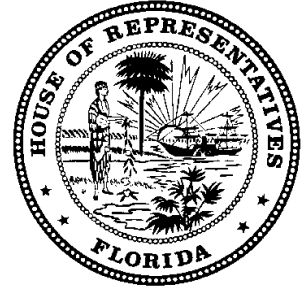


MIKE HARIDOPOLOS
President



DEAN CANNON
Speaker



Joint Legislative Auditing Committee

Representative Debbie Mayfield, Chair
Senator Jim Norman, Vice Chair

Meeting Packet
Monday, December 5, 2011
3:00 p.m. to 5:00 p.m.
309 Capitol

AGENDA
JOINT LEGISLATIVE AUDITING COMMITTEE

DATE: Monday, December 5, 2011

TIME: 3:00 p.m. to 5:00 p.m.

PLACE: Room 309 Capitol

MEMBERS:

Representative Debbie Mayfield, Chair
Senator Jim Norman, Vice Chair

Senator Arthenia L. Joyner
Senator Evelyn J. Lynn
Senator Maria Lorts Sachs
Senator Stephen R. Wise

Representative Larry Ahern
Representative Daphne D. Campbell
Representative Jeff Clemens
Representative Bryan Nelson
Representative Kenneth Roberson

Response by the Division of Emergency Management regarding oversight of state and federal funding used for the Brandon Community Advantage Center (The Regent)

Pursuant to s. 11.40(2), F.S., the Committee is expected to consider taking action against local governments that have failed to file an annual financial report and/or annual financial audit (if required) due September 30, 2011, or earlier

Discussion of the Committee's responsibility to direct an audit for the Department of the Lottery for the fiscal year ending June 30, 2012

Presentation of the Auditor General's audit of the Agency for Health Care Administration's Medicaid fraud and abuse systems, as required by Ch. 2010-144, L.O.F.

Presentation of the OPPAGA report on Florida's Prison Diversion Drug Courts

Div. of Emergency Management's
Response to Oversight of
Funding for Brandon Community
Advantage Center (The Regent)

Brandon Community Advantage Center (The Regent)

Overview of Events Related to The Regent's Funding, Use, and JLAC Involvement

What is the Brandon Community Advantage Center?

The Brandon Community Advantage Center was promoted as a community center that would also serve as a special needs emergency shelter for residents in eastern Hillsborough County. Upon its completion, approximately one year ago, it became known as The Regent.

A nonprofit organization, Brandon Community Advantage Center, Inc. (BCAC), was created to oversee the construction of the facility. Once completed, the title of the property was signed over to Hillsborough Community College (College). The College entered into a 20-year lease agreement with BCAC to operate The Regent. The lower level includes classroom space which is used by the College; the upper level includes a ballroom and other areas that are rented out by BCAC.

How was the construction of The Regent funded?

Local, state, and federal funding was provided for the construction of The Regent as follows:

Source of Funding	Amount
Hillsborough Community College	\$750,000
Hillsborough County	\$2.5 million
Florida Division of Emergency Management	\$2.5 million
FEMA: Hazard Mitigation Grant Program	\$1,311,510

What have been the general concerns raised about The Regent?

Since its completion, The Regent has received a significant amount of attention from local media and officials. Critics have described The Regent as opulent and raised concerns about the lack of access for the community. As BCAC is private, its records and board meetings are not required to be open to the public. In addition, some individuals have questioned whether The Regent will be designated by Hillsborough County as an emergency shelter.

Why is the Joint Legislative Auditing Committee involved?

During the meeting of the Hillsborough County Board of County Commissioners (Board) on September 21, 2011, the Board voted to request the Joint Legislative Auditing Committee to review the funding and operations of The Regent to determine if the building is operating in accordance with the terms of the federal, state, and local funding agreements. The request was sent by Chairman Al Higginbotham in a letter dated September 30, 2011.

What was the result of the Board's request for the Committee to review the funding and operations of The Regent?

Chair Mayfield responded to the Board's letter as requested by Chair Norman. In a letter dated October 20, 2011, she indicated that, rather than suggesting the Committee direct the Auditor General to conduct a special audit, she was requesting that he consider reviewing the issues during routine audits scheduled for the Division of Emergency Management and the Hillsborough Community College. The Auditor General is required by law to conduct an operational audit of all state agencies and colleges at least once every three years.

In addition, Chair Mayfield sent a letter dated November 1, 2011, to the Director of the Division of Emergency Management, Mr. Bryan Koon, in which she requested a response to questions regarding the Division's oversight of the state and federal funding used during the construction of The Regent. Mr. Koon responded in a letter dated November 30, 2011.

What audits (or other engagements) have been conducted?

The College hired an independent auditor to conduct an agreed-upon-procedure engagement of BCAC's use of the funds provided by the College for the construction of The Regent. The auditor found approximately \$366,000 that was either not used or was not used in accordance with the memorandum of understanding. A repayment plan has been established.

Also, the Auditor General is completing a routine operational audit of the College as required by law. Preliminary and tentative findings have been provided to the College and include a finding related to the College's oversight of BCAC's use of the funds provided by the College and the lease agreement.

The Board voted to direct the Clerk of Court to conduct an audit of BCAC's use of the county funds provided. Approximately \$35,000 was found to have been inappropriately spent. A task force has been formed in an attempt to address repayment options and other concerns.

As required by state and federal law, BCAC has obtained financial statement audits and single audits. There were no findings related to any misuse of federal, state, or local funds.

MIKE HARIDOPOLOS
President



Senator Arthenia L. Joyner
Senator Evelyn J. Lynn
Senator Maria Lorts Sachs
Senator Stephen R. Wise

DEAN CANNON
Speaker



Representative Larry Ahern
Representative Daphne D. Campbell
Representative Jeff Clemens
Representative Bryan Nelson
Representative Kenneth Roberson

THE FLORIDA LEGISLATURE
JOINT LEGISLATIVE AUDITING COMMITTEE

Senator Jim Norman, Chair
Representative Debbie Mayfield, Vice Chair

November 1, 2011

Mr. Bryan Koon, Director
Division of Emergency Management
2555 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100

Dear Mr. Koon:

Recently, the Hillsborough County Board of County Commissioners (Board) requested that the Joint Legislative Auditing Committee (Committee) conduct a review of the funding and operations of the Brandon Community Advantage Center (The Regent). The Regent was promoted as a community center for eastern Hillsborough County that would also serve as a special needs emergency shelter. A nonprofit organization, the Brandon Community Advantage Center, Inc. (nonprofit), was created to oversee the construction of the facility, which was named The Regent upon completion.

Funding for the construction of The Regent was provided by the following sources: (1) Hillsborough County (County), (2) Hillsborough Community College (College), (3) state funds from the Division of Emergency Management (Division), and (4) federal funds from the Hazard Mitigation Grant Program that flowed through the Division. Separate audits have been conducted of the amounts provided by the County and the College. These audits found approximately \$35,000 and \$366,000 in unauthorized expenditures or unused funds by the nonprofit for the use of the County and the College funds, respectively. The Regent is now owned by the College and operated by the nonprofit in accordance with a lease agreement with the College. The College has worked out a repayment plan with the nonprofit for its portion of funds due. The County is considering its options as the nonprofit is reportedly operating at a loss.

The state provided a total of \$2.5 million (\$2 million in FY 2006-07; \$500,000 in FY 2010-11) for the project. The federal funds, disbursed in two phases, totaled \$1,311,510. I understand that both the state and federal funds were authorized because The Regent was presented as a potential emergency shelter for the special needs population. To date, as we approach the one-year mark

Mr. Bryan Koon
November 1, 2011
Page Two

of its completion, the facility has not been designated as an emergency shelter. News reports question whether Hillsborough County will ever designate The Regent as an emergency shelter, for either special needs citizens or the general population.

I am alarmed at what I have learned about this project and want to know what you and your staff have done to protect the investment that has been made by our taxpayers. I respectfully request that you respond to the following questions:

- Specifically, what was the nonprofit authorized to use the state and federal funds for during the construction of The Regent (i.e., construction costs only, consultation fees, etc.)? Please provide a copy of any agreements with the nonprofit or other parties for the construction or operation of The Regent for both the use of state and federal funds.
- What monitoring has been conducted by the Division to determine if any of the state or federal funds were used for unauthorized expenses? Please provide a copy of any reports or other documentation to support any oversight review that has been conducted.
- What were the results of any monitoring/oversight conducted? Were any state or federal funds used for unauthorized purposes? If so, what action has the Division taken to restore these funds? Were all state and federal funds expended by the nonprofit?
- What progress has been made in designating The Regent as a special needs emergency shelter? What is the Division's plan if The Regent is not designated as an emergency shelter in the near future?

I thank you in advance for your attention to this matter. I truly believe we owe it to our citizens to be diligent about the use of our precious state dollars and the federal dollars that are entrusted with us. Please send your response to the Committee's office. If you have any questions, please do not hesitate to contact the Committee's Coordinator, Kathy DuBose, at (850) 487-4110.

Sincerely,



Representative Debbie Mayfield
Vice Chair

cc: Senator Jim Norman, Chair
David Martin, Auditor General



STATE OF FLORIDA

DIVISION OF EMERGENCY MANAGEMENT

RICK SCOTT
Governor

BRYAN W. KOON
Director

November 30, 2011

Representative Debbie Mayfield, Vice Chair
Joint Legislative Auditing Committee
The Florida Legislature
111 W. Madison Street, Room 876
Tallahassee, Florida 32399-1400

Re: Brandon Community Advantage Center

Dear Representative Mayfield,

Thank you for your inquiry to the Florida Division of Emergency Management (the Division) regarding the former Brandon Community Advantage Center, currently a part of Hillsborough Community College (The Regent). We at the Division are likewise committed to the use of our state and federal dollars with care and diligence. In response to your specific questions, please find the following.

Regarding the specific authorizations for the use of state and federal funds during the construction of The Regent, the Brandon Community Advantage Center, Inc. was authorized to use these funds for costs including, but not limited to: Architectural and Engineering Services and fees; site survey and soil testing; necessary permits and fees; civil and utilities site work; access driveways and parking; site security measures; construction of the building's substructure, superstructure, shell (exterior enclosure), interior construction; essential ancillary structures; special inspections; mechanical, plumbing, electrical, telecommunication, conveying and security systems; lighting protection; redundant infrastructure equipment and systems (e.g., electric power generators, water supplies, etc.); finish work, furnishings and equipment necessary for public hurricane evacuation shelter functional spaces and essential shared-use spaces; and, costs associated with Leadership in Energy and Environmental Design (LEED) certification. These guidelines are stated in the State-Funded Subgrant Agreements from FY 06-07 and FY 10-11, as well as Phase One of the Federal Contract agreed to by the Regent. Additional Federal funds were allocated to wind retrofit the Regent and these specific authorizations are outlined in the Scope of Work in Phase Two of the Federal Contract. I have attached these documents for your review.

The Division has continuously monitored this project/contract through desk top monitoring to ensure work has progressed as scheduled and funds were utilized as authorized by the contract. The Division has also been provided with Quarterly Reports conducted by the

Hazard Mitigation Grant Program. Copies of these reports are attached. The Regent has also provided the Division with a log detailing the expenditure of funds for reimbursement. Additionally, a site visit was conducted January 26, 2011 by the State Technical Unit for project inspection. This inspection found the project 100% complete. As a result of this inspection, the Division has recommended the project for close-out to the Federal Emergency Management Agency. The final inspection report is attached. The Division has not found any State or Federal funds used for unauthorized purposes; therefore, no action has been taken. Currently, all State funds have been expended by the Regent. Of the Federal funds allocated, a balance of \$9,059.94 remains under administrative cost. At the present date, the Regent is recognized by the Division as meeting hurricane safety criteria (ARC 4496) and lists the facility in our statewide hurricane evacuation shelter inventory. The facility may serve as an alternate Special Needs Shelter depending on the scale of the event and special needs client space needs. The facility will be formally listed in the next Statewide Emergency Shelter Plan when published on January 30, 2012. Again, we appreciate your inquiry. Please do not hesitate to contact the Division with any further questions.

