to each of the components of the FEFP funding formula is shown for each school district.*
Five-Year Facilities Work Plan (http://www.fldoe.org/finance/edual-facilities/wkplans/)	*The 5-Year District Facilities Work Plan is the authoritative source for educational facilities information, including planning and funding. Governmental entities that use this information include the Department of Education, Legislature, Governor's Office, Division of Community Planning (growth management), and local governments.*
Public School Websites (https://app2.fldoe.org/publicapps/Schools/schoolmap/flash/schoolmap_text.asp)	*Provides a link to the homepage of each school district.*

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5 Local Governmental Entities

(Failed to File AFR and/or Audit Report)

Local Government Financial Reporting – Materials Provided

1. **Overview:** Local Government Financial Reporting Requirements; Summary of Requirements and Enforcement Authority Related to the Joint Legislative Auditing Committee and Action Taken.

2. **Lists of Non-Filers**: Local Governments Not in Compliance with Financial Reporting Requirements and Staff Recommendations

List	Staff Recommendation
1. Counties	Take Action
2. Municipalities	Take Action
3. Special Districts (Independent)	Take Action
4. Special Districts (Dependent)	Take Action (some against the municipality that created the special district)
5. Special Districts	Take No Action

4. **Notifications**: From the Auditor General and the Department of Financial Services

5. **Statutes**: Relating to Local Government Financial Reporting

Local Government Financial Reporting

Summary of Requirements and Enforcement Authority
Related to the Joint Legislative Auditing Committee and Action Taken

The Joint Legislative Auditing Committee (Committee) has the authority to enforce penalties against local governmental entities that fail to file certain reports, including an annual financial report and an annual financial audit report.

Annual Financial Report (AFR)

- All counties, municipalities, and independent special districts[1] were required to file an AFR with the Department of Financial Services (DFS) for FY 2017-18 no later than 9 months after the end of the fiscal year (June 30, 2019, for most entities)[2] *[s. 218.32(1), F.S.]*
- Dependent special districts are also required to file an AFR, but they may be required to file the report with their county or municipality rather than with DFS *[s. 218.32(1)(a) & (b), F.S.]*
- Either staff of the entity or a certified public accountant may complete the AFR; specified staff of the entity are required to complete the certification page
- DFS notifies the Committee of the entities that have failed to file the AFR *[s. 218.32(1)(f), F.S.]*
- Committee staff monitor the submission of late-filed AFRs and contact all entities that continue to be non-compliant[3]
- DFS will assist entity staff in completion of the electronic AFR once the entity has the information needed
- The Committee may schedule a hearing to determine if action should be taken *[s. 11.40(2), F.S.]*

Annual Financial Audit[4] (audit)

- The following table shows the audit requirements for counties, municipalities, and special districts *[s. 218.39(1), F.S.]*:

Type of Entity	Audit Requirement
Counties	Annual audit required
Municipalities – Revenues or expenditures over $250,000	Annual audit required
Municipalities – Revenues or expenditures between $100,000 and $250,000	Audit required if an audit has not been performed for the previous two fiscal years
Municipalities – Revenues or expenditures below $100,000	No audit required
Special Districts – Revenue or expenditures over $100,000	Annual audit required
Special Districts – Revenue or expenditure between $50,000 and $100,000	Audit required if an audit has not been performed for the previous two fiscal years
Special Districts – Revenue or expenditures below $50,000	No audit required

[1] As of November 12, 2019, the Department of Economic Opportunity's website lists 1,747 active special districts; 1,114 are independent and 633 are dependent. A dependent special district has at least one of several characteristics including: the governing board is the same as the one for a single county or single municipality or its governing board members are appointed by the governing board of a single county or single municipality. An independent special district has no dependent characteristics.

[2] All counties, municipalities, and most special districts follow a fiscal year of October 1st to September 30th.

[3] Committee staff notify each entity that has failed to file an AFR. Correspondence is usually sent by certified mail, return receipt requested, informing the mayor, board chair, or registered agent, as appropriate, of the AFR requirement and possible penalty.

[4] The primary focus of a financial audit is to examine the financial statements in order to provide reasonable assurance about whether they are fairly presented in all material respects.

- Audit reports for FY 2017-18 were required to be filed with the Auditor General no later than 9 months after the end of the fiscal year (June 30, 2019, for most entities) *[s. 218.39(1), F.S.]*
- Audits must be conducted by an independent certified public accountant (CPA) retained by the entity and paid from its public funds *[s. 218.39(1), F.S.]* [5]
- If an entity has not filed an AFR, the Auditor General may not have sufficient information to determine if an audit was required
- After June 30th, the Auditor General sends a letter to all entities that either *were* or *may have been* required to provide for an audit and file the audit report with the Auditor General but have failed to do so
- The Auditor General notifies the Committee of the entities that have failed to file an audit report *[s. 11.45(7)(a), F.S.]*
- Committee staff monitor the submission of late-filed audit reports and contact entities that continue to be non-compliant[6]
- The Committee may schedule a hearing to determine if action should be taken *[s. 11.40(2), F.S.]*

Committee Hearings: Authority and Action Taken

- The Committee is authorized to take action, as follows, against entities that fail to file an AFR or an audit report *[s. 11.40(2), F.S.]*:

Type of Entity	Penalty
Counties and Municipalities	Direct the Department of Revenue (DOR) and the DFS to withhold any funds not pledged for bond debt service satisfaction which are payable to the entity until the entity complies with the law.[7] Withholding begins 30 days after the agencies have received notification.
Special Districts	Notify the Department of Economic Opportunity (DEO) to proceed pursuant to provisions of ss. 189.062 or 189.067, F.S. If no registered agent information is available, the department may declare the special district to be inactive after public notice is provided in a local newspaper. For special districts created by Special Act of the Legislature, the Committee may convene a public hearing at the direction of the President and the Speaker. For special districts created by local ordinance, the chair or equivalent of the local general-purpose government may convene a public hearing within three months after receipt of notice of noncompliance from the Committee. For all special districts, once certain criteria is met, within 60 days of notification, or within 60 days after any extension the DEO has provided as authorized in law, the DEO files a petition for enforcement in Leon County circuit court to compel compliance. Note: The law was revised to authorize public hearings in 2014.

- During the years 2009 through February 2019, the Committee directed action against a total of two counties, 54 municipalities and 203 special districts (multiple times for some of these entities). Most of these entities filed the required reports either by the date Committee staff was directed to notify DFS, DOR, or the Department of Community Affairs (DCA)/DEO, as applicable, or within the timeframe the state agencies had to commence with action once notified by the Committee.[8] When the required reports are filed prior to the effective date of the action, revenue is not withheld (counties, municipalities) and legal action does not occur (special districts).
- As a result of the Committee's action since 2009, revenue has been withheld from 21 municipalities (multiple times for a few of them), ten special districts were declared inactive, and a petition was filed in court against 24 special districts (multiple times for a few of them).

[5] The Auditor General may conduct a financial audit of a local governmental entity, either under his own authority or at the direction of the Committee. If this occurs and the entity is timely notified, the entity is not required to engage a private CPA to conduct an audit. The Auditor General conducts very few audits of local governmental entities. Generally, if an audit is conducted it is an operational audit, not a financial audit.

[6] Committee staff notify each entity that has failed to file an audit report. Correspondence is sent by certified mail, return receipt requested, informing the mayor, board chair, or registered agent, as appropriate, of the audit requirement and possible penalty.

[7] The Committee has directed DOR and DFS to withhold revenue from a number of municipalities. DOR withholds Municipal Revenue Sharing and Half-Cent Sales Tax funds from municipalities that would otherwise receive these funds. Municipal Revenue Sharing funds are restored to the municipality if the municipality files the required report(s) prior to the end of the state's fiscal year. Half-Cent Sales Tax funds are redistributed and are not available to be restored to the municipality once a distribution is made. DFS has withheld grant funds from some municipalities. These funds are released to the municipality once the required report(s) are filed. The only county that the Committee has taken action against filed the required reports by the effective date of the Committee's action.

[8] DCA no longer exists; this function is now handled by DEO. DFS and DOR are provided 30 days and DEO is provided 60 days to commence with action once they receive the notification from the Committee.

List 1:						
COUNTIES						
	County	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Dixie County	5	21	FY 2017-18 AFR and Audit Report	The County submitted the FY 2016-17 AFR and audit report (due by law no later than 6/30/2019) on 6/30/2019 and 7/18/2019, respectively. On 10/21/2019, Committee staff received correspondence from the Dixie County Clerk of the Circuit Court (Clerk) regarding the status of the County's FY 2017-18 financial audit which referenced prior correspondence that had discussed the unexpected hardships experienced by the Clerk's Finance Office when the major health issues and staff turnovers occurred (as described below). The correspondence stated that: (1) a contract had been executed with a CPA firm for the outsourcing of the Chief Financial Officer position and duties; (2) the Board of County Commissioners (Board) had issued a RFP for Auditing Services; (3) the Audit Committee made a recommendation for an audit firm to the Board and at its 10/17/2019 meeting the Board had voted to contract with the audit firm; and (4) the audit firm is expected to begin working on the audit report and AFR immediately upon execution of the contract. The Clerk asked that the correspondence be accepted as a formal request to extend the filing deadline to 5/15/2020 because that is the completion date provided by the auditors, but stating that if completed earlier it would be submitted immediately. History: - At the 2/7/2019 meeting, the Committee approved to allow the County until 3/31/2019 to submit the delinquent reports; the Committee Chairs subsequently approved additional time for the submission of these reports, until 6/30/2019. -In December 2018, Committee staff received correspondence from the Dixie County Clerk of the Circuit Court regarding the status of the County's FY 2016-17 financial audit. The correspondence provided details as to the reasons the County's financial reports were late, including: (1) notification from the County's audit firm in preparing for the audit, that due to current workload the completion of the audit may be delayed until September 2018; (2) health issues experienced by the Finance Officer in late 2017 that limited her ability to work and have access to the audit firm; and (3) complications created as a result of the turnover of two other key personnel in the Finance Department. It further stated that the County had been informed by the lead auditor that the audit would be completed in early 2019. -Follow-up correspondence received by Committee staff in January 2019 stated that the County's auditors had completed the audit of four of the six County entities, had almost completed the audit of the fifth entity, and were well underway on the audit of the final entity. The letter further stated that they were aiming to have the audit completed by late February 2019.	Take action if not received by 3/31/2020

List 1:						
COUNTIES						
	County	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
2	Jefferson County	3	7	FY 2017-18 AFR and Audit Report	On 10/14/2019, Committee staff received a telephone call from the Jefferson County Clerk of Court & CFO regarding the status of the County's FY 2017-18 financial audit. He had been suspended from office in October 2017 by former Governor Scott after an arrest for theft. He was later found not guilty at trial and subsequently reinstated to office effective 12/1/2018. During this time period, an interim Clerk was appointed by former Governor Scott. He further stated that his absence in the office contributed to the delay of the submission of the County's FY 2016-17 AFR and audit report, which were due 6/30/2018 but not submitted until mid- January 2019. On 10/18/2019, Committee staff received follow-up correspondence from the Jefferson County Clerk of Court & CFO which stated that the County had terminated the engagement with its current audit firm and was moving forward with a new audit firm to perform both FY 2017-18 and FY 2018-19 audits. The email did not provide a timeframe for completion of the FY 2017-18 audit.	Take action if not received by 3/31/2020