Sincerely,



Bryan W. Koon, Director

BWK/wb/bb

Enclosure(s)

1. Subgrant Agreements between The Division of Emergency Management and Brandon Community Advantage Center, Inc.
2. Modification One to Subgrant Agreement between the Division of Emergency Management and Brandon Community Advantage Center, Inc.
3. Modification Two to Subgrant Agreement between The Division of Emergency Management and Brandon Community Advantage Center, Inc. (modification 2)
4. Modification Three to Subgrant Agreement between the Division of Emergency Management and Brandon Community Advantage Center, Inc.
5. Federal Contracts (Phase I & II)
6. State Fund Only Contract
7. Division of Emergency Management Hazard Mitigation Grant Program: Project Manager Quarterly Report Review Form
8. Amended Final Inspection Report, Hazard Mitigation Grant Program, FEMA 1609-163-R
9. BCAC – County Reimbursement Request Log (as of 11/10/2010)

Cc: Sen. Jim Norman, Chair
Sen. Arthenia L. Joyner
Sen. Evelyn J. Lynn
Sen. Maria Lorts Sachs
Sen. Stephen R. Wise
Rep. Larry Ahern
Rep. Daphne D. Campbell
Rep. Jeff Clemens
Rep. Bryan Nelson
Rep. Kenneth Roberson

Response by the Division of Emergency Management
regarding oversight of state and federal funding used for
the Brandon Community Advantage Center (The Regent)

*Enclosures pertaining to this agenda item
are available upon request*

Local Government Financial Reporting – Materials Provided

1. **Summary:** Local Government Financial Reporting 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
 - List 1: Municipalities (*staff recommends action*)
 - List 2: Special Districts (*Independent & Dependent; staff recommends action*)
 - List 3: Special Districts (*staff recommends a delay of action until 7/2/12*)
 - List 4: Special Districts (*staff recommends an indefinite delay of action*)
3. Letters from the Auditor General and the Department of Financial Services
4. **Florida Statutes:** related to Local Government Financial Reporting
 - s. 11.40(2) (Legislative Auditing Committee)
 - s. 189.421 (Failure of District to Disclose Financial Reports)
 - s. 189.4044 (Special Procedures for Inactive Districts)
 - s. 218.32 (Annual Financial Reports)
 - s. 218.39 (Annual Financial Audit Reports)

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 districts¹ were required to file an AFR with the Department of Financial Services (DFS) for FY 2009-10 no later than 12 months after the end of the fiscal year (September 30, 2011, for most entities)² [s. 218.32, F.S (2010)]
- 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 monitors the submission of late-filed AFRs and contacts all entities that continue to be non-compliant³
- 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 Audit⁴ (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 provided for during 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 provided for during the previous two fiscal years
Special Districts – Revenue or expenditures below \$50,000	No audit required

¹ As of November 16, 2011, the Department of Economic Opportunity’s website lists 1618 active special districts; 993 are independent and 625 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. If an entity was not required to provide for an audit, the AFR was due April 30th, seven months after the end of the fiscal year. If an audit was required, the AFR was due within 45 days of the completion of the audit but no later than 12 months after the end of the fiscal year. Senate Bill 224 (2011) revises this schedule going forward. Beginning next year, AFRs and audit reports will be due no later than nine months after the end of the fiscal year.

³ In November 2011, committee staff notified each entity that had failed to file an AFR that was due September 30, 2011, or earlier, and still had not been filed. Correspondence was 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 2009-10 were required to be filed with the Auditor General no later than 12 months after the end of the fiscal year (September 30, 2011, for most entities) [s. 218.39(1), F.S. (2010)]
- 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 September 30th, the Auditor General sent 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 monitors the submission of late-filed audit reports and contacts entities that continue to be non-compliant⁶
- 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 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. 189.4044 or 189.421, 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. Otherwise, within 60 days of notification, or within 60 days after any extension the department has provided as authorized in law, the department files a petition for writ of certiorari in Leon County circuit court to compel compliance.

- During 2009, 2010, and 2011 the committee directed action against a total of 39 municipalities and over 70 special districts. 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), as applicable, or within the 30 days 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 in the past three years, revenue has been withheld from nine municipalities, six special districts were declared inactive, and a petition was filed in court against five special districts.

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 In November 2011, committee staff notified each entity that had failed to file an audit report that was due by September 30, 2011, or earlier, and still had not been filed. Correspondence was 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 To date, the committee has not taken action against any county. All counties have filed the required reports by the dates of the committee hearings. 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.

⁸DCA no longer exists; this function is now handled by DEO. Each agency was provided 30 days to commence with action pursuant to 2010 Florida Statutes (and earlier editions); DEO is now provided 60 days in accordance with a revision based on Senate Bill 224 (2011).

LIST 1:
MUNICIPALITIES

	Municipality Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Alford, Town of (Jackson)	6	7	FY 2009-10 AFR and Audit Report	No response received to 11/10/2011 letter.	Take action
2	Boynton Beach, City of (Palm Beach)	30	87	FY 2009-10 Audit Report	Per CPA, reports expected to be submitted by week of 12/5/2011.	Take action
3	Campbellton, Town of (Jackson)	6	5	FY 2009-10 AFR and Audit Report	Per CPA <u>on 12/2/2011</u> , audit is in progress, but waiting on documentation needed to continue. If documentation received, hopes to have audit report issued by mid-January 2012.	Take action
4	Caryville, Town of (Washington)	2	5	FY 2009-10 AFR and Audit Report; FY 2008-09 AFR; FY 2006-07 AFR; FY 2004-05 AFR	Audit engagement letter for FY 2009-10 signed by CPA firm and Town.	Continue action
5	Dundee, Town of (Polk)	17	65	FY 2009-10 AFR	Spoke with Town Clerk on 11/9/2011 – explained AFR status and referred him to DFS.	Take action
6	Ebro, Town of (Washington)	2	5	FY 2009-10 Audit Report	Per CPA, Town is over audit threshold due to two one-time grants (for fire engine and parks and recreation) – last audit was for FY 2008-09. Good internal controls and staff.	No action
7	Islandia, City of (Miami-Dade)	39	120	FY 2009-10 AFR and Audit Report	Miami-Dade County is working through ordinance process to dissolve the city.	No action
8	Jacob City, City of (Jackson)	6	5	FY 2009-10 AFR and Audit Report	No response received to 11/10/2011 letter.	Take action

LIST 1:
MUNICIPALITIES

	Municipality Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
9	Noma, Town of (Holmes)	2	5	FY 2009-10 AFR and Audit Report	Reports expected to be submitted by 1/16/2012.	Take action
10	Pahokee, City of (Palm Beach)	39	84	FY 2009-10 AFR and Audit Report	Per CPA, reports expected to be submitted by mid-January 2012.	Take action
11	Springfield, City of (Bay)	4	6	FY 2009-10 AFR and Audit Report	Per CPA, reports expected to be submitted by 1/9/2012.	Take action
12	St. Lucie Village, Town of (St. Lucie)	26	78	FY 2009-10 AFR and Audit Report	No response received to 11/10/2011 letter.	Take action
13	Vernon, City of (Washington)	2	5	FY 2009-10 AFR and Audit Report	Per CPA, waiting on some documentation from city. Reports expected to be submitted by during December 2011.	Take action
14	Weeki Wachee, City of (Hernando)	11	44	FY 2009-10 AFR; FY 2008-09 AFR; several prior year audits	Response received with incomplete AFR. Sent e-mail to Mayor with instructions from DFS for completion and submission of AFR.	Continue action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Aqua Isles CDD (Broward)	31	100	FY 2009-10 AFR and Audit Report	Per Auditor General update, audit is in progress.	Take action
2	Baker Fire District (Okaloosa)	2	1	FY 2009-10 AFR and Audit Report* (if audit threshold met)	Per District treasurer, AFR expected to be submitted in next few weeks – bookkeeper posting transactions now.	Take action
3	Bermont Drainage District (Charlotte)	21, 23, 27	71, 72, 74	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
4	Broward Soil and Water Conservation District (Broward)	25, 29, 30, 31, 32, 34, 35, 39	87, 90-103, 105, 112	FY 2009-10 AFR and Audit Report; FY 2008-09 Audit Report	No response received to 11/10/2011 letter. Left voicemail message on 12/2/2011 (certified mail return card not yet received).	Take action
5	Buckeye Park CDD (Manatee)	18, 21, 23	67, 68, 69	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 12/28/2011.	Take action
6	Charlotte Soil and Water Conservation District (Charlotte)	21, 23, 27	71, 72, 74	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
7	City Center CDD (Polk)	10, 15, 17	63, 64, 65, 66	FY 2009-10 AFR and Audit Report	No response received to 11/10/2011 letter.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
8	Clay Soil and Water Conservation District (Clay)	5, 7	12, 13, 19, 20, 21	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
9	Cypress Club Recreation District (Broward)	25	92	FY 2009-10 AFR	No response received to 11/14/2011 letter.	Take action
10	Cypress Creek of Hillsborough County CDD (Hillsborough)	10, 12, 16, 18	47, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued in February 2012.	Take action
11	Dorcas Fire District (Okaloosa)	2	5	FY 2009-10 AFR and Audit Report	No response received to 11/10/2011 letter.	Take action
12	Eastpoint Water and Sewer District (Franklin)	6	6, 10	FY 2009-10 AFR and Audit Report	No response received to 11/10/2011 letter.	Take action
13	Fallschase CDD (Leon)	3, 6	8, 9	FY 2009-10 Audit Report	No response received to 11/15/2011 letter.	Take action
14	Flagler Soil and Water Conservation District (Flagler)	1, 8	20, 26	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter. Left voicemail message on 12/1/2011 (certified mail return card not yet received).	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
15	Flow Way CDD (Collier)	37, 39	75, 76, 77, 101, 112	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter. Left voicemail message on 12/1/2011 (certified mail return card not yet received).	Take action
16	Freedom Walk CDD (Okaloosa)	2	5	FY 2009-10 Audit Report	Status pending return call from registered agent.	Take action
17	Gateway Services CDD (Lee)	27	73	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 12/28/2011.	Take action
18	Gilchrist County Housing Authority (Gilchrist)	14	11	FY 2009-10 AFR	December 31 fiscal year-end (no DEO letter sent yet since report not due until 12/31/2011).	Take action
19	Glen St. Johns CDD (St. Johns)	1, 5, 8	18, 19, 20	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit completed; audit report and AFR expected to be submitted by 12/9/2011.	Take action
20	Grand Bay at Doral CDD (Miami-Dade)	40	112	FY 2009-10 AFR and Audit Report	No response received to 11/10/2011 letter.	Take action
21	Greater Lakes/Sawgrass Bay CDD (Lake)	15, 20	21, 25, 41, 42	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit report about to be issued; audit report and AFR expected to be submitted once audit report received from CPA.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
22	Hamilton County Development Authority (Hamilton)	3	10	FY 2009-10 AFR and Audit Report* (if audit threshold met)	Per Auditor General update, audit is in progress.	Take action
23	Harbour Lake Estates CDD (Broward)	34	112	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
24	Hardee County Housing Authority (Hardee)	17	66	FY 2009-10 AFR	Spoke with Authority representative on 12/1/2011. Expect to submit AFR this week.	Take action
25	Heritage Plantation CDD (Okaloosa)	2, 4	1, 4, 5, 7	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit completed; audit report and AFR expected to be submitted by 12/9/2011.	Take action
26	Highlands CDD (Hillsborough)	10, 12, 16, 18	47, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68	FY 2009-10 Audit Report	Per Auditor General update, audit is in progress.	Take action
27	Huntington CDD (Broward)	34	112	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
28	Lafayette Soil and Water Conservation District (Lafayette)	3	11	FY 2009-10 AFR and Audit Report	Per Auditor General update, audit is in progress – expected by 1/1/2012.	Take action
29	Lake Beluthahatchee CDD (St. Johns)	5	19	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
30	Lee County Housing Authority (Lee)	21, 27, 37	71, 72, 73, 74, 75	FY 2009-10 AFR	No response received to 11/14/2011 letter.	Take action
31	Lee Soil and Water Conservation District (Lee)	21, 27, 37	71, 72, 73, 74, 75	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
32	Leon Soil and Water Conservation District [formerly Ochlockonee River Soil and Water Conservation District] (Leon)	3, 6	8, 9	FY 2009-10 Audit Report	No response received to 11/15/2011 letter.	Take action
33	Lexington CDD (Manatee)	18, 21, 23	55, 67, 68, 69	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 12/28/2011.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.]