List 2: MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Town of Alford (Jackson County)	2	5	FY 2017-18 AFR and Audit Report	On 11/8/2019, the Town Clerk forwarded to Committee staff an email from the Town's auditors, which stated that they anticipate completion of the audit and delivery of the audit report on or before December 16, 2019.	Take action if not received by 1/17/2020
2	Town of Altha (Calhoun County)	3	7	FY 2017-18 AFR and Audit Report	The Town submitted the AFR and audit report for FY 2016-17 (due by law no later than 6/30/2019) on 11/4/2019, and 10/31/2019, respectively. Correspondence with the Town Attorney during September and October 2019 indicated that the Town anticipates preparation for the FY 2017-18 audit to begin once the FY 2016-17 audit report is issued and the audit to start shortly thereafter. History: - In early February 2019, Committee staff received correspondence from the Town Attorney, which provided some background information about the Town, its basic operations, and certain constraints it faced on a day-to-day basis. In addition, the letter included detailed information about issues that had impacted the completion of the FY 2016-17 audit, including: (1) the devastating impact of Hurricane Michael on the Town; (2) the Town Clerk being relieved of her job by the Town Council in late December 2018 due to her "…role, or lack of role, in preparing for the audit" and other unnamed irregularities that were brought to light during the Town Council's review into the reasons for the lack of financial information to begin the audit; (3) resignation of the Mayor shortly thereafter; and (4) Town's search for a new Town Clerk. The letter further stated that: (1) an accountant was assisting with preparation of the financial information needed for the auditors to begin the FY 2016-17 audit, but it would take some time for him to get everything prepared and organized; (2) due to the auditors' workload during the upcoming tax season, it would be June 2019 before the Town's audit could begin and it would take 2-3 months to complete; (3) the auditors suggested that meanwhile the accountant also be tasked with compiling the financial information for the FY 2017-18 audit, and stated that they could perform both audits beginning in June 2019; and (4) the Town Attorney was going to recommend that the Town Council take such action. -In late June 2019, Committee staff received an email from the Town Attorney, stating that the Town: (1) had assembled the documents necessary for the FY 2016-17 audit but he had just been informed that the procured audit firm could not do the audit because of staffing issues; and (2) had a new audit firm that was willing to perform the audit on a an emergency basis. In late July 2019, Committee staff received an email from the Town Attorney, stating that the Town had procured a	Take action if not received by 6/30/2020

List 2:						
MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Town of Altha (Calhoun County) (continued)				new audit firm and they indicated that the audit should be completed by the end of August 2019. -The Committee Chairs approved a delay of action for the FY 2016-17 reports until 10/31/2019, based upon a request from the Town for additional time to complete the audit and submit the delinquent reports.	
3	City of Atlantic Beach (Duval County)	4, 6	11, 12, 13, 14, 15, 16	FY 2017-18 AFR and Audit Report	On 10/25/2019, Committee staff received an email from the City's Director of Finance, which stated: (1) the former Director of Finance left suddenly on 7/11/2019, with many items for the FY 2017-18 incomplete; (2) the City engaged an outside consultant to finish those items in order for the audit firm to perform the audit; (3) the City has since hired a new Director of Finance, who has been working diligently with both the consultant and the audit firm to complete the audit process; and (4) the audit firm is in the write-up stage of the audit and expects to have the audit completed on or before 11/30/2019.	Take action if not received by 12/16/2019
4	City of Bonifay (Holmes County)	2	5	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/1/2019 letter.	Take action if not received by 11/22/2019

List 2: MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
5	Town of Esto (Holmes County)	2	5	FY 2017-18 AFR and Audit Report	On 10/30/2019, Committee staff received correspondence from the Town Clerk, regarding the status of the FY 2017-18 audit. A letter dated 10/29/2019 from the Town Council President was included and stated: (1) the Town had been going thru some internal structural changes for the last few years and the current Town Clerk did not realize that the required audit would be due for FY 2017-18; (2) they were under the impression that it was required for FY 2018-19, which would be due 6/30/2020; (3) the Town was impacted by Hurricane Michael and the Town's computer system was corrupt and all of the accounting information was lost; (4) the Town has since implemented a new accounting system, a new computer system with offsite backup to help avoid these issues going forward; (5) the Town is diligently inputting the data to recreate the lost data, but unfortunately it is not progressing in a timely manner; (6) the Town hopes to have all accounting information updated in the next four weeks; and (7) the Town does not currently have an audit firm working with the Town, but is seeking bids from local firms to assist with the required audit - one the Town can afford and understands municipal accounting. [Committee staff note: Based on revenue and expenditures amounts, the Town is required to have an audit once every three years. The Town's most recent audit was for FY 2014-15.] On 10/30/2019, Committee staff spoke with the Town Clerk regarding the status of the FY 2017-18 audit. She asked about the possibility of having a FY 2018-19 audit in lieu of the FY 2017-18 audit because the Town is currently working to close out three grants (road project, water/sewer project, and one other one) with expenditures totaling almost $1 million (most of which were in FY 2018-19). Committee staff told her that similar requests had been considered by the Committee in previous years and we would need correspondence from the Town requesting such. She stated that she will discuss it with the Mayor and Town Council and get back in touch if that's what they decided to request. [Note: Committee staff have not received any further communication from the Town.]	Take action if not received by 1/17/2020

List 2: MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
6	City of Gretna (Gadsden County)	3	8	FY 2017-18 Audit Report	On 11/13/2019, Committee staff received correspondence from the City Manager which stated: (1) the FY 2017-18 audit has started; (2) it was delayed because of limited cash resources due to expenditures related to Hurricane Michael recovery; (3) the City expects the audit fieldwork to be completed no later than mid-December 2019 and the completed audit on or before 1/15/2020; and (4) the City has completed and submitted its FY 2017-18 AFR.	Take action if not received by 1/17/2020
7	City of Hampton (Bradford County)	5	19	FY 2017-18 AFR and Audit Report FY 2016-17 AFR and Audit Report	The City submitted the AFRs and audit reports for FYs 2013-14, 2014-15, and 2015-16 in May 2019. On 11/8/2019, Committee staff was copied on an email from the City's auditors to the City Clerk, stating that: (1) they were waiting on the City's outsourced accountant to complete the audit preparation procedures before scheduling the FY 2016-17 audit; (2) the plan is to first complete the FY 2016-17 audit and then start the FY 2017-18 audit; and (3) if the outsourced accountant is able to complete his procedures by January, they would probably need to schedule to complete the FY 2016-17 audit in April-May 2020 and then move to the FY 2017-18 audit in the summer. History: -The Committee had delayed action against the City since February 2015 relating to the FY 2012-13 AFR and Audit Report because all of the City records that cover FY 2012-13 were seized by the Bradford County Sheriff's Office and FDLE as part of a criminal investigation involving the former City Clerk. The City had been allowed some access to records that were held by the Sheriff's Office, but it had no access to the records held by FDLE. The FY 2012-13 audit needed to be completed and the audit report issued prior to the start of the next fiscal year's audit. During the fourth quarter of 2017, FDLE released the financial documentation back to the City. The City submitted the FY 2012-13 AFR and audit report in April 2018. - In February 2019, Committee staff was copied on an email from the City's auditors to the City Clerk, stating that: (1) draft FY 2013-14 financial statements are expected to be provided in two weeks; (2) once the City has reviewed them and provided one additional item, they will be able to get the FYs 2014-15 and 2015-16 financials shortly thereafter; and (3) the FY 2016-17 audit will be scheduled for the summer, with completion in the fall of 2019. -The City has provided the periodic status updates requested by the Committee.	Take action if not received by 6/30/2020

List 2: MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
8	Town of Havana (Gadsden County)	3	8	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/1/2019 letter. However, the Town Manager provided a response to the Committee's letter regarding the delinquent financial reports for the Community Redevelopment Agency of the Town of Havana, a dependent special district and blended component unit of the Town. He stated that: (1) circumstances relating to the retirement of a key employee and extended medical issues of another key employee has put the Town behind schedule; (2) the Town's audit firm is scheduled to complete the FY 2017-18 audit in December; and (3) the Town apologizes for the inconvenience, understands the importance of timely submittals, and thanks the Committee for working with it.	Take action if not received by 1/17/2020
9	Village of Indiantown (Martin County)	25	82, 83	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/1/2019 letter.	Take action if not received by 11/22/2019
10	Town of Lake Park (Palm Beach County)	25, 29, 30, 31	81, 82, 85, 86, 87, 88, 89, 90, 91	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/1/2019 letter.	Take action if not received by 11/22/2019
11	Village of Lazy Lake (Broward County)	29, 32, 33, 34, 35	92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105	FY 2017-18 AFR and Audit Report	On 11/12/2019, the U.S. Postal Service returned the Committee's letter to the Village, dated 10/1/2019, with a sticker stating "Unclaimed" and "Unable to Forward." On the same day, Committee staff called the Village and left a detailed voicemail message for the Mayor regarding the delinquent AFR and audit, if audit threshold was met, requesting that he return the call. No response has been received to date.	Take action if not received by 11/22/2019
12	Town of Loxahatchee Groves (Palm Beach County)	25, 29, 30, 31	81, 82, 85, 86, 87, 88, 89, 90, 91	FY 2017-18 AFR and Audit Report	On 10/31/2019, Committee staff spoke with and then received correspondence from the Assistant Town Manager and Director of Financial Services, stating that the Town's FY 2017-18 audit, as well as the audit for the Town's dependent water control district, should be filed within the month of November 2019.	Take action if not received by 12/16/2019

List 2:						
MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
13	Town of Mangonia Park (Palm Beach County)	25, 29, 30, 31	81, 82, 85, 86, 87, 88, 89, 90, 91	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/1/2019 letter.	Take action if not received by 11/22/2019
14	City of Minneola (Lake County)	12, 22	31, 32, 33	FY 2017-18 AFR and Audit Report	On 10/10/2019, Committee staff received an email from the City Manager which stated that: (1) the City had experienced an unusually difficult set of circumstances last fiscal year; (2) the finance manager was unexpectedly out for approximately five months due to illness; (3) the city clerk was unexpectedly out of state for approximately six months due to personal family matters; (4) the audit is underway and nearly complete; and (5) he expects the audit to be completed and the audit report submitted on or before 11/4/2019. On 10/30/2019, Committee staff spoke with, and received a follow-up email from the City's CRA Manager. The email stated that the City anticipates receiving the draft audit report within two weeks and the final audit report by the end of November. The City of Minneola CRA is a blended component unit of the City and is included in the City's audit.	Take action if not received by 12/16/2019