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
34	Longleaf CDD (Pasco)	10, 11, 12	44, 45, 46, 48, 60, 61, 62	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 1/31/2012.	Take action
35	Magnolia Creek CDD (Walton)	2	5	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit is suspended due to lack of funds.	Take action
36	Morningside CDD (Bay)	6	6	FY 2009-10 Audit Report	Status pending return call from registered agent.	Take action
37	Moultrie Creek CDD (St. Johns)	1, 5, 8	18, 19, 20	FY 2009-10 AFR and Audit Report* (if audit threshold met)	Per Auditor General update, district is to be dissolved.	Take action
38	Naples Reserve CDD (Collier)	37, 39	75, 76, 77, 112	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
39	North Bay Fire District (Okaloosa)	4	4	FY 2009-10 AFR	No response received to 11/14/2011 letter.	Take action
40	North Okaloosa County Fire District (Okaloosa)	2	5	FY 2009-10 AFR	No response received to 11/14/2011 letter.	Take action
41	Northwood CDD (Pasco)	10, 11, 12	44, 45, 46, 48, 60, 61, 62	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 12/28/2011.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
42	Orange Hill Soil and Water Conservation District (Washington)	2	5	FY 2009-10 AFR and Audit Report	Per CPA on 12/2/2011, audit has been completed and report draft is being reviewed. Expect audit report to be issued within next few weeks. <u>In August 2010</u> , previous Chairs <u>approved no state action</u> since CPA firm could not perform audits for FY 2007-08 and FY 2008-09 due to lack of accounting records. Investigations have been or are currently being performed by DOR and DFS, Office of Fiscal Integrity. District agreed to have CPA firm perform audit for FY 2009-10, even if audit threshold is not met.	Take action
43	Osprey Oaks CDD (Palm Beach)	25, 27, 28, 29, 30, 39	78, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91	FY 2009-10 Audit Report	No response received to 11/15/2011 letter.	Take action
44	Panther Trace CDD (Hillsborough)	10	67	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 12/28/2011.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
45	Panther Trace II CDD (Hillsborough)	10	67	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued in February 2012.	Take action
46	Pasco County Housing Authority (Pasco)	10, 11, 12	44, 45, 46, 48, 60, 61, 62	FY 2009-10 AFR	No response received to 11/14/2011 letter.	Take action
47	Paseo CDD (Lee)	37	71, 72, 73, 74, 75	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit completed; audit report and AFR expected to be submitted by 12/9/2011.	Take action
48	Pembroke Harbor CDD (Broward)	34	105	FY 2009-10 AFR and Audit Report	Per Auditor General update, audit is in progress.	Take action
49	Preserve At Wilderness Lake CDD (Pasco)	12	61	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 1/31/2012.	Take action
50	River Bend CDD (Hillsborough)	10, 12, 16, 18	47, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued in February 2012.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
51	River Glen CDD (Nassau)	5, 8	12	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit is in progress; audit report and AFR expected to be submitted by 12/28/2011.	Take action
52	Rivercrest CDD (Hillsborough)	10, 12, 16, 18	47, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 1/31/2012.	Take action
53	Seminole County Housing Authority (Seminole)	9, 20, 22, 24	25, 33, 34, 37	FY 2009-10 AFR	December 31 fiscal year-end (no DEO letter sent yet since report not due until 12/31/2011).	Take action
54	Seminole Soil and Water Conservation District (Seminole)	9, 20, 22, 24	25, 33, 34, 37	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter. Left voicemail message on 12/2/2011 (certified mail return card not yet received).	Take action
55	Six Mile Creek CDD (St. Johns)	1, 5, 8	18, 19, 20	FY 2009-10 Audit Report	Per registered agent on 12/2/2011, audit is in progress; report expected to be issued with 7-10 days.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
56	South Bay CDD (Hillsborough)	10, 12, 16, 18	47, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68	FY 2009-10 AFR and Audit Report	No response received to 11/10/2011 letter.	Take action
57	South Fork East CDD (Hillsborough)	10, 12, 16, 18	47, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68	FY 2009-10 AFR and Audit Report	Per registered agent on 12/1/2011, audit is in progress; report expected to be issued 1/31/2012.	Take action
58	Southern Hills Plantation III CDD (Hernando)	15	43, 44	FY 2009-10 AFR and Audit Report* (if audit threshold met)	Per registered agent on 12/2/2011, AFR expected to be submitted by 12/9/2011.	Take action
59	Spring Ridge CDD (Hernando)	11, 15	43, 44	FY 2009-10 AFR and Audit Report	Per Auditor General update, audit is in progress.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
60	State Road CDD (Hillsborough)	10, 12, 16, 18	47, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68	FY 2009-10 AFR and Audit Report* (if audit threshold met)	Per registered agent on 12/2/2011, he is checking on status of reports.	Take action
61	Sterling Hill CDD (Hernando)	11, 15	43, 44	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit is in progress; audit report and AFR expected to be submitted by 12/28/2011.	Take action
62	Sumter Soil and Water Conservation District (Sumter)	15, 20	42, 44	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
63	Suwannee Valley Transit Authority (Columbia, Hamilton, Suwannee)	3, 14	10, 11	FY 2009-10 AFR	No response received to 11/14/2011 letter.	Take action
64	Tampa Bay Area Regional Transportation Authority (Citrus, Hernando, Hillsborough, Manatee, Pasco, Pinellas, Sarasota)	3, 10, 11, 12, 13, 15, 16, 18, 21, 23	43-48, 50-63, 67-71	FY 2009-10 AFR and Audit Report	Per Auditor General update, audit is in progress – expected by 1/31/2012. Per Authority staff on 12/2/2011, they hope to have reports submitted by 12/28/2011.	Take action
65	Tradition CDD 10 (St. Lucie)	28	81	FY 2009-10 Audit Report	Per registered agent on 11/18/2011, audit is in progress.	Take action

LIST 2:
SPECIAL DISTRICTS
(INDEPENDENT)

[NOTES: (1) For most districts, the Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, and an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.; (2) CDD boundaries are often difficult to determine. Therefore, for most CDDs listed, all House and Senate districts for the county in which the CDD is located are listed.]

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
66	Trails CDD (Duval)	1, 5, 8	12-19	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit completed; audit report and AFR expected to be submitted by 12/9/2011.	Take action
67	Twelve Oaks Special District (Hillsborough)	12	57	FY 2009-10 AFR	Spoke with registered agent on 12/2/2011. Answered questions about AFR and referred him to DFS. He will try to get AFR submitted within next few days.	Take action
68	Vizcaya CDD (Broward)	34	112	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
69	Walton, Okaloosa, Santa Rosa Regional Utility Authority (Okaloosa, Santa Rosa, Walton)	2, 4	1, 3, 4, 5, 7	FY 2009-10 AFR and Audit Report	Per Auditor General update, audit is in progress – expected by 12/31/2011.	Take action
70	Yellow River Soil and Water Conservation District (Okaloosa)	2, 4	1, 4, 5, 7	FY 2009-10 AFR and Audit Report* (if audit threshold met)	No response received to 11/10/2011 letter.	Take action
71	Zephyr Ridge CDD (Pasco)	10, 11, 12	44, 45, 46, 48, 60, 61, 62	FY 2009-10 AFR and Audit Report	Per registered agent on 12/2/2011, audit is suspended due to lack of funds.	Take action

LIST 2:
SPECIAL DISTRICTS
(DEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Arcadia, Housing Authority of The City of (DeSoto)	17	72	FY 2009-10 AFR*	No response received to 11/14/2011 letter.	Take action
2	Avon Park Housing Authority (Highlands)	17	77	FY 2009-10 AFR	December 31 fiscal year-end (no DEO letter sent yet since report not due until 12/31/2011).	Take action
3	Columbia County Industrial Development Authority (Columbia)	3, 14	10, 11	FY 2008-09 AFR	No response received to 11/15/2011 letter.	Take action
4	Eatonville Community Redevelopment Agency, Town of (Orange)	19	36	FY 2009-10 Audit Report;** FY 2007-08 AFR	Per Mayor, reports are expected to be submitted by 1/31/2011 DEO extension date.	Take action
5	Fort Myers Housing Authority (Lee)	37	73	FY 2009-10 AFR*	No response received to 11/14/2011 letter.	Take action
6	Fort Pierce Redevelopment Agency (St. Lucie)	26	78	FY 2009-10 AFR	Spoke with Agency staff on 11/22/2011.	Take action
7	Gadsden County Industrial Development Authority (Gadsden)	6	7, 8, 9	FY 2009-10 AFR* and Audit Report	No response received to 11/15/2011 letter.	Take action
8	Hardee County Industrial Development Authority (Hardee)	17	66	FY 2009-10 AFR* and Audit Report;** FY 2008-09 AFR* and Audit Report	Per Auditor General update, audit is in progress – expected by 12/31/2011.	Take action

LIST 2:
SPECIAL DISTRICTS
(DEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
9	Lakeland, Housing Authority of The City of (Polk)	10	64	FY 2009-10 AFR*	December 31 fiscal year-end (no DEO letter sent yet since report not due until 12/31/2011).	Take action
10	Ormond Beach Housing Authority (Volusia)	8	26	FY 2009-10 AFR*	No response received to 11/15/2011 letter.	Take action
11	Polk County Health Facilities Authority (Polk)	10, 15, 17	63, 64, 65, 66	FY 2009-10 AFR* and Audit Report	Spoke with Authority staff on 11/21/2011.	Take action
12	Riviera Beach Housing Authority (Palm Beach)	29	84	FY 2009-10 AFR;* FY 2008-09 AFR	Spoke with registered agent on 12/2/2011. Checking with auditor on status of audit.	Take action
13	Sanford Housing Authority (Seminole)	22	33	FY 2009-10 AFR*	No response received to 11/15/2011 letter.	Take action
14	Springfield Community Redevelopment Agency (Bay)	4	6	FY 2009-10 AFR and Audit Report	Per CPA, reports expected to be submitted by 1/9/2012. (component unit of City of Springfield)	Take action
15	Westwood Dependent Tax District (Hillsborough)	16	56	FY 2009-10 AFR	Spoke with registered agent on 12/1/2011. Answered questions about AFR and referred him to DFS.	Take action

Legend:

(*) Department of Economic Opportunity has approved an extension to submit the AFR until December 28, 2011, pursuant to s. 189.421(1), F.S.

(**) Department of Economic Opportunity has approved an extension to submit the audit report until January 31, 2012, pursuant to s. 189.421(1), F.S.