List 2: MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
15	City of Opa-locka (Miami-Dade County)	35, 36, 37, 38, 39, 40	100, 102, 103, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120	FY 2017-18 AFR and Audit Report	The City submitted the AFR and audit report for FY 2016-17 (due by law no later than 6/30/2019) on 10/2/2019, and 9/30/2019, respectively. The City provided a financial audit plan and timeline for the completion of the FY 2017-18 audit, as part of the material provided for the Committee's 10/17/2019 meeting at which the Auditor General's operational audit report of the City was presented. The six-month timeline indicated that: (1) audit preparation began in October and would continue through November and December; (2) the external auditors would begin to perform the audit starting in January 2020; and (3) the audit would be finalized in March 2020. On 10/31/2019, Committee staff received an email from the City's financial consultant which stated that the City Commission approved the contract with her firm for one more year to assist with the financial leadership, management, and supervision of the Finance Department and added greater language to the contract scope to be able to assist the City in moving forward. History: -In March 2016, the FBI raided City Hall in a corruption probe zeroing in on top City officials and administrators. The raid followed a two-year investigation into allegations of kickback schemes involving City officials and administrative staff. (Source: Miami Herald and other local media sources) -On 6/1/2016, Governor Scott issued Executive Order Number 16-135 which declared that the City is in a state of financial emergency based upon the conditions reported to the Governor by City officials (s. 218.503(3), F.S.). The Governor, on 6/9/2016, appointed a 9-member financial emergency oversight board to oversee the activities of the City (s. 218.503(3)(g)1., F.S.). -Since mid-2016, one City Commissioner, two City administrative staff, and the Mayor's son have plead guilty to federal bribery and extortion conspiracy charges. (Source: Miami Herald and other local media sources) -It is currently unknown whether the FBI investigation is still ongoing. - The City failed to timely file the required financial reports for the past four fiscal years. As a result, the Committee has taken action against the City for three of these years' reports (2014-15, 2015-16, and 2016-17 fiscal years), and the City had lost approximately $1.74 million in State revenues that it would have otherwise been entitled to receive. Because the City pledged the State revenues for bond debt service satisfaction, it did receive approximately $1.76 million that would have otherwise been withheld.	Take action if not received by 2/1/2020

List 2:						
MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
16	City of Pahokee (Palm Beach County)	25, 29, 30, 31	81, 82, 85, 86, 87, 88, 89, 90, 91	FY 2017-18 AFR and Audit Report	On 11/12/2019, Committee staff received correspondence from the audit firm, which stated that they are working to close out FY 2017-18, will be setting up a meeting with the City soon, and not yet sure when the audit report will be issued. On 11/6/2019, Committee staff received an email from the audit firm engaged to perform the City's FY 2017-18 and FY 2018-19 audits requesting a call to them regarding the audit timing. On 11/8/2019, Committee staff called the City's audit firm as requested and left a detailed voicemail message. Committee staff immediately sent a follow-up email to the audit firm regarding the voicemail message and attaching a copy of the Committee's letter to the City, dated 10/1/2019. On 11/5/2019, Committee staff spoke with the City's CPA consultant. He stated that the City's Finance Director had told him that she would work directly with the City's audit firm for the FY 2017-18 audit. Therefore, he has not been in contact with the audit firm and does not know the status of the audit. Committee staff told him that the City had not provided a written, detailed status of the audit, as requested in the Committee's letter to the City, dated 10/1/2019. He stated that he would reach out to the City regarding such and asked for a copy of the Committee's letter to the City. Committee staff immediately sent a follow-up email to the City's CPA consultant with a copy of the Committee's letter to the City, dated 10/1/2019, as requested. History: - Including the current outstanding report, the City has filed the required financial reports late for past five fiscal years (by law due no later than June 30th each year). As a result, the Committee has taken action against the City for three of these years' reports (2014-15, 2015-16, and 2016-17 fiscal years). The City has come into compliance prior to having any funds withheld.	Take action if not received by 12/16/2019

List 2: MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
17	Town of Pembroke Park (Broward County)	29, 32, 33, 34, 35	92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105	FY 2017-18 AFR and Audit Report	On 9/16/2019, Committee staff received a letter from the Town Manager, stating that the Town's FY 2017-18 audit had not yet been completed, and Town staff were working with the audit firm to finish the audit report as soon as possible. A letter to the Town from the audit firm dated 6/10/2019 was attached that stated: (1) they had become aware of an additional ongoing investigation by the Broward County Office of the Inspector General (OIG) last week; (2) the original requests for documentation dated back to January 2019, but they were not told about it; (3) based on the current information requests they reviewed from the OIG, the subject of the investigation could affect the Town's financial statements; (4) in accordance with professional standards, they need to obtain a clearer understanding of the nature and potential causes of the investigation and evaluate the potential impact of the investigation in order to assess the need for extended audit procedures in various areas, including payroll, which may result in an increase in the fees; and (5) they will be unable to complete the engagement by 6/30/2019. In addition, an email to the Town from the audit firm dated 8/9/2019 was attached that stated: (1) based on their review and assessment of the situation with the audit, they will be performing additional procedures related to payroll, employee reimbursements, credit card payments, and expenditures; and (2) in order for them to continue with the audit, the Town needed to approve a fee increase because the time on the audit engagement was approaching the agreed upon fee and they were not close to completing the audit. On 10/28/2019, Committee staff spoke with and then received correspondence from the Town Manager, requesting an extension until November 30 to file the Town's audit report and AFR. She stated that the Town's audit firm has requested additional documentation from the Town, and once received the audit firm would need to perform several additional procedures prior to issuing the draft audit report.	Take action if not received by 12/16/2019

List 2: MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
18	City of Vernon (Washington County)	2	5	FY 2017-18 AFR and Audit Report FY 2016-17 AFR and Audit Report	In February 2019, the Committee took action against the City for its failure to submit the FY 2016-17 AFR and audit report (due by law 6/30/2018). State action began in February 2019 because the City did not provide a response to the Committee's letter prior to Committee action. As a result of the Committee's action and the City's continued failure to submit the FY 2016-17 reports, the City has lost approximately $42,500 (as of mid-October) in State funds that it would ordinarily have received. These reports continue to be outstanding. Committee staff has again spent considerable time in verbal and written correspondence with City staff regarding the status of the FY 2016-17 audit and the state of the City's financial records. On 9/17/2019, the City Clerk sent an email stating that: (1) the City Council had voted in favor of hiring a financial consultant to prepare the FY 2016-17 financial records for audit; (2) she is waiting on the Mayor's signature on the memorandum of agreement with him; and (3) she is looking forward to working with him in the very near future. In early November 2019, Committee staff spoke with both the City Clerk and the City's auditors regarding the status of the FY 2016-17 audit. On 11/11/2019, Committee staff received an email from the City's auditors which stated: (1) they had received the financial information for FY 2016-17 from the City's financial consultant on 11/7/2019; (2) at that time they felt comfortable giving a timeline on the potential completion of the fiscal year end 2016-17 audit of mid-January 2020, which was relayed to the City on 11/8/2019; (3) the timeline depends on the City being able to give them all the information needed to complete the audit in a timely manner; (4) the financial consultant also mentioned the possibility of him completing the fiscal year end 2017-18 financials quickly and having the auditors work on that audit at the same time as the FY 2016-17 audit; and (5) in an email the next day (11/8/2019) they asked the City Clerk if the City was interested in that possibility, but have not heard back from her yet. History:	Continue state action on FY 2016-17. If FY 2016-17 financial reports are submitted by 1/17/2020, then take action on FY 2017-18 financial reports if not received by 3/31/2020. Otherwise, take action on FY 2017-18 on 1/20/2020.

List 2:						
MUNICIPALITIES						
	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	City of Vernon (Washington County) (continued)				- The Committee took action against the City in November 2017 for its failure to submit the FY 2015-16 AFR and audit report. This audit, which was due 6/30/2017, was submitted in October 2018. The auditors issued a disclaimer of opinion for the FY 2015-16 audit. -As a result of the Committee's action relating to the FY 2015-16 reports and the lengthy delay in submitting the delinquent reports, the City lost approximately $29,974 in State funds that it would ordinarily have received. During the time of the Committee's action against the City, the Committee's Chairs authorized the release of grant funds to the City for infrastructure projects. The release of these funds was approved based on the request of DEO and DEP, the State agencies responsible for administering the grants. -Committee staff spent considerable time in verbal and written correspondence with City staff and the auditors during this timeframe and emphasized to City staff that the City needed to promptly respond to any future correspondence from the Committee relating to delinquent financial reports.	

List 3: SPECIAL DISTRICTS (INDEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Baker Fire District (Okaloosa County; Special Act)	1, 2	3, 4	FY 2017-18 AFR and Audit Report FY 2016-17 AFR and Audit Report	In early October 2019, Committee staff received a telephone call from the District's Board Chair, who stated that the auditors are still working on the FY 2016-17 audit and he is unsure when it will be completed. On 8/14/2019, Committee staff received a telephone call and an email from the District. The email stated that: (1) the District thanks the Committee for the extra time to complete the audit but regret that it will not be able to meet the 8/15/2019 deadline; (2) they have been working diligently to meet the deadline but after getting all the financial information into the accounting system, Quickbooks, they lost all the data that had been input; (3) as of now they have spent countless hours trying to retrieve the information, including four hours with a representative from Quickbooks with no success, they don't know what to do at this time but to start from scratch and re-enter the information. History: - In February 2019, the Committee approved to take action against the District if the FY 2016-17 AFR and audit report were not submitted by 5/1/2019. At the request of the District, the Committee Chairs approved additional time for the District to submit the reports, until 8/15/2019. -The District failed to submit the reports by the 8/15/2019 deadline, so State action began on 8/20/2019. As a result, DEO filed the petition for enforcement against the District on 10/18/2019 in Leon County Circuit Court. -In early February 2019, Committee staff received an email from the District's treasurer, which stated that: (1) all information related to the FY 2016-17 audit had been turned over to the auditors; (2) due to the auditors' heavy work load during tax season, the estimated to complete the District's FY 2016-17 audit was 5/1/2019; and (3) the District was on track to turn in the FY 2017-18 financial reports to meet the required reporting deadline (due by law no later than 6/30/2019). -In early January 2019, Committee staff received an email from the District's treasurer, which stated that: (1) he was working on getting the information to the	Continue state action on FY 2016-17. If FY 2016-17 financial reports are submitted by 1/17/2020, then take action on FY 2017-18 financial reports if not received by 3/31/2020. Otherwise, take action on FY 2017-18 on 1/20/2020.

List 3:						
SPECIAL DISTRICTS (INDEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Baker Fire District (Okaloosa County; Special Act) (continued)				auditors for completion of the FY 2016-17 audit; (2) he needed to contact them for an update on a completion date; (3) the District was a good custodian of the public funds that it receives, but does not have anyone on the Board with the time or proper background to do the bookkeeping; (4) the District had taken steps by recently appointing a new treasurer and hiring a bookkeeper to get the District up-to-date on its accounting; and (5) the District asked that the Committee grant it additional time to complete the audit.	
2	Baker Soil and Water Conservation District (Baker County; General Law)	5	10	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/4/2019 letter.	Take action if not received by 11/22/2019
3	Clearwater Cay Community Development District (Pinellas County; Local Ordinance)	16, 19, 24	64, 65, 66, 67, 68, 69, 70	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/4/2019 letter.	Take action if not received by 11/22/2019
4	Deerfield Preserve Community Development District (St. Johns County; Local Ordinance)	7	17, 24	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/4/2019 letter.	Take action if not received by 11/22/2019

List 3:						
SPECIAL DISTRICTS (INDEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
5	Dorcas Fire District (Okaloosa County; Special Act)	1, 2	3, 4	FY 2017-18 AFR and Audit Report	On 10/22/2019 DEO forwarded to Committee staff an email received from the District, which stated that: (1) due to overspending in prior years, discovered by the current bookkeeper who was hired in August 2014, the District experienced financial issues that took three years to overcome; (2) then in August 2017, the fire station was broken into, the office vandalized, the computer stolen and never recovered, and all files in the file cabinet destroyed; (3) the auditor performing the FY 2016-17 audit required that the accounting system records (Quickbooks) be recreated, as well as invoices obtained from the vendors; (4) due to the District's economic issues, the full-time, paid fire chief had to find another paying job and become a volunteer, which put more work on the volunteer Board members in order to recreate the missing financial records; (5) in September 2018, a Board member resigned, leaving only two Board members so the Board could not vote on anything, and it was not until June 2019 that another District resident accepted a seat on the Board, giving the Board a quorum of three again; (6) the auditor has stated that the FY 2017-18 audit will not be completed until January 2020; (7) the District's economic position is in the best shape since 2014; and (8) the District's documents for FY 2018-19 are ready, but the auditor does not want them until he has completed the FY 2017-18 audit.	Take action if not received by 1/17/2020