LIST 3:
SPECIAL DISTRICTS
(INDEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Bella Verde Golf CDD (Pasco)	10, 11, 12	44, 45, 46, 48, 60, 61, 62	FY 2009-10 AFR and Audit Report; FY 2008-09 AFR and Audit Report; FY 2007-08 Audit Report	<p><u>In August 2010</u>, previous Committee Chairs approved a delay of state action until a later date since District has filed for foreclosure in fall 2009 & was unable to pay for an audit due to lack of funding. Negotiations are ongoing with all relevant parties to redress situation. One developer has filed bankruptcy.</p> <p><u>At 4/4/2011 meeting</u>, Committee approved to continue to delay state action until a later date since District's situation has not changed. Correspondence received from registered agent on 9/30/2011 indicates that the District's situation has not changed.</p> <p>Correspondence from CDD management company <u>on 12/1/ 2011</u> requested an extension until 6/30/2012, since pledge of funds from landowners/potential new owners not yet received to complete audit.</p>	Continue to delay action until July 2, 2012
2	Chapel Creek CDD (Pasco)	12	61	FY 2009-10 AFR and Audit Report	<p>Correspondence from CDD management company <u>on 12/1/ 2011</u> requested an extension until 6/30/2012, since pledge of funds from landowners/potential new owners recently received to complete audit.</p>	Delay action until July 2, 2012

LIST 3:
SPECIAL DISTRICTS
(INDEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
3	CrossCreek CDD (Manatee)	18, 21, 23	67, 68, 69	FY 2009-10 AFR and Audit Report; FY 2008-09 AFR and Audit Report	<p><u>In June 2011</u>, Chairs approved to delay action indefinitely; the CDD is unable to pay for the cost of an audit due to lack of funding; some foreclosure actions are being taken.</p> <p>Correspondence received from registered agent <u>on 9/30/2011</u> indicates that the District's situation has not changed.</p> <p>Correspondence from CDD management company <u>on 12/1/ 2011</u> requested an extension until 6/30/2012, since pledge of funds from landowners/potential new owners not yet received to complete audit.</p>	Continue to delay action until July 2, 2012
4	Highland Meadows CDD (Polk)	15	65	FY 2009-10 AFR and Audit Report; FY 2008-09 AFR and Audit Report	<p><u>In June 2011</u>, Chairs approved delay of state action until a later date since District is unable to pay for an audit due to lack of funding and some foreclosure actions are being taken.</p> <p>Correspondence received from registered agent <u>on 9/30/2011</u> indicates that there may be some movement toward releasing funds to address maintenance and utility issues; if this happens, funds are also expected to be released to enable District to become statutorily compliant.</p> <p>Correspondence from CDD management company <u>on 12/1/ 2011</u> requested an extension until 6/30/2012, since pledge of funds from landowners/potential new owners recently received to complete audit.</p>	Continue to delay action until July 2, 2012

LIST 3:
SPECIAL DISTRICTS
(INDEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
5	New River CDD (Pasco)	12	61	FY 2009-10 AFR and Audit Report	Correspondence from CDD management company <u>on 12/1/2011</u> requested an extension until 6/30/2012, since pledge of funds from landowners/potential new owners recently received to complete audit.	Delay action until July 2, 2012
6	Palm River CDD (Hillsborough)	10, 12, 16, 18	47, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68	FY 2009-10 AFR and Audit Report	Correspondence from CDD management company <u>on 12/1/2011</u> requested an extension until 6/30/2012, since pledge of funds from landowners/potential new owners not yet received to complete audit.	Delay action until July 2, 2012

LIST 4:
SPECIAL DISTRICTS
(INDEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Cordoba Ranch CDD (Hillsborough)	12	60	FY 2009-10 AFR and Audit Report; FY 2008-09 AFR and Audit Report	<p><u>At April 4, 2011 meeting</u>, Committee approved to delay state action until a later date since correspondence from registered agent in April 2011 stated that there is currently no Board, it hasn't met since 2008, and District has filed for foreclosure. Progress is finally being made, and they anticipate more normal operations in next 6 to 9 months, depending on foreclosure litigation.</p> <p>Correspondence received from registered agent <u>on 9/30/2011</u> indicates that the District's situation has not changed.</p> <p>Per discussion with registered agent <u>on 12/2/2011</u>, District's situation has not changed.</p>	Continue to delay action

LIST 4:
SPECIAL DISTRICTS
(INDEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
2	Santa Rosa Bay Bridge Authority (Santa Rosa)	2, 4	1, 3	FY 2009-10 AFR and Audit Report; FY 2008-09 Audit Report	<p><u>At April 4, 2011 meeting</u>, Committee approved to delay state action until a later date since correspondence from registered agent in April 2011 stated that Authority does not have funds to pay for an audit and expects that soon there will not be sufficient funds for bond payments. Same situation as in previous years (Authority only has restricted funds, which cannot be used to pay for an audit. DOT's Inspector General's Office compiles financial statements for Authority and also staffs day-to-day operations of Authority.)</p> <p><u>On June 30, 2011</u>, 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.</p>	Continue to delay action

LIST 4:
SPECIAL DISTRICTS
(INDEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
3	Southbay CDD (Manatee)	18, 21, 23	67, 68, 69	FY 2007-08 Audit Report	<p><u>In August 2010</u>, previous Chairs approved delay of state action until a later date since District is unable to pay for an audit due to lack of funding. Negotiations are ongoing with all relevant parties to redress situation.</p> <p><u>At April 4, 2011 meeting</u>, Committee approved to continue to delay state action until a later date since District's situation has not changed. Correspondence received from registered agent on 9/30/2011 indicates that the District's situation has not changed.</p> <p>Correspondence from CDD management company <u>on 11/15/ 2011</u> stated that the District's situation has not changed.</p>	Continue to delay action

LIST 4:
SPECIAL DISTRICTS
(INDEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
4	Tidewater Preserve CDD (Manatee)	18	55	FY 2009-10 AFR and Audit Report; FY 2008-09 Audit Report	<p><u>In August 2010</u>, previous Committee Chairs approved no state action since District is in process of dissolving.</p> <p><u>At April 4, 2011 meeting</u>, Committee approved to delay state action until a later date since correspondence from registered agent in March 2011 stated that City of Bradenton has passed an ordinance to allow dissolution of the District subject to no objection by Manatee County. The County has objected for reasons addressed in his letter, which has delayed the dissolution.</p> <p>Correspondence received from registered agent on <u>9/30/2011</u> indicates that the County still has objections. The city attorney will be attempting to mediate a resolution shortly which will allow the County to withdraw its objections.</p> <p>Sent letter to Manatee County on <u>10/13/2011</u>, requesting status of dissolution; <u>as of 12/2/2011</u>, no response has been received from the County.</p> <p>Per correspondence received from registered agent on <u>11/17/2011</u>, no change in District's situation; he has not heard from the County either.</p>	Continue to delay action

LIST 4:
SPECIAL DISTRICTS
(INDEPENDENT)

	District Name (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
5	Vizcaya in Kendall CDD (Broward)	33, 34, 35, 36, 38, 39, 40	102-104, 106-120	FY 2009-10 AFR and Audit Report; FY 2008-09 AFR and Audit Report; FY 2007-08 Audit Report	<p><u>In August 2010</u>, previous Committee Chairs approved delay of state action until a later date since developer has filed bankruptcy and bank is looking at property, but no agreement yet. No funds for audit now, but anticipate having audit performed once situation is resolved.</p> <p><u>At April 4, 2011 meeting</u>, Committee approved to continue to delay state action until a later date since District's situation has not changed. Per a telephone conversation with the District's registered agent on 10/13/2011, the District is in the process of finalizing agreements with the District's two new owners. Once everything is finalized and the District returns to active development, he expects progress to be made toward getting all financial requirements of the District current.</p> <p>Per telephone conversation with registered agent <u>on 10/13/2011</u>, District is in process of finalizing agreements with its new owners, and he expects progress to be made toward getting all financial requirements of the District current once active development is underway.</p> <p>Per correspondence from registered agent <u>on 12/2/2011</u>, new developer is providing funds to cover costs of audits for FY 2007-08 through FY 2010-11. Audits should be starting soon.</p>	Continue to delay action

From: [DAVID WARD](#)
To: [NORMAN.JIM.S12](#); [Mayfield, Debbie](#);
cc: [DUBOSE.KATHY](#); [WHITE.DEBORAH](#);
Subject: 2009-10 FY Section 11.45(7)(a), FS, Notification
Date: Friday, November 18, 2011 3:44:16 PM
Attachments: [Attachment A and B for LAC.xlsm](#)

Pursuant to Section 11.45(7)(a), Florida Statutes, this letter is to notify you of the results of our determination as to which local governmental entities were required to provide for an audit for the 2009-10 fiscal year but failed to do so. A separate notification regarding district school boards, charter schools, and charter technical career centers that failed to provide for an audit for the 2009-10 fiscal year was made to you in an email dated September 9, 2011. A recap of our determination for local governmental entities as of November 17, 2011, is as follows:~

Description	Counties (1)	Municipalities (1)	Special Districts	Total
Individual Entity Reports Received	66	389	765	1,220
Included in Another Entity's Audit Report (2)	n/a	n/a	442	442
Not Required to File (3)	n/a	9	229	238
Unable to Determine Whether Audit Was Required (4)	n/a	2	29	31
Did Not File Required Audit Report	<u>0</u>	<u>11</u>	<u>60</u>	<u>71</u>
Total Entities	<u>66</u>	<u>411</u>	<u>1,525</u>	<u>2,002</u>

- (1) The consolidated city/county government of Jacksonville/Duval County is classified as a municipality for purposes of this letter.
- (2) Includes dependent special districts that were included in audit reports of counties or municipalities.
- (3) Entities did not meet the threshold for required submission of audit reports.
- (4) Unable to obtain sufficient information to determine whether these entities met the threshold requiring submission of audit reports.

For the 2009-10 fiscal year, pursuant to Section 218.39(1), Florida Statutes (2010), the following entities were required to provide for an annual financial audit of their accounts and records within 12 months after the end of their respective fiscal year:

- Each county
- Each municipality with revenues, or the total of expenditures and expenses, in excess of \$250,000
- Each municipality with revenues, or the total of expenditures and expenses, between \$100,000 and \$250,000 that has not been subject to a financial audit for the two preceding fiscal years
- Each special district with revenues, or the total of expenditures and expenses, in excess of \$100,000
- Each special district with revenues, or the total of expenditures and expenses, between \$50,000 and \$100,000 that has not been subject to a financial audit for the two preceding fiscal years

Section 218.39(8), Florida Statutes (2010), requires that any financial audit report required under Section 218.39(1), Florida Statutes (2010), be submitted to the Auditor General within 45 days after delivery of the audit report to the local governmental entity, but no later than 12 months after the end of the fiscal year of the local governmental entity. The following is a summary of those local governmental entities that did not submit audit reports to us:

- A total of 71 local governmental entities that were required to provide for an audit for the 2009-10 fiscal year have not submitted an audit report to us. These local governmental entities are listed on Attachment A.
- An additional 31 local governmental entities may have been required to provide for an audit for the 2009-10 fiscal year, but have not submitted an audit report to us. Because sufficient financial information was not readily

available, it was not practical for us to determine whether an audit was required. These local governmental entities are listed on Attachment B.

Please advise if you or your staff have any questions regarding this information.

Attachments

David T. Ward, CPA

Audit Supervisor

Auditor General, State of Florida

111 West Madison Street, 401A

Tallahassee, FL 32399-1450

Office (850) 488-0960

FAX (850) 488-4403

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.

**Alphabetical List of Local Governmental Entities
For Which 2009-10 Fiscal Year Audit Reports
Have Not Been Received - Audit Was Required**

**Applicable
Note**

MUNICIPALITIES

1	Alford, Town of	1
2	Belle Glade, City Of	1, 2
3	Boynton Beach, City Of	1
4	Campbellton, Town of	1, 2
5	Caryville, Town Of	1
6	Ebro, Town of	1
7	Noma, Town Of	1
8	Pahokee, City Of	1, 2
9	Springfield, City of	1
10	St. Lucie Village, Town Of	1
11	Vernon, City of	1, 2

INDEPENDENT SPECIAL DISTRICTS

1	Amelia Island Mosquito Control District	1
2	Aqua Isles Community Development District	2
3	Avelar Creek Community Development District	1, 2
4	Bella Verde Golf Community Development District	1, 3, 5
5	Broward Soil & Water Conservation District	1
6	Buckeye Park Community Development District	1
7	Chapel Creek Community Development District	1, 2
8	City Center Community Development District	1
9	Cordoba Ranch Community Development District	1, 5
10	CrossCreek Community Development District	1, 3, 5
11	Cypress Creek of Hillsborough County Community Development District	1
12	Dorcas Fire District	1
13	Eastpoint Water And Sewer District	1
14	Fallschase Community Development District	1
15	Freedom Walk Community Development District	1
16	Gateway Services Community Development District	1, 2
17	Glen St. Johns Community Development District	1
18	Grand Bay at Doral Community Development District	1
19	Greater Lakes/Sawgrass Bay Community Development District	1
20	Hammock Bay Community Development District	1, 2
21	Heritage Plantation Community Development District	1
22	Highland Meadows Community Development District	1, 3, 5
23	Highlands Community Development District	1, 2
24	Lafayette Soil & Water Conservation District	2
25	Leon Soil & Water Conservation District (f/k/a Ochlockonee River)	1
26	Lexington Community Development District	1, 2
27	Longleaf Community Development District	1, 2
28	Magnolia Creek Community Development District	1
29	Morningside Community Development District	1
30	New River Community Development District	1, 2

**Alphabetical List of Local Governmental Entities
For Which 2009-10 Fiscal Year Audit Reports
Have Not Been Received - Audit Was Required**

**Applicable
Note**

31	Northwood Community Development District	1, 2
32	Orange Hill Soil & Water Conservation District	1
33	Osprey Oaks Community Development District	1
34	Palm River Community Development District	1, 2
35	Panther Trace Community Development District	1, 2
36	Panther Trace II Community Development District	1, 2
37	Paseo Community Development District	1
38	Pembroke Harbor Community Development District	1, 2
39	Preserve at Wilderness Lake Community Development District	1, 2
40	River Bend Community Development District	1, 2
41	River Glen Community Development District	1
42	Rivercrest Community Development District	1, 2
43	Santa Rosa Bay Bridge Authority	1, 3, 5
44	Six Mile Creek Community Development District	1, 2
45	South Bay Community Development District (Hillsborough County)	1
46	South Fork East Community Development District	1, 2
47	Spring Ridge Community Development District	1, 2
48	Sterling Hill Community Development District	1
49	Tampa Bay Area Regional Transportation Authority	1, 2
50	Tidewater Preserve Community Development District	4, 5
51	Tradition Community Development District No. 10	1
52	Trails Community Development District	1
53	Vizcaya in Kendall Community Development District	1, 5
54	Walton/Okaloosa/Santa Rosa Regional Utility Authority	2
55	Zephyr Ridge Community Development District	1

DEPENDENT SPECIAL DISTRICTS

56	City of Belle Glade Community Redevelopment Agency	1, 2
57	Hardee County Industrial Development Authority	1, 2
58	Housing Finance Authority of Volusia County	2
59	Springfield Community Redevelopment Agency	1, 2
60	Town of Eatonville Community Redevelopment Agency	1

NOTES

(1)	Based on previous audit reports or other financial reports filed by the entity, the entity was required to provide for an audit for the 2009-10 fiscal year.
(2)	Entity indicated that the audit was in progress; however, as of November 17, 2011, we had not received the audit report.
(3)	Entity responded that no funds are available to obtain an audit.
(4)	Entity indicated it is in the process of dissolving.
(5)	The Legislative Auditing Committee has delayed State action indefinitely.

**Alphabetical List of Local Governmental Entities
For Which 2009-10 Fiscal Year Audit Reports
Have Not Been Received - Audit May Have Been Required**

Attachment B

MUNICIPALITIES		Last Audit Received
1	Islandia, City of	1
2	Jacob City, City of	2007-08

INDEPENDENT SPECIAL DISTRICTS		
1	Alachua Soil & Water Conservation District	1
2	Baker Fire District	2007-08
3	Bermont Drainage District	1
4	Charlotte Soil & Water Conservation District	1
5	Clay Soil & Water Conservation District	1
6	Flagler Soil & Water Conservation District	1
7	Flow Way Community Development District	1
8	Hamilton County Development Authority	2005-06
9	Harbour Lake Estates Community Development District	2004-05
10	Huntington Community Development District	2005-06
11	Lake Beluthahatchee Community Development District	1
12	Lee Soil & Water Conservation District	2005-06
13	Moultrie Creek Community Development District	2
14	Naples Reserve Community Development District	1
15	Orange Soil & Water Conservation District	1
16	Osceola County Expressway Authority	1
17	Polk Soil & Water Conservation District	1
18	Seminole Soil & Water Conservation District	2005-06
19	Southern Hills Plantation III Community Development District	2007-08
20	State Road Community Development District	1
21	Sumter Soil & Water Conservation District	1
22	Vizcaya Community Development District	2007-08
23	Wakulla Soil & Water Conservation District	1
24	Yellow River Soil & Water Conservation District	2008-09

DEPENDENT SPECIAL DISTRICTS		
25	City of Lakeland Historic Preservation Board	1
26	Gadsden County Industrial Development Authority	2002-03
27	Hialeah Redevelopment Agency	1
28	Polk County Health Facilities Authority	1
29	Volusia County Industrial Development Authority	2007-08

NOTES	
(1)	No record of audit received for the 2000-01 through 2008-09 fiscal years.
(2)	Entity indicated it is in the process of dissolving.



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

November 16, 2011

Ms. Kathryn H. DuBose, Staff Director
Joint Legislative Auditing Committee
111 West Madison Street, Room 876
Claude Pepper Building
Tallahassee, Florida 32399-1400

Dear Ms. DuBose:

The Department of Financial Services, pursuant to the provisions of Section 218.32(1)(f), Florida Statutes (F.S.), is reporting units of local government that failed to comply with the reporting requirements of Section 218.32(1), F.S., for the fiscal year ended September 30, 2010. The exhibits provide detailed information on the reporting deficiencies:

Exhibits:

1. Counties, municipalities and special districts not reported by the September 30, 2011 deadline, pursuant to Section 218.32(d), F.S.
2. Municipalities and special districts not reported by the April 30, 2011 deadline, pursuant to Section 218.32(e), F.S.
3. Municipalities that are, or *potentially* will be, submitted to the President of the Senate and the Speaker of the House of Representatives for violating Section 218.32(3), F.S., by not reporting financial activity for four consecutive fiscal years.

Please contact Justin Young at (850) 413-5712 or justin.young@myfloridacfo.com if you have any questions.

Sincerely,

Burton S. Marshall

BSM:me

Enclosures

RECEIVED
NOV 18 2011

Exhibit 1

Non-Compliant Local Governments with S.218.32(d)F.S. for Fiscal Year 2010

Government ID	Local Government Name	AFR Received	Audit Received
Counties			
100039	Liberty	10/7/2011	10/13/2011
Cities			
200002	Alford		
200004	Altha		
200009	Archer	11/2/2011	7/13/2011
200049	Campbellton		
200052	Carrabelle	11/9/2011	
200053	Caryville		
200058	Century	11/9/2011	
200074	Cottondale	10/7/2011	10/18/2011
200092	Dundee		
200103	Everglades City	10/31/2011	9/6/2011
200118	Fruitland Park	11/4/2011	7/11/2011
200122	Golden Beach	11/7/2011	
200132	Gretna	11/8/2011	
200139	Hampton	11/14/2011	
200151	Hillsboro Beach	10/13/2011	10/14/2011
200169	Islandia		
200172	Jacob City		
200194	Lake Hamilton		
200209	Layton		
200228	Marianna	10/4/2011	5/11/2011
200232	Mayo	11/9/2011	
200259	Noma		
200260	North Bay Village		
200268	Oakland	10/3/2011	9/29/2011
200284	Pahokee		
200297	Paxton		
200322	Riviera Beach	10/13/2011	9/30/2011
200352	Springfield		
200330	St Lucie Village		
200358	Sweetwater	10/25/2011	10/25/2011
200369	Umatilla	10/3/2011	
200370	Valparaiso	10/31/2011	
200372	Vernon		
200380	Weeki Wachee		
200391	Williston	10/24/2011	10/19/2011
Special Districts			
301351	Aberdeen Community Development District	11/2/2011	
300060	Alachua Soil and Water Conservation District		
300342	Almarante Fire District	10/13/2011	
301640	Amelia Concourse Community Development District	11/7/2011	
301550	Amelia Walk Community Development District	10/18/2011	10/24/2011
300850	Apalachicola Housing Authority *		
301794	Aqua Isles Community Development District		
300212	Arts Council of Hillsborough County	11/9/2011	
301552	Avelar Creek Community Development District		
300859	Avon Park Community Redevelopment Agency *		
300860	Avon Park Housing Authority *(December Year End)		
300343	Baker Fire District		
301445	Bella Verde Golf Community Development District		
300119	Bermont Drainage District		
300132	Big Corkscrew Island Fire Control and Rescue District	10/25/2011	
301356	Big Cypress Stewardship District	10/31/2011	

300858	Brooksville Housing Authority * (December Year End)		
300088	Broward Soil and Water Conservation District		
301652	Buckeye Park Community Development District		
300762	Cape Canaveral Beautification Board *		
300851	Carrabelle Community Redevelopment Agency *	11/9/2011	
300852	Carrabelle Hospital Tax District *	11/9/2011	
300853	Carrabelle Port and Airport Authority *	11/9/2011	
300595	Carrollwood Meadows Special District *		
300198	Central County Water Control District	10/20/2011	
301654	Century Gardens Village Community Development District	10/1/2011	10/3/2011
301231	CFM Community Development District	11/2/2011	
301460	Chapel Creek Community Development District		
300533	Charlotte Soil and Water Conservation District		
300357	Children's Services Council of Okeechobee County	10/14/2011	6/22/2011
300999	Chipley Housing Authority *	10/26/2011	10/26/2011
301300	City Center Community Deveopment District		
300880	City of Cape Coral Health Facilities Authority *	11/3/2011	
300960	City of Lakeland Historic Preservation Board *		
301855	City of Marianna Community Redevelopment Agency *	10/4/2011	5/11/2011
301359	City of Riviera Beach Utility Special District *	10/13/2011	9/30/2011
300130	Clay Soil and Water Conservation District		
300136	Collier Soil and Water Conservation District		
300150	Columbia County Housing Authority	10/26/2011	
301156	Community Redevelopment Agency of the City of Umatilla *	10/3/2011	
301803	Contrada Hills Community Development District	11/14/2011	
301566	Cordoba Ranch Community Development District		
300600	Country Run Maintenance District *	11/1/2011	
300901	Crestview Housing Authority * (December Year End)		
301568	CrossCreek Community Development District		
300093	Cypress Club Recreation District		
301569	Cypress Creek of Hillsborough County Community Development District		
300484	Daytona Beach Racing and Recreational Facilities District	10/31/2011	10/3/2011
300998	Defuniak Springs Housing Authority *	10/26/2011	
300346	Dorcas Fire District		
300553	Duval County Research and Development Authority *	11/4/2011	
301571	Eagle's Crest Community Development District	11/14/2011	
300176	Eastpoint Water and Sewer District		
300171	Flagler County Housing Authority		
300172	Flagler Soil and Water Conservation District		
300017	Florida Atlantic Research and Development Authority	11/4/2011	
301243	Flow Way Community Development District		
300882	Fort Myers Housing Authority *		
300968	Fort Pierce Redevelopment Agency *		
301680	Fox Branch Ranch Community Development District	11/14/2011	
301841	Freedom Walk Community Development District	11/14/2011	
301244	Fruitland Park Community Redevelopment Agency *	11/4/2011	
300562	Gadsden County Industrial Development Authority *		
300754	Gainesville Housing Authority *	11/1/2011	
300278	Gateway Services Community Development District		
300178	George E Weems Memorial Hospital		
300183	Gilchrist County Housing Authority (December Year End)		
301573	Glen St. Johns Community Development District		
301470	Gramercy Farms Community Development District	11/2/2011	
301683	Grand Bay at Doral Community Development District		
300385	Greater Boca Raton Beach and Park District	10/21/2011	
301574	Greater Lakes/Sawgrass Bay Community Development District		
300854	Gretna Housing Authority *	11/8/2011	
300855	Gretna Neighborhood Improvement District *	11/8/2011	
300191	Hamilton County Development Authority		