List 3:						
SPECIAL DISTRICTS (INDEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
6	Eastpoint Water and Sewer District (Franklin County; Special Act)	3	7	FY 2017-18 AFR and Audit Report	On 11/13/2019, Committee staff received correspondence from the District's registered agent stating that: (1) the District is in the process of finishing the FY 2017-18 audit and expects a submittal date of 12/16/2019 for the audit report; (2) the District had a software conversion failure with the accounting system and was forced to restore the items for several backups; (3) the process took much longer than anticipated, but staff was able to recreate the necessary files; and (4) the District has created redundant systems to prevent this issue from reoccurring.	Take action if not received by 12/16/2019
7	Green Corridor Property Assessment Clean Energy (PACE) District (Miami-Dade County; General Law)	35, 36, 37, 38, 39, 40	100, 102, 103, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120	FY 2017-18 AFR and Audit Report	On 10/30/2019, Committee staff received an email from the District's registered agent that stated that she expected to receive a draft audit report from the auditor next week. Although requested, the registered agent did not confirm that the audit report would be submitted by the 60-day deadline for the audit report per DEO's technical assistance/warning letter sent to the District on 9/19/2019, which is 11/18/2019.	Take action if not received by 12/16/2019
8	Martin Soil and Water Conservation District (Martin County; General Law)	25	82, 83	FY 2017-18 AFR and Audit Report	Since 2/6/2019, DEO's records have shown the District's registered agent name and address as "Unknown." The special district is required by law to keep this information current with DEO. Because there was no registered agent information, no Committee letter could be sent.	Take action if not received by 11/22/2019

List 3:						
SPECIAL DISTRICTS (INDEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
9	Polk Soil and Water Conservation District (Polk County; General Law)	20, 22, 26	39, 40, 41, 42, 56	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/4/2019 letter. On 10/14/2019 DEO forwarded to Committee staff an email received from the District, which stated that the District: (1) was unable to meet the submission deadline for the FY 2017-18 report due to a changeover in most of the Board members and the previous Chairman did not have an audit completed; (2) is working very hard to prevent the noncompliance from reoccurring; (3) has hired an administrative assistant and working with a CPA to get the audit completed; and (3) will have the report filed no later than 10/18/2019. Neither DEO nor Committee staff have received any further communication from the District.	Take action if not received by 11/22/2019
10	Taylor Soil and Water Conservation District (Taylor County; General Law)	3	7	FY 2017-18 AFR and Audit Report	Since 7/19/2019, DEO's records have shown the District's registered agent name and address as "Unknown." The special district is required by law to keep this information current with DEO. Because there was no registered agent information, no Committee letter could be sent.	Take action if not received by 11/22/2019

List 3:						
SPECIAL DISTRICTS (INDEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
11	Yellow River Soil and Water Conservation District (Okaloosa County; General Law)	1, 2	3, 4	FY 2017-18 AFR and Audit Report FY 2016-17 AFR and Audit Report	Throughout August to November 2019, the District has provided regular updates to DEO's Special District Accountability Program on the status of the FY 2016-17 audit. District staff indicated that: (1) the District will not meet the audit threshold for FY 2017-18 and, therefore, will not need an audit; (2) the FY 2017-18 AFR is ready for submission, but the District cannot do so because the FY 2016-17 AFR has to be submitted first; and (3) the FY 2016-17 AFR cannot be submitted until the FY 2016-17 audit is completed. On 11/7/2019, DEO forwarded to Committee staff an email received from the District, which stated that the District hoped to have the FY 2016-17 audit filed by the end of November 2019 and then have both the FY 2016-17 and FY 2017-18 AFRs filed quickly thereafter. History: -In early January 2019, DEO forwarded to Committee staff an email from a District representative that requested an extension until 3/31/2019 to submit the FY 2016-17 financial reports and stated that: (1) the District had a rough year that included relocation of its location after 27 years, the death of its Chair, and the search for a new CPA to perform the audit; and (2) the District now had a new CPA and the audit process was expected to begin in January 2019. - In February 2019, the Committee approved to take action against the District if the FY 2016-17 AFR and audit report were not submitted by 4/1/2019. The District failed to submit the reports by the deadline, so State action began on 4/2/2019. DEO's Special District Accountability Program sent the technical assistance letter required by Section 189.067, *Florida Statutes*, to the District on 4/3/2019; the 60-day deadline was 6/3/2019. -The District again failed to submit the reports by the 6/3/2019 deadline. As a result, DEO filed the petition for enforcement against the District on 8/1/2019 in Leon County Circuit Court.	Continue state action on FY 2016-17. If FY 2016-17 financial reports are submitted by 12/16/2019, then take action on FY 2017-18 if financial reports not received by 3/31/2020. Otherwise, take action on FY 2017-18 on 12/17/2019.

List 4:						
SPECIAL DISTRICTS (DEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Ali-Baba Neighborhood Improvement District (Miami-Dade County; Local Ordinance)	35, 36, 37, 38, 39, 40	100, 102, 103, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120	FY 2017-18 AFR and Audit Report FY 2016-17 AFR and Audit Report	The District is a component unit of the City of Opa-locka, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2017-18 audit is completed. [See List 2 for the status of the City's audit.]	No action on the special district since the City of Opa-locka is responsible for submitting the District's AFR. [Note: Take action on City of Opa-locka as specified in List 2.]
2	Brandon Groves North Service District (Hillsborough County; Local Ordinance)	18, 19, 20, 21	57, 58, 59, 60, 61, 62, 63, 64, 70	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/4/2019 letter.	Take action if not received by 11/22/2019
3	City of Minneola Community Redevelopment Agency (Lake County; Local Ordinance)	12, 22	31, 32, 33	FY 2017-18 AFR and Audit Report	The Agency is a component unit of the City Minneola and is included in the City's audit. Also, the Agency's AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2017-18 audit is completed. [See List 2 for the status of the City's audit.]	No action on the special district. The Agency is a component unit of the City of Minneola and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Minneola if reports not received by 12/16/2019.]

List 4:						
SPECIAL DISTRICTS (DEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
4	Community Redevelopment Agency of the Town of Havana (Gadsden County; Local Ordinance)	3	8	FY 2017-18 AFR and Audit Report	The Agency is a component unit of the Town of Havana and is included in the Town's audit. Also, the Agency's AFR is linked to the Town's AFR, which cannot be submitted until the Town's FY 2017-18 audit is completed. [See List 2 for the status of the Town's audit.]	No action on the special district. The Agency is a component unit of the Town of Havana and is included in the Town's audit. The Town is also responsible for submitting the Agency's AFR. [Note: Take action on Town of Havana if reports not received by 1/17/2020.]
5	Community Redevelopment Agency of the Town of Lake Park (Palm Beach County; Local Ordinance)	25, 29, 30, 31	81, 82, 85, 86, 87, 88, 89, 90, 91	FY 2017-18 AFR and Audit Report	The Agency is a component unit of the Town of Lake Park and is included in the Town's audit. Also, the Agency's AFR is linked to the Town's AFR, which cannot be submitted until the Town's FY 2017-18 audit is completed. [See List 2 for the status of the Town's audit.]	No action on the special district. The Agency is a component unit of the Town of Lake Park and is included in the Town's audit. The Town is also responsible for submitting the Agency's AFR. [Note: Take action on Town of Lake Park if reports not received by 11/22/2019.]
6	East Mulloch Water Control District (Lee County; Special Act)	26, 27, 28	76, 77, 78, 79	FY 2017-18 Audit Report	No response received to the Committee's 10/4/2019 letter.	Take action if not received by 11/22/2019

List 4:						
SPECIAL DISTRICTS (DEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
7	East-West Neighborhood Improvement District (Miami-Dade County; Local Ordinance)	35, 36, 37, 38, 39, 40	100, 102, 103, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120	FY 2017-18 AFR and Audit Report FY 2016-17 AFR and Audit Report	The District is a component unit of the City of Opa-locka, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2017-18 audit is completed. [See List 2 for the status of the City's audit.]	No action on the special district since the City of Opa-locka is responsible for submitting the District's AFR. [Note: Take action on City of Opa-locka as specified in List 2.]
8	Gillespie Park Neighborhood Improvement District (Sarasota County; Local Ordinance)	23	70, 71, 72, 73, 74	FY 2017-18 AFR	On 10/30/2019, Committee staff received a telephone call from the City Attorney for the City of Sarasota (City) regarding the Gillespie Park Neighborhood Improvement District (District). He stated that, although the City adopted City Ordinance 88-3256 in 1988 creating this dependent special district, the District has never been operational and its advisory board was never established. He further stated that: (1) there is currently an interest in the neighborhood to activate the District; (2) a citizen in the neighborhood contacted DEO regarding the ordinance creating the District and provided the former Mayor's contact information for the registered agent information required by DEO, unbeknownst to the City; and (3) the City Commission will need to discuss how to proceed with the District (i.e., whether to activate the District or repeal the ordinance and dissolve the District). Committee staff explained that all active special districts are required to submit an AFR; the amounts would be zero if there was no activity during the fiscal year. On 11/12/2019, Committee staff spoke with the City Attorney, who stated that it is his understanding that City staff will be submitting an AFR reflecting no activity by the District during the fiscal year.	Take action if not received by 12/16/2019

List 4:						
SPECIAL DISTRICTS (DEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
9	Gretna Neighborhood Improvement District (Gadsden County; Local Ordinance)	3	8	FY 2017-18 AFR and Audit Report	No response received to the Committee's 10/4/2019 letter. The City of Gretna's local governing authority is the City of Gretna. On 11/13/2019, Committee staff received correspondence from the City of Gretna's City Manager which stated: (1) the FY 2017-18 audit has started; (2) it was delayed because of limited cash resources due to expenditures related to Hurricane Michael recovery; (3) the City expects the audit fieldwork to be completed no later than mid-December 2019 and the completed audit on or before 1/15/2020; and (4) the City has completed and submitted its FY 2016-17 AFR.	No action on the special district since the City of Gretna is responsible for submitting the District's AFR. [Note: Take action on City of Gretna if reports not received by 1/17/2020.]
10	Leon County Educational Facilities Authority (Leon County; General Law)	3	7, 8, 9	FY 2017-18 AFR and Audit Report	No response received to 10/4/2019 letter. On 9/12/2019 DEO forwarded to Committee staff an email received from the Authority, which stated that: (1) for the past four to five years the Authority has had substantial problems in getting the audit completed because of one of the Authority's funds, Southgate Campus Centre (Southgate) managed by Asset Campus Housing (ACH); (2) two years ago the Authority hired a third-party accountant, mainly to assist Southgate in closing its books in good order; (3) last month ACH replaced its entire accounting staff in order to bring the company into compliance with generally accepted accounting principles (GAAP); and (4) the Authority hopes to complete the audit by 10/15/2019. Neither DEO nor Committee staff have received any further communication from the Authority.	Take action if not received by 11/22/2019

List 4: SPECIAL DISTRICTS (DEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
11	Loxahatchee Groves Water Control District (Palm Beach County; Special Act)	25, 29, 30, 31	81, 82, 85, 86, 87, 88, 89, 90, 91	FY 2017-18 AFR and Audit Report	The District is a component unit of the City of Loxahatchee Groves and is included in the City's audit. Also, the District's AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2017-18 audit is completed. [See List 2 for the status of the City's audit.]	No action on the special district. The District is a component unit of the City of Loxahatchee Groves and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Loxahatchee Groves if reports not received by 12/16/2019.]
12	Niles Garden Neighborhood Improvement District (Miami-Dade County; Local Ordinance)	35, 36, 37, 38, 39, 40	100, 102, 103, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120	FY 2017-18 AFR and Audit Report FY 2016-17 AFR and Audit Report	The District is a component unit of the City of Opa-locka, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2017-18 audit is completed. [See List 2 for the status of the City's audit.]	No action on the special district since the City of Opa-locka is responsible for submitting the District's AFR. [Note: Take action on City of Opa-locka as specified in List 2.]