301368	Hammock Bay Community Development District		
301247	Harbour Lake Estates Community Development District		
301858	Hardee County Housing Authority		
301896	Hardee County Industrial Development Authority *		
301685	Harmony Village Community Development District	11/14/2011	
301688	Hawthorne Mill Community Development District		
300022	Heartland Library Cooperative	10/31/2011	
301473	Heritage Plantation Community Development District		
300205	Hernando County Housing Authority	10/28/2011	
300815	Hialeah Housing Authority * December Year End)		
300816	Hialeah Redevelopment Agency *		
301578	Highland Lakes Community Development District	11/14/2011	
301579	Highland Meadows Community Development District		
300409	Highlands Road and Bridge District		
301891	Hillcrest Preserve Community Development District		
300096	Hillsboro Inlet District	11/2/2011	
300221	Hillsborough County Public Transportation Commission		3/21/2011
300606	Hillsborough Educational Facilities Authority *	10/14/2011	
301377	Hoimes County Housing Authority	10/25/2011	
300953	Housing Authority of Bartow *		
300073	Housing Authority of Brevard County		8/22/2011
300760	Housing Authority of Springfield * (December Year End)		
300838	Housing Authority of The City of Arcadia *		
300899	Housing Authority of The City of Fernandina Beach * (December Year End)		
300969	Housing Authority of The City of Fort Pierce *	11/14/2011	
300818	Housing Authority of The City of Homestead * (December Year End)		
300961	Housing Authority of The City of Lakeland * (December Year End)		
300962	Housing Authority of The City of Mulberry *	10/25/2011	
300908	Housing Authority of The City of Orlando *		
300797	Housing Authority of The City of Pompano Beach *(December Year End)		
300978	Housing Authority of The City of Sarasota *	10/27/2011	
300742	Housing Finance Authority of Volusia County *		
301378	Huntington Community Development District		
300142	Immokalee Fire Control District	10/25/2011	9/7/2011
300841	Jacksonville Housing Authority	10/17/2011	10/17/2011
300163	Jacksonville Transportation Authority	10/31/2011	4/4/2011
301581	K-Bar Ranch Community Development District	11/11/2011	
301813	Kenmare at Lake Annie Community Development District		
301815	Kindlewood Community Development District		
300254	Lafayette Soil and Water Conservation District		
301853	Lake Beluthahatchee Community Development District		
301695	Lake Frances Community Development District	10/18/2011	10/18/2011
300957	Lake Wales Housing Authority *		
300179	Lanark Village Water and Sewer District		
301699	Lauderhill Housing Authority *	11/9/2011	
301583	Laurel Highlands Community Development District	11/14/2011	
300281	Lee County Housing Authority		
300640	Lee Soil and Water Conservation District		
301388	Lexington Community Development District		
301127	Longleaf Community Development District		
300333	Lower Florida Keys Hospital District	11/4/2011	
300756	Maccleddy Housing Authority *		
300494	Magnolia Bluff Community Development District		
301701	Magnolia Creek Community Development District		
301702	Mainstreet Community Development District (Lee County)		
300869	Marianna Health and Rehabilitation Center *	10/4/2011	5/11/2011
300870	Marianna Housing Authority *	10/4/2011	5/11/2011
300871	Marianna Municipal Airport Development Authority *	10/4/2011	5/11/2011
300657	Martin County Health Facilities Authority *	10/18/2011	

300330	Martin Soil and Water Conservation District		
301706	Mayfair Community Development District (Polk County)		
300770	Melbourne Housing Authority *		8/22/2011
301586	Mirabella Community Development District	11/14/2011	
300334	Monroe County Housing Authority (December Year End)		
301492	Montecito Community Development District	10/14/2011	10/18/2011
301844	Morningside Community Development District		
301587	Moultrie Creek Community Development District		
301862	Naples Reserve Community Development District		
300340	Nassau Soil and Water Conservation District	10/26/2011	
301588	New River Community Development District		
300904	Niceville Housing Authority *	11/1/2011	
300351	North Bay Fire District		
300352	North Okaloosa County Fire District		
301818	North Park Isles Community Development District	11/14/2011	
301321	Northridge Lakes Community Development District	11/14/2011	
300028	Northwest Florida Regional Housing Authority (December Year End)		
301709	Northwest Florida Transportation Corridor Authority		
300414	Northwood Community Development District		
300499	Orange Hill Soil and Water Conservation Distr		
300366	Orange Soil and Water Conservation District		
300997	Ormond Beach Housing Authority *		
301884	Osceola County Expressway Authority		
300375	Osceola Soil and Water Conservation District	11/1/2011	
300376	Overoaks Community Development District	10/31/2011	10/3/2011
301894	PAL Public Library Cooperative		
300686	Palm Beach County Health Facilities Auth *	10/18/2011	
301713	Palm Beach Municipal Services Special District *	10/31/2011	
301715	Palm River Community Development District		
301592	Palm Vista Preserve East Community Development District		
301209	Panther Trace Community Development District		
301349	Panther Trace II Community Development District		
300415	Pasco County Housing Authority		
300417	Pasco Heights Road and Bridge District		
301502	Paseo Community Development District		
300435	Peace Creek Drainage District		
301827	Pembroke Harbor Community Development District		
300465	Pinecraft Lighting District		
300865	Plant City Housing Authority * (December Year End)	10/25/2011	
300794	Plantation Health Facilities Authority *		
300702	Polk County Health Facilities Authority *		
300704	Polk County Industrial Development Authority *	10/17/2011	
300436	Polk Soil and Water Conservation District		
300081	Port Malabar Holiday Park, Mobile Home Park Recreation District	11/10/2011	5/9/2011
300189	Port St. Joe Port Authority	11/4/2011	
301211	Preserve at Wilderness Lake Community Development District		
301508	River Bend Community Development District		
301599	River Glen Community Development District		
301184	Rivercrest Community Development District		
301725	RiverPark Community Development District	11/14/2011	
301600	Riverwood Estates Community Development District	11/2/2011	
300924	Riviera Beach Community Redevelopment Agency *	10/13/2011	9/30/2011
300925	Riviera Beach Housing Authority *		
300453	Rupert J. Smith Law Library of St. Lucie County	11/1/2011	
300985	Sanford Housing Authority *		
300461	Santa Rosa Bay Bridge Authority		
300471	Seminole County Housing Authority (December Year End)		
300727	Seminole County Industrial Development Authority *	11/2/2011	
300472	Seminole Soil and Water Conservation District		

301603	Shores of Santa Rosa Community Development District	11/14/2011	
301402	South Bay Community Development District (Hillsborough Co.)		
301404	South Fork East Community Development District		
300495	South Walton County Mosquito Control District	11/1/2011	2/22/2011
300487	Southeast Volusia Hospital District (Bert Fish Medical Center)		
301407	Southern Hills Plantation I Community Development District	10/14/2011	10/18/2011
301409	Southern Hills Plantation III Community Development District		
301410	Split Pine Community Development District		
301183	Spring Ridge Community Development District		
301734	Springfield Community Redevelopment Agency *		
300947	St Petersburg Housing Authority *	11/2/2011	
300247	St. Johns Improvement District	11/8/2011	9/22/2011
301832	State Road Community Development District		
301333	Sterling Hill Community Development District		
301607	Summit View Community Development District	11/14/2011	
300473	Sumter Soil and Water Conservation District		
300045	Sunny Isles Reclamation and Water Control Board		
300047	Suwannee Valley Transit Authority		
301738	Talavera Community Development District		
300299	Tallahassee-Leon County Civic Center Authority	11/2/2011	
301833	Tampa Bay Area Regional Transportation Authority		
301610	Tidewater Preserve Community Development District		
301835	Towne of Seahaven Community Development District	11/14/2011	
301773	Trails Community Development District		
300234	Twelve Oaks Special District		
300482	Union County Housing Authority		
301749	Valparaiso Cable Authority *	10/31/2011	
300623	Valrico Manor Special Dependent Tax District *	10/31/2011	
301283	Vizcaya Community Development District		
301519	Vizcaya in Kendall Community Development District		
300743	Volusia County Industrial Development Authority *		
300491	Wakulla Soil and Water Conservation District		
300054	Walton/Okaloosa/Santa Rosa Regional Utility Authority		
301756	West Charlotte Harbor Community Development District		
300928	West Palm Beach Housing Authority *	10/25/2011	
300626	Westwood Dependent Tax District *		
301839	Willford Place Community Development District		
301765	Williston Community Redevelopment Agency *	10/24/2011	10/19/2011
300963	Winter Haven Housing Authority *		
300910	Winter Park Housing Authority *	10/27/2011	10/27/2011
300356	Yellow River Soil and Water Conservation District		
301625	Zephyr Ridge Community Development District		
Other Entities			
500021	Florida Intergovernmental Financing Commission		11/7/2011
500020	Florida Ports Financing Commission		
500044	Florida Rural Utility Financing Commission		
500032	The Florida Aquarium, Inc.		

* Indicates Dependent Special District

Exhibit 2**Non-Compliant Special Districts Missing 4/30/2011 File Date Pursuant to Sec. 218.32(e) F.S.**

Part B: Special Districts not required to have an annual financial audit pursuant to Sec. 218.39, F.S. who are non-compliant with the April 30, 2010 AFR submission deadline

Unit ID	Unit Name	FY 2010 AFR Receipt Date	AFR Filed with Audit?	FY 2010 Revenues	FY 2010 Expenditures
301644	Alafia Preserve Community Development District	5/6/2011	N	20,320	20,320
301548	Alexen Community Development District	5/3/2011	N		4,413
301795	Beach Road Estates Community Development District	5/3/2011	N	23,993	27,134
301840	Beach Road Golf Estates Community Development District	5/3/2011	N	8,656	17,112
301650	Bella Venetia Community Development District	5/13/2011	N		
301444	Bella Verde East Community Development District	5/11/2011	N		13,867
301446	Bella Verde Lake Community Development District	5/11/2011	N		13,828
301356	Big Cypress Stewardship District	10/31/2011	N	20,938	20,938
301859	Bridge Harbor Community Development District	9/27/2011	N	24,244	18,361
301656	Chandler's Meadow Community Development District	7/27/2011	N	5,317	2,445
300118	Chipola River Soil and Water Conservation District	5/3/2011	N	1,340	1,004
301803	Contrada Hills Community Development District	11/14/2011	N	12,226	12,226
300358	Coquina Road and Bridge District	8/4/2011	N		
301666	Cypress Shadows Community Development District	5/6/2011	N	13,151	18,068
300008	Dead Lakes Water Management District	5/17/2011	N		
300161	Dixie Soil and Water Conservation District	5/10/2011	N	15,060	13,036
301670	Donaldson Knoll Community Development District	5/6/2011	N	14,174	14,174
300162	Duval Soil and Water Conservation District	8/5/2011	N	2,375	1,604
301673	Eagle Ridge Community Development District	5/6/2011	N	20,149	20,149
301571	Eagle's Crest Community Development District	11/14/2011	N	4,302	175
301883	Encore Community Development District	7/26/2011	N		
301676	Entrada Community Development District (Pinellas County)	5/3/2011	N		18,959
301680	Fox Branch Ranch Community Development District	11/14/2011	N	855	247
300177	Franklin Soil and Water Conservation District	5/3/2011	N	2,535	913
301841	Freedom Walk Community Development District	11/14/2011	N	80,600	81,211
301682	Gardens at Millenia Community Development District	5/2/2011	N		32,345
301809	Harmony Central Community Development District	5/2/2011	N	6,005	5,949
301685	Harmony Village Community Development District	11/14/2011	N	2,406	245
301810	Harmony West Community Development District	5/2/2011	N	5,975	5,945
301577	Heights Community Development District, The	5/10/2011	N	10,131	40,571
301578	Highland Lakes Community Development District	11/14/2011	N		225
301811	Huntington Hammocks Community Development District	5/3/2011	N	20,107	1,021
301690	Independence Park Community Development District	5/3/2011	N	5,854	6,000
301583	Laurel Highlands Community Development District	11/14/2011	N	1,828	1,802
301585	Merrick Park Community Development District	5/3/2011	N		4,421
301586	Mirabella Community Development District	11/14/2011	N	17,334	12,200
300340	Nassau Soil and Water Conservation District	10/26/2011	N	29,493	25,297
301818	North Park Isles Community Development District	11/14/2011	N		12,000
301321	Northridge Lakes Community Development District	11/14/2011	N	7,883	12,245
300375	Osceola Soil and Water Conservation District	11/1/2011	N	5,200	6,505
301594	Parklands Collier Community Development District	5/3/2011	N	18,811	18,665
301825	Pebble Ridge Community Development District	5/3/2011	N	5	17,633
301725	RiverPark Community Development District	11/14/2011	N	5,845	7,211
301774	Seaside Village Community Development District	5/3/2011	N	89	14,113
300470	Seminole County Expressway Authority	6/22/2011	N	342	1,268
301603	Shores of Santa Rosa Community Development District	11/14/2011	N		-4,272
301854	Snug Harbor Center Community Development District	5/3/2011	N		35,000
300454	St. Lucie County Expressway and Bridge Authority	6/16/2011	N	6	121
301605	Stone Crest Community Development District	5/3/2011	N		4,348
301778	Stone Dairy Creek Community Development District	5/3/2011	N		12,200

301514	Stoneybrook Oaks Community Development District	5/3/2011	N	13,517	14,393
301607	Summit View Community Development District	11/14/2011	N		1,504
301834	Terra Bella Community Development District (New)	5/6/2011	N	19,163	19,163
301835	Towne of Seahaven Community Development District	11/14/2011	N	442	12,343
301286	Tradition Community Development District No. 2	9/21/2011	N	43,762	47,995
301742	Tradition Community Development District No. 7	5/2/2011	N	46,059	46,059
301743	Tradition Community Development District No. 8	5/2/2011	N	27,054	27,054
301744	Tradition Community Development District No. 9	5/2/2011	N	19,079	19,079
301740	Tradition Community Development District No. 10	5/2/2011	N	61,521	61,521
300190	Tupelo Soil and Water Conservation District	5/3/2011	N	8	100
301748	Valley Oaks Community Development District	5/3/2011	N		12,200
301620	Waterford Landing Community Development District	5/3/2011	N	23,460	7,127
301137	West Orange Airport Authority	9/22/2011	N	58	308
301757	Whispering Oaks Community Development District	9/16/2011	N		1,410
301134	Xentury City Community Development District	5/2/2011	N	19,923	19,886

Exhibit 3

Pursuant to Section 218.32(3), Florida Statutes, the Department of Financial Services is to notify the President of the Senate and the Speaker of the House of Representatives "of any municipality that has not reported any financial activity for the last 4 fiscal years." The list below is comprised of municipalities that have not submitted an AFR for at least 2 consecutive fiscal years.

Government ID	Local Government Name	2010	2009	2008	2007
200053	Caryville	X	X		X
200380	Weeki Wachee	X	X		

X = No Report Was Submitted Blank = Report Was Submitted

11.40 Legislative Auditing Committee.—

(2) Following notification by the Auditor General, the Department of Financial Services, or the Division of Bond Finance of the State Board of Administration 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), or s. 218.38, 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 such action shall 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 the provisions of this paragraph.

(b) In the case of a special district, notify 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. 189.4044 or s. 189.421.

(c) In the case of a charter school or charter technical career center, notify the appropriate sponsoring entity, which may terminate the charter pursuant to ss. 1002.33 and 1002.34.

189.4044 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. Following an inquiry from the department, 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 board or a sufficient number of governing board members to constitute a quorum for 2 or more years or 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 the department's inquiry within 21 days;

3. The department determines, pursuant to s. 189.421, that the district has failed to file any of the reports listed in s. 189.419; or

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

(b) The department, special district, or local general-purpose government 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 sent a copy of such notice by certified mail to the registered agent or chair of the board, 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; and

(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) 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. 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. 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. 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 appropriate means.

History.—s. 10, ch. 89-169; s. 10, ch. 97-255; s. 143, ch. 2001-266; s. 17, ch. 2004-305; s. 12, ch. 2011-144.

189.421 Failure of district to disclose financial reports.—

(1)(a) If notified pursuant to s. 189.419(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 to:

1. If the written response refers to the reports required under s. 218.32 or s. 218.39, the Legislative Auditing Committee for its consideration in determining whether the special district should be subject to further state action in accordance with ¹s. 11.40(5)(b).

2. If the written response refers to the reports or information requirements listed in s. 189.419(1), the local general-purpose government or governments for their consideration in determining whether the oversight review process set forth in s. 189.428 should be undertaken.

3. If the written response refers to the reports or information required under s. 112.63, 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. Remedy for noncompliance shall be by writ of certiorari as set forth in subsection (4).

(3) Pursuant to s. 11.40(2)(b), the Legislative Auditing Committee shall 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 writ of certiorari with the circuit court. Venue for all actions pursuant to this subsection is in Leon County. The court shall award the prevailing party attorney's fees and costs unless affirmatively waived by all parties. A writ of certiorari shall be issued unless a respondent establishes that the notification of the Legislative Auditing Committee was issued as a result of material error. Proceedings under this subsection are otherwise governed by the Rules of Appellate Procedure.

(4) Pursuant to s. 112.63(4)(d)2., the Department of Management Services may notify the department of those special districts that have failed to file the required adjustments, additional information, or report or statement after the procedures of subsection (1) have been exhausted. Within 60 days after receiving such notice or within 60 days after the 60-day deadline provided in subsection (1), whichever occurs later, the department, notwithstanding chapter 120, shall file a petition for writ of certiorari with the circuit court. Venue for all actions pursuant to this subsection is in Leon County. The court shall award the prevailing party attorney's fees and costs unless affirmatively waived by all parties. A writ of certiorari shall be issued unless a respondent establishes that the notification of the Department of Management Services was issued as a result of material error. Proceedings under this subsection are otherwise governed by the Rules of Appellate Procedure.

History.—s. 10, ch. 79-183; s. 79, ch. 81-259; s. 27, ch. 89-169; s. 80, ch. 92-279; s. 55, ch. 92-326; s. 961, ch. 95-147; s. 32, ch. 96-410; s. 20, ch. 97-255; s. 21, ch. 2004-305; s. 23, ch. 2011-34; s. 16, ch. 2011-144.

¹Note.—Redesignated as s. 11.40(2)(b) by s. 12, ch. 2011-34.

Note.—Former s. 189.008.

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. 189.403, 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.

(c) Each regional planning council created under s. 186.504, each local government finance commission, board, or council, and each municipal power corporation created as a separate legal or administrative entity by interlocal agreement under s. 163.01(7) shall submit to the department a copy of its audit report and an annual financial report for the previous fiscal year in a format prescribed by the department.

(d) Each local governmental entity that is required to provide for an audit under s. 218.39(1) must submit a copy of the audit report and annual financial report to the department within 45 days after the completion of the audit report but no later than 9 months after the end of the fiscal year.

(e) Each local governmental entity that is not required to provide for an audit under s. 218.39 must submit the annual financial report to the department no later than 9 months after the end of the fiscal year. The department shall consult with the Auditor General in the development of the format of annual financial reports submitted pursuant to this paragraph. The format must include balance sheet information used by the Auditor General pursuant to s. 11.45(7)(f). The department must forward the financial information contained within the annual financial reports to the Auditor General in electronic form. This paragraph does not apply to housing authorities created under chapter 421.

(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 Information Program of the Department of ¹Economic Opportunity of the entity's failure to comply with the reporting requirements.

(g) Each local governmental entity's website must provide a link to the department's website to view the entity's annual financial report submitted to the department pursuant to this section. If the local governmental entity does not have an official website, the county government's website must provide the required link for the local governmental entity.

(2) The department shall annually by December 1 file a verified report with the Governor, the Legislature, the Auditor General, and the Special District Information Program of the Department of Economic Opportunity showing the revenues, both locally derived and derived from intergovernmental transfers, and the expenditures of each local governmental entity, regional planning council, local government finance commission, and municipal power corporation that is required to submit an annual financial report. The report must include, but is not limited to:

(a) The total revenues and expenditures of each local governmental entity that is a component unit included in the annual financial report of the reporting entity.

(b) The amount of outstanding long-term debt by each local governmental entity. For purposes of this paragraph, the term "long-term debt" means any agreement or series of agreements to pay money, which, at inception, contemplate terms of payment exceeding 1 year in duration.

(3) The department shall notify the President of the Senate and the Speaker of the House of Representatives of any municipality that has not reported any financial activity for the last 4 fiscal years. Such notice must be sufficient to initiate dissolution procedures as described in s. 165.051(1)(a). Any special law authorizing the incorporation or creation of the municipality must be included within the notification.

History.—s. 2, ch. 73-349; s. 15, ch. 77-165; s. 46, ch. 79-164; s. 5, ch. 79-183; s. 4, ch. 79-589; s. 42, ch. 80-274; s. 18, ch. 81-167; s. 16, ch. 83-55; s. 2, ch. 83-106; s. 43, ch. 89-169; s. 55, ch. 91-45; s. 93, ch. 92-152; s. 90, ch. 92-279; s. 55, ch. 92-326; s. 36, ch. 94-249; s. 18, ch. 96-324; s. 8, ch. 2000-152; s. 5, ch. 2000-264; s. 62, ch. 2001-266; s. 26, ch. 2004-305; s. 25, ch. 2011-34; s. 85, ch. 2011-142; s. 18, ch. 2011-144.

¹Note.—The reference to the Department of Economic Opportunity was substituted for a reference to the Department of Community Affairs by the editors. Section 65, ch. 2011-142, transferred the Special District Information Program to the Department of Economic Opportunity from the Department of Community Affairs.

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.

(2) The county audit report must be a single document that includes a financial audit of the county as a whole and, for each county agency other than a board of county commissioners, an audit of its financial accounts and records, including reports on compliance and internal control, management letters, and financial statements as required by rules adopted by the Auditor General. In addition, if a board of county commissioners elects to have a separate audit of its financial accounts and records in the manner required by rules adopted by the Auditor General for other county agencies, the separate audit must be included in the county audit report.

(3)(a) A dependent special district may provide for an annual financial audit by being included in the audit of the local governmental entity upon which it is dependent. An independent special district may not make provision for an annual financial audit by being included in the audit of another local governmental entity.

(b) A special district that is a 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 this section. The failure of a component unit to provide this financial information must be noted in the annual financial audit report of the local governmental entity.

(4) A management letter shall be prepared and included as a part of each financial audit report.

(5) At the conclusion of the audit, the auditor shall discuss with the chair of the governing body of the local governmental entity or the chair's designee, the elected official of each county agency or the elected official's designee, the chair of the district school board or the chair's designee, the chair of the board of the charter school or the chair's designee, or the chair of the board of the charter technical career center or the chair's designee, as appropriate, all of the auditor's comments that will be included in the audit report. If the officer is not available to discuss the auditor's comments, their discussion is presumed when the comments are delivered in writing to his or her office. The auditor shall notify each member of the governing body of a local governmental entity, district school board, charter school, or charter technical career center for which deteriorating financial conditions exist that may cause a condition described in s. 218.503(1) to occur if actions are not taken to address such conditions.