List 4:						
SPECIAL DISTRICTS (DEPENDENT)						
(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)						
	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
13	Opa-Locka Community Redevelopment Agency (Miami-Dade County; Local Ordinance)	35, 36, 37, 38, 39, 40	100, 102, 103, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120	FY 2017-18 AFR and Audit Report FY 2016-17 Audit Report	The Agency is a component unit of the City of Opa-locka, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2017-18 audit is completed. [See List 2 for the status of the City's audit.]	No action on the special district. The Agency is a component unit of the City of Opa-locka and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Opa-locka as specified in List 2.]
14	Twin Lakes Water Control District (Broward County; Local Ordinance)	29, 32, 33, 34, 35	92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105	FY 2017-18 Audit Report	No response received to the Committee's 10/4/2019 letter.	Take action if not received by 11/22/2019

List 5:						
TAKE NO ACTION						
	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Campbellton-Graceville Hospital District (Jackson County; Special Act)	2	5	FY 2017-18 AFR and Audit Report FY 2016-17 AFR and Audit Report FY 2015-16 AFR and Audit Report FY 2014-15 AFR and Audit Report FY 2013-14 AFR and Audit Report	In November 2019, Committee staff spoke with and received correspondence from the DEO General Counsel's office; the Campbellton Graceville Hospital Corporation's Chapter 11 Bankruptcy is still pending. History: - Correspondence received in February 2019 from the DEO General Counsel's office regarding the status of action against the District stated: (1) the Campbellton Graceville Hospital Corporation's Chapter 11 Bankruptcy is still pending; and (2) the Jackson County Official Records indicate that the hospital property was sold on 8/1/2018, which appears to further the legislation from last session (HB 1449). - Legislation passed during the 2018 Legislative Session relating to the District (HB 1449, now Chapter 2018-188, Laws of Florida): (1) authorizes the District to complete the sale of the Campbell-Graceville Hospital facility to Northwest Florida Healthcare, Inc.; (2) requires that, upon completion of such sale, the District remain in full operation and possession of all powers to be exercised solely to wind down its affairs; and (3) states that, on the date the District closes on the authorized sale, Sections 4 and 5 of the Districts enacting law (Chapter 69-2290, Laws of Florida) are repealed and the authority of the Board of County Commissioners of Jackson County to impose any ad valorem taxes for maintenance and operations of the District is terminated. -The Committee, at its 11/2/2015 meeting, directed DEO to take action against the District for failure to file the AFR and audit report for the 2013-14 fiscal year. DEO filed a petition for enforcement in the Leon County Circuit Court in February 2016, and the Circuit Judge signed the Order of Final Judgment on 11/6/2016. The District failed to file the delinquent financial reports as ordered, so DEO published a "Proposed Notice of Inactive Status" in the local paper on 11/17/2016. The District objected and filed a "Petition for Formal Administrative Hearing" on 12/6/2016. A formal hearing with the Division of Administrative Hearings was scheduled for 2/24/2017. -On 7/27/2017 Committee staff received an email from DEO stating that Hospital had closed on June 30th, but the clinic remained open. Neither Committee staff nor the Governor's Office were notified by the District of this, which is a condition of financial emergency, as required by Section 218.503(3), F.S. -In August 2017, Committee staff were informed that the Campbellton Graceville Hospital Corporation had filed bankruptcy. The Attorney General's Office has had some involvement regarding the bankruptcy proceedings.	Continue to delay state action on FY 2016-17 delinquent financial reports and delay state action on FY 2017-18 delinquent financial reports, and have staff monitor District's progress in complying with terms of Chapter 2018-188, *Laws of Florida*, to "wind down its affairs" now that the Hospital property has been sold.

List 5:						
TAKE NO ACTION						
	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
2	Santa Rosa Bay Bridge Authority (Santa Rosa County; Special Act)	1	2, 3	AFR and Audit Report* for: FY 2017-18 FY 2016-17 FY 2015-16 FY 2014-15 FY 2013-14 FY 2012-13 FY 2011-12 FY 2010-11 Audit Report for: FY 2009-10 FY 2008-09 (*=if audit threshold met)	Since 2/12/2015, DEO's records have shown the Authority's registered agent name and address as "Unknown." DEO has determined that the Authority cannot be declared "Inactive" at this time. Neither DEO nor Committee staff have received any communication from the District in several years. History: -Since at least 2009, the Committee has approved to delay action until a later date since the Authority only has restricted funds, which cannot be used to pay for an audit. DOT staffs the day-to-day operations of Authority, and until sometime in 2013 the DOT IG's Office compiled the financial statements and submitted the AFR for the Authority. -On 6/30/2011, the Authority was unable to make its $5 million bond payment, and the trustee alerted the bondholders to the default. Since the bonds were not backed by the full faith and credit of the State, the State is not liable for the debt. DOT continues to operate and maintain the bridge. -In November 2013, the Authority's registered agent stated that DOT and the bond trustee had agreed to each pay half of cost for an independent reviewer/consultant to help review financial information and get AFRs submitted. -In January 2015, DEO forwarded an email from the Authority's registered agent of record to Committee staff. He stated that he had resigned from the Authority's Board in December 2014, following other members' resignations by about two months. Mellon Bank had sent a directive for the Board to increase the bridge toll from $3.75 to $5; if such action had not been taken within 30 days, they were going to circumvent the Board and direct the State to raise the toll. He stated that he resigned because he had long said that he would not serve through another unwarranted toll increase and he meant it. DEO removed him as the registered agent in its records and requested, if he was aware or became aware of anyone else who was handling registered agent responsibilities for the Authority, that he let DEO know or ask the person to contact DEO.	Continue to delay action

Notification from the Auditor General

From: DEREK NOONAN <DEREKNOONAN@AUD.STATE.FL.US>
Sent: Wednesday, September 11, 2019 10:48 AM
To: Fischer, Jason; Brandes, Jeff
Cc: White, Deborah; Dubose, Kathy
Subject: FY 2017-18 Section 11.45(7)(a) FS, Notification
Attachments: 2018 Attachments A and B for JLAC.xlsb

Pursuant to Section 11.45(7)(a), Florida Statutes, this e-mail is to notify you of the local governmental entities listed on the attached document that, as of September 11, 2019, were either not in compliance, or may not have been in compliance, with the Section 218.39, Florida Statutes, audit report submission requirement for the 2017-18 fiscal year. A separate notification regarding district school boards, charter schools, and charter technical career centers that failed to provide for an audit for the 2017-18 fiscal year was made to you in our e-mail dated April 18, 2019.

If you have any questions regarding this matter or require additional information, please do not hesitate to contact me.

Derek H. Noonan, Audit Supervisor
Auditor General, State of Florida
111 West Madison Street, Rm 401-P
Tallahassee, FL 32399-1450
Office (850) 412-2864
FAX (850) 488-6975

Note: In the event your response contains information that may be considered sensitive or confidential pursuant to Federal or State law, please do not send that information via e-mail. Please contact me to make alternative arrangements to provide the information.

Local Governmental Entities **Attachment A**
2017-18 Fiscal Year Audit Reports
Required - Not Received

	COUNTIES	**Entity ID**	**Note**
1	Dixie County	C01500	A
2	Flagler County	C01700	B
3	Jefferson County	C03200	A

	MUNICIPALITIES		
1	Alford, Town of	M00200	B
2	Altha, Town of	M00400	A
3	Atlantic Beach, City of	M01100	B
4	Belleair, Town of	M02500	B
5	Belleair Shore, Town of	M02800	B
6	Bonifay, City of	M03400	A
7	Esto, Town of	M10100	A
8	Greenwood, Town of	M13100	A
9	Gretna, City of	M13200	A
10	Havana, Town of	M14100	B
11	Howey-in-the-Hills, Town of	M15700	A
12	Indian Shores, Town of	M16400	A
13	Lake Park, Town of	M19600	B
14	Lazy Lake, Village of	M20900	A
15	Loxahatchee Groves, Town of	M21550	A
16	Manalapan, Town of	M22300	B
17	Mangonia Park, Town of	M22400	B
18	Mexico Beach, City of	M23600	B
19	Minneola, City of	M24400	A
20	North Bay Village, City of	M25800	A
21	Opa-locka, City of	M27400	B
22	Pahokee, City of	M28200	B
23	Pembroke Park, Town of	M29600	B
24	Polk City, City of	M30600	B
25	Ponce de Leon, Town of	M30900	A
26	Springfield, City of	M34300	B
27	St. Lucie Village, Town of	M34800	A
28	Sweetwater, City of	M35600	B
29	Vernon, City of	M37000	A
30	West Park, City of	M38250	A
31	Wewahitchka, City of	M38500	B

	INDEPENDENT SPECIAL DISTRICTS		
1	Baker Fire District	D03200	A
2	Ballentrae Hillsborough Community Development District	D03355	B
3	Belmont Lakes Community Development District	D05060	A
4	Clearwater Cay Community Development District	D16490	B
5	Collier Soil and Water Conservation District	D17700	A

Local Governmental Entities **Attachment A**
2017-18 Fiscal Year Audit Reports
Required - Not Received

6	Dorcas Fire District	D22900	A
7	Dowden West Community Development District	D23050	B
8	East Niceville Fire District	D25000	B
9	Eastpoint Water and Sewer District	D25500	A
10	Escambia-Pensacola Human Relations Commission (Dissolved 3/12/19)	D26550	A
11	Golden Lakes Community Development District	D31200	A
12	Green Corridor Property Assessment Clean Energy (PACE) District	D31785	A
13	Heritage Plantation Community Development District	D34173	A
14	Loxahatchee Groves Water Control District (Dissolved 6/26/18)	D47700	A
15	Majorca Isles Community Development District	D48250	B
16	Martn Soil and Water Conservation District	D50100	A
17	New Port - Tampa Bay Community Development District	D53810	B
18	Port St. Joe Port Authority	D67700	B
19	Portofino Cove Community Development District (Dissolved 12/5/18)	D67815	A
20	Quincy-Gadsden Airport Authority	D68800	A
21	Silverleaf Community Development District	D73470	B
22	South Dade Soil and Water Conservation District	D74000	A
23	Villa Vizcaya Community Development District (Dissolved 1/28/19)	D85170	A

DEPENDENT SPECIAL DISTRICTS

1	Ali-Baba Neighborhood Improvement District	D00800	B
2	Cape Canveral Free Public Library	D09700	A
3	City of Minneola Community Redevelopment Agency	D15150	A
4	Community Redevelopement Agency of the Town of Havana	D18353	B
5	Community Redevelopment Agency of the Town of Lake Park	D18355	B
6	East-West Neighborhood Improvement District	D25300	B
7	Gretna Neighborhood Improvement District	D31900	A
8	Leon County Educational Facilities Authority	D46600	A
9	Loxahatchee Groves Water Control District (Established 6/26/18)	D47701	A
10	Niles Garden Neighborhood Improvement District	D54200	B
11	Opa-locka Community Redevelopment Agency	D58570	B
12	Springfield Community Redevelopment Agency	D76030	B
13	Twin Lakes Water Control District	D84000	A

70 Total Counties, Municipalities and Special Districts

NOTES

A Based on previous audit reports or other financial reports filed by the entity, the entity was required to provide for an audit for the 2017-18 fiscal year. Although we mailed a letter to each entity requesting confirmation that an audit was performed or was in progress, these entities did not respond to our letter.

B As of September 11, 2019, we had not received an audit report for the 2017-18 fiscal year; however, the entity confirmed that an audit was in progress.

Local Governmental Entities **Attachment B**
2017-18 Fiscal Year Audit Reports
May Have Been Required - Not Received

		Entity ID	Last Fiscal Year Audit Received
	MUNICIPALITIES		
1	Hampton, City of	M13900	2015-16
2	Indiantown, Village of	M15950	B
	INDEPENDENT SPECIAL DISTRICTS		
1	Baker Soil and Water Conservation District	D03300	A
2	Blue Lake Community Development District (Established on 8/22/18)	D05610	B
3	Campbellton-Graceville Hospital District	D09400	2012-13
4	Deerfield Preserve Community Development District	D21780	A
5	East Mulloch Drainage District (Dissolved 7/1/18)	D24700	2016-17
6	Estuary Community Development District, The (Inactive as of 4/15/19)	D26650	2015-16
7	Hastings Drainage District	D33400	A
8	Laguna Estates Community Development District (Dissolved 4/18/18)	D42430	2012-13
9	McJunkin at Parkland Community Development District (Established 8/7/18)	D50229	A
10	Polk Soil and Water Conservation District	D66500	A
11	Saddle Creek Community Development District (Dissolved 6/18/18)	D70280	2012-13
12	Santa Rosa Bay Bridge Authority	D70900	A
13	Sunbridge Community Development District 1 (Dissolved 11/2/17)	D78740	A
14	Taylor Soil and Water Conservation District	D81900	A
15	Wesbridge Community Development District (Established 8/10/18)	D87380	A
16	Yellow River Soil and Water Conservation District	D90100	2013-14
	DEPENDENT SPECIAL DISTRICTS		
1	Brandon Groves North Service District	D07100	A
2	City of Midway Community Redevelopment Agency	D15050	A
3	East Mulloch Water Control District (Established 7/1/18)	D24790	A

21 Total Municipalities and Special Districts

NOTE

A No reports received for the 2012-13 through 2016-17 fiscal years.

B Enity was created during the 2017-18 fiscal year; consequently, no audit would be applicable for any preceding fiscal years.

Notification from DFS

From: Parker, Jim <Jim.Parker@myfloridacfo.com>
Sent: Wednesday, September 11, 2019 4:15 PM
To: White, Deborah
Cc: White, Danta
Subject: Non-Compliant Local Governments Report
Attachments: Non-Compliant Report for JLAC.xlsx

Hi Debbie,

Please find attached the Non-Compliant Local Governments in accordance with Section 218.32(1)(d) F.S. for Fiscal Year 2018 as of today (9/11/19).

Please let me know if you have any questions.

Sincerely,

Jim Parker, CPA
Financial Administrator
Department of Financial Services
Bureau of Auditing
Office: 850-413-5579

Download CFO Patronis' Hurricane Financial Preparedness Toolkit

Non-Compliant Local Governments with S.218.32(1)(d)F.S.
for Fiscal Year 2018 as of September 11, 2019

Government ID	Local Government Name	AFR Received	Audit Received	Dependency
Counties				
100015	Dixie			
100018	Flagler			
100033	Jefferson			
100039	Liberty		6/28/2019	
Cities				
200002	Alford			
200004	Altha			
200006	Apalachicola		7/1/2019	
200011	Atlantic Beach			
200022	Bell		5/10/2019	
200025	Belleair			
200034	Bonifay			
200045	Bunnell			
200058	Century			
200066	Cloud Lake			
200101	Esto*			
200131	Greenwood			
200132	Gretna			
200139	Hampton			
200141	Havana			
200157	Howey-in-the-Hills			
200158	Hypoluxo			
200164	Indian Shores			
200184	Keystone Heights			
200194	Lake Hamilton		8/29/2019	
200197	Lake Park			
200208	Lawtey			
200210	Lazy Lake Village			
200224	Manalapan			
200225	Mangonia Park			
200244	Midway		7/1/2019	
200246	Minneola			
200276	Opa-locka			
200284	Pahokee			
200298	Pembroke Park			
200307	Polk City			
200310	Ponce De Leon			
200317	Quincy		7/1/2019	
200330	St Lucie Village			
200352	Springfield			
200358	Sweetwater			
200372	Vernon			
200388	Wewahitchka*			
200410	West Park			
200413	Loxahatchee Groves			
200416	Indiantown			
Special Districts				
300021	Hastings Drainage District			Independent
300064	Baker Soil and Water Conservation District			Independent
300136	Collier Soil and Water Conservation District		8/7/2019	Independent
300157	South Dade Soil and Water Conservation District			Independent
300176	Eastpoint Water and Sewer District			Independent
300182	Quincy-Gadsden Airport Authority			Independent
300249	Campbellton-Graceville Hospital District			Independent
300272	East Mulloch Drainage District			Independent
300330	Martin Soil and Water Conservation District			Independent
300341	Ocean Highway and Port Authority			Independent
300343	Baker Fire District			Independent
300346	Dorcas Fire District			Independent
300347	East Niceville Fire District			Independent
300356	Yellow River Soil and Water Conservation District			Independent
300430	Golden Lakes Community Development District			Independent
300436	Polk Soil and Water Conservation District			Independent
300461	Santa Rosa Bay Bridge Authority			Independent
300480	Taylor Soil and Water Conservation District			Independent

Non-Compliant Local Governments with S.218.32(1)(d)F.S.
for Fiscal Year 2018 as of September 11, 2019

Government ID	Local Government Name	AFR Received	Audit Received	Dependency
300529	Twin Lakes Water Control District			Dependent
300593	Brandon Groves North Service District			Dependent
300642	Leon County Educational Facilities Authority			Dependent
300810	Keystone Airpark Authority			Dependent
300834	North Miami Health Facilities Authority			Dependent
300835	Ali-Baba Neighborhood Improvement District			Dependent
300836	East-West Neighborhood Improvement District			Dependent
300837	Niles Garden Neighborhood Improvement District			Dependent
300845	Escambia-Pensacola Human Relationship Commission			Independent
300849	Apalachicola Community Redevelopment Agency			Dependent
300855	Gretna Neighborhood Improvement District			Dependent
300889	Bradenton Downtown Development Authority			Dependent
301143	Belmont Lakes Community Development District			Independent
301149	Quincy Community Redevelopment Agency			Dependent
301473	Heritage Plantation Community Development District			Independent
301497	New Port - Tampa Bay Community Development District			Independent
301562	Clearwater Cay Community Development District			Independent
301570	Deerfield Preserve Community Development District			Independent
301616	Villa Vizcaya Community Development District			Independent
301660	Community Redevelopment Agency of the Town of Lake Park			Dependent
301693	Keystone Heights Community Redevelopment Agency			Dependent
301719	Portofino Cove Community Development District			Independent
301729	Silverleaf Community Development District			Independent
301734	Springfield Community Redevelopment Agency			Dependent
301798	Bunnell Community Redevelopment Agency			Dependent
301802	Community Redevelopment Agency of the Town of Havana			Dependent
301962	Estuary Community Development District, The			Independent
302031	City of Minneola Community Redevelopment Agency			Dependent
302048	Green Corridor Property Assessment Clean Energy (PACE) District			Independent
302081	Opa-locka Community Redevelopment Agency			Dependent
302096	City of Midway Community Redevelopment Agency			Dependent
302141	Loxahatchee Groves Water Control District			Dependent
302146	Century Community Redevelopment Agency			Dependent
302195	Gillespie Park Neighborhood Improvement District			Dependent
Other Entities				
500007	Apalachee Regional Planning Council			Independent
500018	Withlacoochee Regional Planning Council			Independent
500020	Florida Ports Financing Commission		9/4/2019	Independent
500061	Central Florida Fire Academny			Independent
500075	City of New Smyrna Beach Utilities Commission			Dependent
500081	Cornerstone Charter HighSchool			Dependent
500082	Cornerstone Charter Academy			Dependent
500083	Consolidated Dispatch Agency			Independent
500085	North Florida Broadband Authority			Independent
500090	Capital Regional Transportation Planning Agency			Independent

*received communication regarding late filing due to Hurricane Michael

Florida Statutes (2019) related to Local Government Financial Reporting

11.40 Legislative Auditing Committee.—

(2) Following notification by the Auditor General, the Department of Financial Services, the Division of Bond Finance of the State Board of Administration, the Governor or his or her designee, or the Commissioner of Education or his or her designee of the failure of a local governmental entity, district school board, charter school, or charter technical career center to comply with the applicable provisions within s. 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the Legislative Auditing Committee may schedule a hearing to determine if the entity should be subject to further state action. If the committee determines that the entity should be subject to further state action, the committee shall:

(a) In the case of a local governmental entity or district school board, direct the Department of Revenue and the Department of Financial Services to withhold any funds not pledged for bond debt service satisfaction which are payable to such entity until the entity complies with the law. The committee shall specify the date that such action must begin, and the directive must be received by the Department of Revenue and the Department of Financial Services 30 days before the date of the distribution mandated by law. The Department of Revenue and the Department of Financial Services may implement this paragraph.

(b) In the case of a special district created by:

1. A special act, notify the President of the Senate, the Speaker of the House of Representatives, the standing committees of the Senate and the House of Representatives charged with special district oversight as determined by the presiding officers of each respective chamber, the legislators who represent a portion of the geographical jurisdiction of the special district, and the Department of Economic Opportunity that the special district has failed to comply with the law. Upon receipt of notification, the Department of Economic Opportunity shall proceed pursuant to s. 189.062 or s. 189.067. If the special district remains in noncompliance after the process set forth in s. 189.0651, or if a public hearing is not held, the Legislative Auditing Committee may request the department to proceed pursuant to s. 189.067(3).

2. A local ordinance, notify the chair or equivalent of the local general-purpose government pursuant to s. 189.0652 and the Department of Economic Opportunity that the special district has failed to comply with the law. Upon receipt of notification, the department shall proceed pursuant to s. 189.062 or s. 189.067. If the special district remains in noncompliance after the process set forth in s. 189.0652, or if a public hearing is not held, the Legislative Auditing Committee may request the department to proceed pursuant to s. 189.067(3).

3. Any manner other than a special act or local ordinance, notify the Department of Economic Opportunity that the special district has failed to comply with the law. Upon receipt of notification, the department shall proceed pursuant to s. 189.062 or s. 189.067(3).

11.45(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

(a) The Auditor General shall notify the Legislative Auditing Committee of any local governmental entity, district school board, charter school, or charter technical career center that does not comply with the reporting requirements of s. 218.39.

218.32 Annual financial reports; local governmental entities.—

(1)(a) Each local governmental entity that is determined to be a reporting entity, as defined by generally accepted accounting principles, and each independent special district as defined in s. 189.012, shall submit to the department a copy of its annual financial report for the previous fiscal year in a format prescribed by the department. The annual financial report must include a list of each local governmental entity included in the report and each local governmental entity that failed to provide financial information as required by paragraph (b). The chair of the governing body and the chief financial officer of each local governmental entity shall sign the annual financial report

submitted pursuant to this subsection attesting to the accuracy of the information included in the report. The county annual financial report must be a single document that covers each county agency.

(b) Each component unit, as defined by generally accepted accounting principles, of a local governmental entity shall provide the local governmental entity, within a reasonable time period as established by the local governmental entity, with financial information necessary to comply with the reporting requirements contained in this section.

(f) If the department does not receive a completed annual financial report from a local governmental entity within the required period, it shall notify the Legislative Auditing Committee and the Special District Accountability Program of the Department of Economic Opportunity of the entity's failure to comply with the reporting requirements.

218.39 Annual financial audit reports.—

(1) If, by the first day in any fiscal year, a local governmental entity, district school board, charter school, or charter technical career center has not been notified that a financial audit for that fiscal year will be performed by the Auditor General, each of the following entities shall have an annual financial audit of its accounts and records completed within 9 months after the end of its fiscal year by an independent certified public accountant retained by it and paid from its public funds:

(a) Each county.

(b) Any municipality with revenues or the total of expenditures and expenses in excess of $250,000, as reported on the fund financial statements.

(c) Any special district with revenues or the total of expenditures and expenses in excess of $100,000, as reported on the fund financial statements.

(d) Each district school board.

(e) Each charter school established under s. 1002.33.

(f) Each charter technical center established under s. 1002.34.

(g) Each municipality with revenues or the total of expenditures and expenses between $100,000 and $250,000, as reported on the fund financial statements, which has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.

(h) Each special district with revenues or the total of expenditures and expenses between $50,000 and $100,000, as reported on the fund financial statement, which has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.

189.062 Special procedures for inactive districts.—

(1) The department shall declare inactive any special district in this state by documenting that:

(a) The special district meets one of the following criteria:

1. The registered agent of the district, the chair of the governing body of the district, or the governing body of the appropriate local general-purpose government notifies the department in writing that the district has taken no action for 2 or more years;

2. The registered agent of the district, the chair of the governing body of the district, or the governing body of the appropriate local general-purpose government notifies the department in writing that the district has not had a governing body or a sufficient number of governing body members to constitute a quorum for 2 or more years;

3. The registered agent of the district, the chair of the governing body of the district, or the governing body of the appropriate local general-purpose government fails to respond to an inquiry by the department within 21 days;

4. The department determines, pursuant to s. 189.067, that the district has failed to file any of the reports listed in s. 189.066;

5. The district has not had a registered office and agent on file with the department for 1 or more years; or

6. The governing body of a special district provides documentation to the department that it has unanimously adopted a resolution declaring the special district inactive. The special district is responsible for payment of any expenses associated with its dissolution.

(b) The department, special district, or local general-purpose government has published a notice of proposed declaration of inactive status in a newspaper of general circulation in the county or municipality in which the territory of the special district is located and has sent a copy of such notice by certified mail to the registered agent or chair of the governing body, if any. Such notice must include the name of the special district, the law under which it was organized and operating, a general description of the territory included in the special district, and a statement that any objections must be filed pursuant to chapter 120 within 21 days after the publication date.

(c) Twenty-one days have elapsed from the publication date of the notice of proposed declaration of inactive status and no administrative appeals were filed.

(2) If any special district is declared inactive pursuant to this section, the property or assets of the special district are subject to legal process for payment of any debts of the district. After the payment of all the debts of said inactive special district, the remainder of its property or assets shall escheat to the county or municipality wherein located. If, however, it shall be necessary, in order to pay any such debt, to levy any tax or taxes on the property in the territory or limits of the inactive special district, the same may be assessed and levied by order of the local general-purpose government wherein the same is situated and shall be assessed by the county property appraiser and collected by the county tax collector.

(3)(a) In the case of a district created by special act of the Legislature, the department shall send a notice of declaration of inactive status to the Speaker of the House of Representatives and the President of the Senate, and the standing committees of the Senate and the House of Representatives charged with special district oversight as determined by the presiding officers of each respective chamber and the Legislative Auditing Committee. The notice of declaration of inactive status shall reference each known special act creating or amending the charter of any special district declared to be inactive under this section. The declaration of inactive status shall be sufficient notice as required by s. 10, Art. III of the State Constitution to authorize the Legislature to repeal any special laws so reported. Each special act creating or amending the charter of a special district declared to be inactive under this section may be repealed by general law.

(b) In the case of a district created by one or more local general-purpose governments, the department shall send a notice of declaration of inactive status to the chair of the governing body of each local general-purpose government that created the district.

(c) In the case of a district created by interlocal agreement, the department shall send a notice of declaration of inactive status to the chair of the governing body of each local general-purpose government which entered into the interlocal agreement.

(4) The entity that created a special district declared inactive under this section must dissolve the special district by repealing its enabling laws or by other means as set forth in s. 189.071 or s. 189.072.

(5) A special district declared inactive under this section may not collect taxes, fees, or assessments unless the declaration is:

(a) Withdrawn or revoked by the department; or

(b) Invalidated in proceedings initiated by the special district within 30 days after the publication date of the newspaper notice required under paragraph (1)(b). The special district governing body may initiate proceedings within the period authorized in this paragraph by:

1. Filing with the department a petition for an administrative hearing pursuant to s. 120.569; or

2. Filing an action for declaratory and injunctive relief under chapter 86 in the circuit court of the judicial circuit in which the majority of the area of the district is located.

(c) If a timely challenge to the declaration is not initiated by the special district governing body, or the department prevails in a proceeding initiated under paragraph (b), the department may enforce the prohibitions in this subsection by filing a petition for enforcement with the circuit court in and for Leon County. The petition may request declaratory, injunctive, or other equitable relief, including the appointment of a receiver, and any forfeiture or other remedy provided by law.

(d) The prevailing party shall be awarded costs of litigation and reasonable attorney fees in any proceeding brought under this subsection.

(6)(a) The department shall immediately remove each special district declared inactive as provided in this section from the official list of special districts maintained as provided in ss. 189.061 and 189.064.

(b) The department shall create a separate list of all special districts declared inactive as provided in this section and shall maintain each such district on the inactive list until the department determines that the district has resumed active status, the district is merged as provided in s. 189.071 or s. 189.074, or the district is dissolved as provided in s. 189.071 or s. 189.072.

189.067 Failure of district to disclose financial reports.—

(1)(a) If notified pursuant to s. 189.066(1), (4), or (5), the department shall attempt to assist a special district in complying with its financial reporting requirements by sending a certified letter to the special district, and, if the special district is dependent, sending a copy of that letter to the chair of the local governing authority. The letter must include a description of the required report, including statutory submission deadlines, a contact telephone number for technical assistance to help the special district comply, a 60-day deadline for filing the required report with the appropriate entity, the address where the report must be filed, and an explanation of the penalties for noncompliance.

(b) A special district that is unable to meet the 60-day reporting deadline must provide written notice to the department before the expiration of the deadline stating the reason the special district is unable to comply with the deadline, the steps the special district is taking to prevent the noncompliance from reoccurring, and the estimated date that the special district will file the report with the appropriate agency. The district's written response does not constitute an extension by the department; however, the department shall forward the written response as follows:

1. If the written response refers to the reports required under s. 218.32 or s. 218.39, to the Legislative Auditing Committee for its consideration in determining whether the special district should be subject to further state action in accordance with s. 11.40(2)(b).

2. If the written response refers to the reports or information requirements listed in s. 189.066(1), to the local general-purpose government or governments for their consideration in determining whether the oversight review process set forth in s. 189.068 should be undertaken.

3. If the written response refers to the reports or information required under s. 112.63, to the Department of Management Services for its consideration in determining whether the special district should be subject to further state action in accordance with s. 112.63(4)(d)2.

(2) Failure of a special district to comply with the actuarial and financial reporting requirements under s. 112.63, s. 218.32, or s. 218.39 after the procedures of subsection (1) are exhausted shall be deemed final action of the special district. The actuarial and financial reporting requirements are declared to be essential requirements of law. Remedies for noncompliance with ss. 218.32 and 218.39 shall be as provided in ss. 189.0651 and 189.0652. Remedy for noncompliance with s. 112.63 shall be as set forth in subsection (4).

(3) Pursuant to s. 11.40(2)(b), the Legislative Auditing Committee may notify the department of those districts that fail to file the required reports. If the procedures described in subsection (1) have not yet been initiated, the department shall initiate such procedures upon receiving the notice from the Legislative Auditing Committee. Otherwise, within 60 days after receiving such notice, or within 60 days after the expiration of the 60-day deadline provided in subsection (1), whichever occurs later, the department, notwithstanding the provisions of chapter 120, shall file a petition for enforcement with the circuit court. The petition may request declaratory, injunctive, any other equitable relief, or any remedy provided by law. Venue for all actions pursuant to this subsection is in Leon County. The court shall award the prevailing party reasonable attorney's fees and costs unless affirmatively waived by all parties.

(4) The department may enforce compliance with s. 112.63 by filing a petition for enforcement with the circuit court in and for Leon County. The petition may request declaratory, injunctive, or other equitable relief, including the appointment of a receiver, and any forfeiture or other remedy provided by law.

6 Local Governmental Entities

(Significant Items Missing)

LOCAL GOVERNMENTS

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General

(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name *(County)*	Senate District(s)	House District(s)	Item(s) Missing from FY 2017-18 Audit Report	Comments and Staff Recommendation
1	Washington County Sheriff	2	5	An accountant's examination report with a determination of the entity's compliance with Section 365.173(2)(d), Florida Statutes, regarding receipt of E911 funds, and with Section 365.172(10), Florida Statutes, regarding the use of such fee revenues, interest, and grant funding was excluded from the audit report although required by Sections 10.556(10)(b), and 10.557(3)(c), Rules of the Auditor General.	No response received to 10/82019 letter. Take action if not received by December 16, 2019
2	St. Lucie County Fire District *(St. Lucie)*	25	54, 55, 83, 84	A schedule of the entity's changes in the net pension liability showing beginning and ending balances of the total pension liability, the plan's fiduciary net position, and the net pension liability was excluded from the audit report's required supplementary information, although required for entities presenting pension trust funds by Section Pe5.128a of the *Codification of Government Accounting and Financial Reporting Standards*. A schedule showing the entity's total pension liability, the pension plan's fiduciary net position, the entity's net pension liability, the plan's fiduciary net position as a percentage of total pension liability, the entity's covered payroll, and the net pension liability as a percentage of covered payroll was excluded from the audit report's required supplementary information, although required for entities presenting pension trust funds by Section Pe5.128b of the *Codification of Government Accounting and Financial Reporting Standards*. A schedule showing the entity's actuarially determined employer contribution, the amount actually contributed, the difference between the required and the actual contribution, the entity's covered payroll, and the contribution recognized by the pension plan in relation to the required amount as a percentage of covered payroll was excluded from the audit report's required supplementary information although required for entities presenting pension trust funds by Section Pe5.128c of the *Codification of Government Accounting and Financial Reporting Standards*. A schedule of the entity's changes in the total Other Post Employment Benefit (OPEB) liability showing beginning and ending balances of the total OPEB liability, and the effects during the period of service cost, interest on the OPEB liability, changes in benefit terms, differences between expected and actual experience, changes in assumptions, and benefit payments was excluded from the audit report's required supplementary information, although required for entities presenting OPEB plans by Section P52.137, and .139a of the *Codification of Government Accounting and Financial Reporting Standards*.	The District's audit firm has been in communication with the Auditor General's office and has promised to provide the information requested. Take action if not received by December 16, 2019

Notification from Auditor General

From: DEREK NOONAN <DEREKNOONAN@AUD.STATE.FL.US>
Sent: Thursday, September 26, 2019 3:59 PM
To: Brandes, Jeff; Fischer, Jason
Cc: White, Deborah; Dubose, Kathy
Subject: 2017-18 FY Section 11.45(7)(b) and (d), FS, Notification
Attachments: 2018 Missing Items Letter to JLAC.docx

Pursuant to Section 11.45(7)(b), Florida Statutes, this e-mail is to notify you of the 13 local governmental entities that did not provide us, within 45 days after the date of our request, the significant items omitted from their 2017-18 fiscal year audit reports or from their audit report transmittal correspondence. The attached list identifies the 2 counties, 2 county constitutional officers, 3 municipalities, and 6 special districts and describes the audit report and correspondence items omitted. To date, none of the 13 entities have provided us the requested information.

In addition, pursuant to Section 11.45(7)(d), Florida Statutes, this e-mail is to notify you that the City of Fruitland Park and the Town of Melbourne Village were cited for noncompliance with Section 218.415, Florida Statutes, and did not provide us evidence of corrective action within 45 days of our August 8, 2019, request.

To date, none of the entities have provided us the requested information. Please advise if you or your staff have any questions regarding this information.

Derek H. Noonan, Audit Supervisor
Auditor General, State of Florida
111 West Madison Street, Rm 401-P
Tallahassee, FL 32399-1450
Office (850) 412-2864
FAX (850) 488-6975

Note: In the event your response contains information that may be considered sensitive or confidential pursuant to Federal or State law, please do not send that information via e-mail. Please contact me to make alternative arrangements to provide the information.

LIST OF LOCAL GOVERNMENTAL ENTITIES
THAT HAVE NOT PROVIDED SIGNIFICANT ITEMS
OMITTED FROM 2017-18 FISCAL YEAR AUDIT REPORTS OR
FROM AUDIT REPORT TRANSMITTAL CORRESPONDANCE
AS OF SEPTEMBER 25, 2019

	ITEM(S) OMITTED	DATE ITEM(S) REQUESTED BY AUDITOR GENERAL
COUNTY		
Franklin County Supervisor of Elections	A, B	8/8/19
Lafayette County	C, D, E, F	8/8/19
Okeechobee County	G	6/20/19
Washington County Sheriff	F	6/20/19
MUNICIPALITIES		
Crescent City, City of(1)	H, I, J, K	8/8/19
Fruitland Park, City of	H, I, J, K, L	8/8/19
Macclenny, City of	L, M	8/8/19
SPECIAL DISTRICTS		
Holmes Creek Soil and Water Conservation District	N	6/20/19
New River Public Library Cooperative(1)	C, D	8/8/19
Palm Harbor Special Fire Control and Rescue District	K, M	8/8/19
St. Lucie County Fire District	H, I, J, M	8/8/19
Taylor County Development Authority	L	8/8/19
Volusia County Industrial Development Authority	N	8/8/19

(1) Auditor's opinion on the financial statements is modified for reasons relating to missing items.

LIST OF LOCAL GOVERNMENTAL ENTITIES
THAT HAVE NOT PROVIDED SIGNIFICANT ITEMS
OMITTED FROM 2017-18 FISCAL YEAR AUDIT REPORTS OR
FROM AUDIT REPORT TRANSMITTAL CORRESPONDANCE
AS OF SEPTEMBER 25, 2019

Item(s) Omitted:

(A) A statement as to whether corrective actions have been taken to address findings and recommendations made in the preceding audit report was excluded from the management letter accompanying the audit report, although required by Section 10.554(1)(i)1., Rules of the Auditor General.

(B) Uncorrected audit findings that were also included in the second preceding fiscal year audit report were not identified in the audit report, although required by Section 10.554(1)(i)1., Rules of the Auditor General.

(C) A schedule showing the entity's proportion (percentage) of the collective net pension liability, their proportionate share (amount) of the net pension liability, the entity's covered payroll, and the plan's fiduciary net position as a percentage of the total liability was excluded from the audit report's required supplementary information, although required for entities with defined benefit cost-sharing pension plans by P20.183a. of the *Codification of Governmental Accounting and Financial Reporting Standards*.

(D) A schedule showing the entity's required employer contribution, the amount actually contributed, the difference between the required and the actual contribution, the entity's covered payroll, and the contribution recognized by the pension plan in relation to the required amount as a percentage of covered payroll was excluded from the audit report's required supplementary information, although required for entities with defined benefit cost-sharing pension plans by P20.183b. of the *Codification of Governmental Accounting and Financial Reporting Standards*.

(E) A report on compliance with requirements applicable to each major State project and on internal control over compliance that provides an opinion on the local government's compliance in accordance with Section 10.557(3)(e)3, Rules of the Auditor General.

(F) An accountant's examination report with a determination of the entity's compliance with Section 365.173(2)(d), Florida Statutes, regarding receipt of E911 funds, and with Section 365.172(10), Florida Statutes, regarding the use of such fee revenues, interest, and grant funding was excluded from the audit report although required by Sections 10.556(10)(b), and 10.557(3)(c), Rules of the Auditor General.

(G) A summary schedule of prior audit findings for State projects was excluded from the audit report, although required by Section 10.557(3)(e)5, Rules of the Auditor General.

(H) A schedule of the entity's changes in the net pension liability showing beginning and ending balances of the total pension liability, the plan's fiduciary net position, and the net pension liability was excluded from the audit report's required supplementary information, although required for entities presenting pension trust funds by Section Pe5.128a of the *Codification of Government Accounting and Financial Reporting Standards*.

(I) A schedule showing the entity's total pension liability, the pension plan's fiduciary net position, the entity's net pension liability, the plan's fiduciary net position as a percentage of total pension liability, the entity's covered payroll, and the net pension liability as a percentage of covered payroll was excluded from the audit report's required supplementary information, although required for entities presenting pension trust funds by Section Pe5.128b of the *Codification of Government Accounting and Financial Reporting Standards*.

(J) A schedule showing the entity's actuarially determined employer contribution, the amount actually contributed, the difference between the required and the actual contribution, the entity's covered payroll, and the contribution recognized by the pension plan in relation to the required amount as a percentage of covered payroll was excluded from the audit report's required supplementary information although required for entities presenting pension trust funds by Section Pe5.128c of the *Codification of Government Accounting and Financial Reporting Standards*.

(K) A schedule showing the annual money-weighted rate of return on the pension plan's investments was excluded from the audit report's required supplementary information although required for entities presenting pension trust funds by Section Pe5.128d of the *Codification of Government Accounting and Financial Reporting Standards*.

(L) The date the audit report was delivered to the local governmental entity was not included in correspondence accompanying the audit report submitted to the Auditor General, although required by Section 10.558(3), Rules of the Auditor General.

(M) A schedule of the entity's changes in the total Other Post Employment Benefit (OPEB) liability showing beginning and ending balances of the total OPEB liability, and the effects during the period of service cost. interest on the OPEB liability, changes in benefit terms, differences between expected and actual experience, changes in assumptions, and benefit payments was excluded from the audit report's required supplementary information, although required for entities presenting

OPEB plans by Section P52.137, and .139a of the *Codification of Government Accounting and Financial Reporting Standards*.

(N) A statement or schedule comparing the budget for the general fund and each special revenue fund, as required by Section 189.016(3), Florida Statutes, to actual revenues and expenditures was excluded from the audit report's basic financial statements or required supplementary information respectively, although required by Sections 2200.206, and 2400.102 of the *Codification of Government Accounting and Financial Reporting Standards*.

Note: All references to Rules of the Auditor General are to rules in effect for the 2017-18 fiscal year.

Florida Statutes (2019) related to Significant Audit Items Missing

(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

(b) The Auditor General, in consultation with the Board of Accountancy, shall review all audit reports submitted pursuant to s. 218.39. The Auditor General shall request any significant items that were omitted in violation of a rule adopted by the Auditor General. The items must be provided within 45 days after the date of the request. If the governmental entity does not comply with the Auditor General's request, the Auditor General shall notify the Legislative Auditing Committee.

11.40 Legislative Auditing Committee.—

(2) Following notification by the Auditor General, the Department of Financial Services, the Division of Bond Finance of the State Board of Administration, the Governor or his or her designee, or the Commissioner of Education or his or her designee of the failure of a local governmental entity, district school board, charter school, or charter technical career center to comply with the applicable provisions within s. 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the Legislative Auditing Committee may schedule a hearing to determine if the entity should be subject to further state action. If the committee determines that the entity should be subject to further state action, the committee shall:

(a) In the case of a local governmental entity or district school board, direct the Department of Revenue and the Department of Financial Services to withhold any funds not pledged for bond debt service satisfaction which are payable to such entity until the entity complies with the law. The committee shall specify the date that such action must begin, and the directive must be received by the Department of Revenue and the Department of Financial Services 30 days before the date of the distribution mandated by law. The Department of Revenue and the Department of Financial Services may implement this paragraph.

(b) In the case of a special district created by:

1. A special act, notify the President of the Senate, the Speaker of the House of Representatives, the standing committees of the Senate and the House of Representatives charged with special district oversight as determined by the presiding officers of each respective chamber, the legislators who represent a portion of the geographical jurisdiction of the special district, and the Department of Economic Opportunity that the special district has failed to comply with the law. Upon receipt of notification, the Department of Economic Opportunity shall proceed pursuant to s. 189.062 or s. 189.067. If the special district remains in noncompliance after the process set forth in s. 189.0651, or if a public hearing is not held, the Legislative Auditing Committee may request the department to proceed pursuant to s. 189.067(3).

2. A local ordinance, notify the chair or equivalent of the local general-purpose government pursuant to s. 189.0652 and the Department of Economic Opportunity that the special district has failed to comply with the law. Upon receipt of notification, the department shall proceed pursuant to s. 189.062 or s. 189.067. If the special district remains in noncompliance after the process set forth in s. 189.0652, or if a public hearing is not held, the Legislative Auditing Committee may request the department to proceed pursuant to s. 189.067(3).

3. Any manner other than a special act or local ordinance, notify the Department of Economic Opportunity that the special district has failed to comply with the law. Upon receipt of notification, the department shall proceed pursuant to s. 189.062 or s. 189.067(3).

7 Department of Lottery

24.123 Annual audit of financial records and reports.—

(1) The Legislative Auditing Committee shall contract with a certified public accountant licensed pursuant to chapter 473 for an annual financial audit of the department. The certified public accountant shall have no financial interest in any vendor with whom the department is under contract. The certified public accountant shall present an audit report no later than 7 months after the end of the fiscal year and shall make recommendations to enhance the earning capability of the state lottery and to improve the efficiency of department operations. The certified public accountant shall also perform a study and evaluation of internal accounting controls and shall express an opinion on those controls in effect during the audit period. The cost of the annual financial audit shall be paid by the department.

(2) The Auditor General may at any time conduct an audit of any phase of the operations of the state lottery and shall receive a copy of the yearly independent financial audit and any security report prepared pursuant to s. 24.108.

(3) A copy of any audit performed pursuant to this section shall be submitted to the secretary, the Governor, the President of the Senate, the Speaker of the House of Representatives, and members of the Legislative Auditing Committee.