(6) The officer's written statement of explanation or rebuttal concerning the auditor's findings, including corrective action to be taken, must be filed with the governing body of the local governmental entity, district school board, charter school, or charter technical career center within 30 days after the delivery of the auditor's findings.

(7) All audits conducted pursuant to this section must be conducted in accordance with the rules of the Auditor General adopted pursuant to s. 11.45. Upon completion of the audit, the auditor shall prepare an audit report in accordance with the rules of the Auditor General. The audit report shall be filed with the Auditor General within 45 days after delivery of the audit report to the governing body of the audited entity, but no later than 9 months after the end of the audited entity's fiscal year. The audit report must include a written statement describing corrective actions to be taken in response to each of the auditor's recommendations included in the audit report.

(8) The Auditor General shall notify the Legislative Auditing Committee of any audit report prepared pursuant to this section which indicates that an audited entity has failed to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports.

(a) The committee may direct the governing body of the audited entity to provide a written statement to the committee explaining why full corrective action has not been taken or, if the governing body intends to take full corrective action, describing the corrective action to be taken and when it will occur.

(b) If the committee determines that the written statement is not sufficient, it may require the chair of the governing body of the local governmental entity or the chair's designee, the elected official of each county agency or the elected official's designee, the chair of the district school board or the chair's designee, the chair of the board of the charter school or the chair's designee, or the chair of the board of the charter technical career center or the chair's designee, as appropriate, to appear before the committee.

(c) If the committee determines that an audited entity has failed to take full corrective action for which there is no justifiable reason for not taking such action, or has failed to comply with committee requests made pursuant to this section, the committee may proceed in accordance with ¹s. 11.40(5).

(9) The predecessor auditor of a district school board shall provide the Auditor General access to the prior year's working papers in accordance with the Statements on Auditing Standards, including documentation of planning, internal control, audit results, and other matters of continuing accounting and auditing significance, such as the working paper analysis of balance sheet accounts and those relating to contingencies.

(10) Each charter school and charter technical career center must file a copy of its audit report with the sponsoring entity; the local district school board, if not the sponsoring entity; the Auditor General; and with the Department of Education.

(11) This section does not apply to housing authorities created under chapter 421.

(12) Notwithstanding the provisions of any local law, the provisions of this section shall govern.

History.—s. 65, ch. 2001-266; s. 924, ch. 2002-387; s. 28, ch. 2004-305; s. 2, ch. 2006-190; s. 2, ch. 2009-214; s. 20, ch. 2011-144.

¹Note.—Redesignated as s. 11.40(2) by s. 12, ch. 2011-34.

Audit of the Department
of the 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.

History.—s. 23, ch. 87-65; s. 4, ch. 2001-89.



AGENCY FOR HEALTH CARE ADMINISTRATION
MEDICAID FRAUD AND ABUSE PREVENTION AND
DETECTION SYSTEMS

Audit Report No. 2012-021
Audit Report No. 2012-035

Audit Requirement

Chapter 2010-144, Laws of Florida, requires the Auditor General and OPPAGA review and evaluate the Agency for Health Care Administration's (Agency) Medicaid fraud and abuse prevention and detection systems.

- Report No. 2012-021 focused on controls within the Florida Medicaid Management Information System (FMMIS) related to the prevention and detection of improper Medicaid payments made through the fee-for-service payment structure for providers.
- Report No. 2012-035 focused on identifying opportunities for improvement of the Agency's processes for the prevention and detection of improper payments to facilities, including those that may be attributable to the fraudulent preparation of Medicaid cost reports.
- OPPAGA efforts were focused on managed care payments.

Table 1
Medicaid Payments, By Service Type
2009-10 Fiscal Year

Medicaid Service Type	Payment Amount	Percentage of Total
Fee-For-Service Payments		
Cost-Based Reimbursement Type Facilities (Hospitals, Nursing Homes, Intermediate Care Facilities for the Developmentally Disabled)	\$ 9,749,349,110	53.96%
Other Facility Types (Hospices, County Health Departments, Federally Qualified Health Centers, Rural Health Clinics, etc.)	646,477,808	3.58%
Providers other than Facilities	4,396,982,574	24.34%
Total Fee-For-Service Payments	14,792,809,492	81.88%
Managed Care Payments	3,274,632,829	18.12%
Total Payments	<u>\$18,067,442,321</u>	<u>100.00%</u>

Auditor General Report No. 2012-021

AGENCY FOR HEALTH CARE ADMINISTRATION
FMMIS CONTROLS AND THE PREVENTION OF
IMPROPER MEDICAID PAYMENTS

Fee for Service Payment Structure

- In the fee-for-service payment structure, Medicaid service providers must be approved and enrolled in the Medicaid Program. Once the service has been performed, the provider is to submit claims for monetary compensation. These claims are generally in electronic format and are submitted through the FMMIS, which is administered by a fiscal agent.

Findings and Recommendations – FMMIS Controls – Payments to Providers other than Facilities

FMMIS allows the use of electronic edits and audits to ensure that each submitted claim is from a valid Medicaid provider, for a valid recipient and for a valid Medicaid service that does not exceed Medicaid Program limitations.

- 50 million claims, most of which are not subject to manual preaudit or prepayment review.
- Edits and audits are first line of defense.
- More cost beneficial to prevent improper payments than to chase improper payments.

As summarized in our findings, our audit found that processes that would reasonably ensure the timely implementation of edits and audits had not been established by the Agency.

Payments to Providers other than Facilities

- Improper payment is any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements.
- By reducing improper payments, the State can reduce fraud and abuse.

Finding No. 1 – Risk Assessment

- ❖ The Agency's ineffective risk assessment processes contributed to the disbursement of improper payments.
 - Risk assessment process provides for the identification and analysis of risks and a determination as to how to effectively manage them through the implementation of mitigating internal controls.
 - Risk assessment that addresses which edits and audits are necessary to cost-effectively safeguard State and Federal funds is an essential component of the Agency's internal controls.

Recommendation

- We recommend that the Agency review its internal controls, including its risk assessment processes, as related to the prevention of improper payments for Medicaid services, and implement effective controls designed to ensure that improper payments are minimized to the greatest extent possible.

Finding No. 2 – Payment for Medicaid Services

- ❖ A comprehensive review of procedure codes and applicable audits had not been performed for all service types within the last several years.
 - A review of 10 Medicaid Service types and applicable FMMIS audits disclosed that for 7, FMMIS audits were deficient.
 - For 6 of the 7, claims were paid in excess of Medicaid service limitations. For these 6 service types our tests disclosed payment errors totaling over \$17 million made to durable medical equipment and other service providers.
 - Tests disclosed patterns in some payments that were indicative of fraud.

Recommendation

- We recommend that the Agency continue its review of Medicaid services and applicable edits and audits to ensure that FMMIS contains all controls necessary to prevent payment of claims for services in excess of policy limitations. This review should extend to all Medicaid services. The Agency should give this project a high priority considering the likelihood that overpayments have and will be made until project completion. After project completion, the Agency should attempt to recover overpayments that were made in excess of program limitations.
- We also recommend that the Agency implement procedures to ensure that whenever an existing policy is modified or a new policy is added, all applicable edits and audits are reviewed to determine whether programming changes are needed. Additionally, procedures should be implemented to provide for the periodic review of edits and audits for each service type to ensure that all cost-effective edits and audits are in place and programmed for the correct policy.

Finding No. 3 – Medicare Outpatient Crossover Claims

- ❖ FMMIS was not programmed to ensure the proper payment of outpatient crossover claims. Our review of 286 claims disclosed that 182, or 64 percent, had been paid amounts in excess of authorized amounts.
 - 141 claims had already been paid by Medicare in an amount that exceeded what Medicaid would have paid, if sole payer.
 - 25 claims had Medicare and Medicaid payments combined that exceeded what would have been due if Medicaid was sole payer.
 - 16 claims had insufficient detail to determine what Medicaid's payment would have been if Medicaid was sole payer and should have been denied.

When the errors are projected to the total of amounts paid during the three fiscal years tested (2007-08, 2008-09, and 2009-10) the total overpayments exceeded \$117 million.

Recommendation

- We recommend that the Agency ensure that FMMIS is programmed with the correct methodology for the payment of outpatient crossover claims. Appropriate priority should be given to these programming changes considering the likelihood that overpayments will continue until the changes have been implemented. We also recommend the Agency review outpatient crossover claims and initiate recovery efforts for any payments made that were not consistent with Florida law.

Finding No. 4 – Medicare Professional Crossover Claims

- FMMIS was not programmed to correctly calculate the amounts due for some professional Medicare crossover claims. Our audit test disclosed overpayments of approximately \$14 million.

Recommendation

- We recommend that the Agency correct the payment methodology used by FMMIS to pay professional Part B Medicare crossover claims. Any programming changes should be given an appropriate priority considering the likelihood that overpayments will continue to occur until the changes have been implemented. We also recommend the Agency review professional crossover claims and initiate recovery efforts for any payments made that were not consistent with Medicaid policy or Florida law.

Finding No. 5 – Crossover Claims and Medicaid Assistance Category

- Medicare crossover claims were paid on behalf of recipients without consideration of whether the recipient was eligible for the assistance. Related overpayments disclosed by our audit test totaled approximately \$26 million.

Recommendation

- We recommend that the Agency ensure that Medicare crossover claims are calculated and paid with consideration of the recipient's assistance category. Any programming changes required to FMMIS should be given a high priority due to the likelihood that overpayments will continue until the changes have been implemented.
- We also recommend the Agency review crossover claims and initiate recovery efforts for any payments made on behalf of recipients who were not eligible for Medicaid payment of coinsurance and deductible amounts.

Finding No. 6 – Timeliness of FMMIS Programming Changes

- Without timely incorporation of edits and audits programmed for current policy, it is likely that improper payments will be made.
- Bureau of Medicaid Services was responsible for identifying Medicaid Program changes and requesting changes to edits and audits be established in FMMIS. Once documented, the Bureau of Medicaid Contract Management was responsible for ensuring that the changes were effectively prioritized, programmed and implemented in a timely manner.
- During the period July 1, 2009, through September 30, 2010, 748 change orders related to edits or audits were initiated and implemented.
- Our review of 28 FMMIS change orders disclosed that 21 were not timely implemented. The range was 20 to 2,542 days and averaged 541 days.

Recommendation

- We recommend the Agency strengthen procedures to ensure that Medicaid policy changes are identified and any FMMIS programming changes required are timely communicated to Medicaid Contract Management for timely implementation in FMMIS.

Finding No. 7 – Medicaid Program Integrity

- The Bureau of Medicaid Program Integrity (MPI) is responsible for assisting the Agency in preventing and detecting fraudulent and abusive behavior on the part of recipients and providers. To assist in the identification, MPI conducts audits and investigations that may employ computer-based data analysis, sampling or other appropriate methods.
- MPI may identify instances in which a new edit or audit in FMMIS may be needed or an existing audit may need modification. MPI should direct its recommendation to the Agency Secretary and thereafter monitor implementation.
- MPI did not direct its recommendations to the Agency's Secretary, rather they were submitted to Medicaid Services. For 58 recommendations made over three fiscal years, MPI was unable to determine which were actually forwarded to Medicaid Services and which were implemented.

Recommendation

- We recommend that the Agency strengthen its procedures for tracking MPI recommendations. These procedures should include:
 - Submission of recommendations to both the Agency Secretary and Medicaid Services for consideration.
 - A requirement that edit or policy recommendations submitted include annual projected cost savings, if subject to reasonable estimation.
 - Provisions for more accurate tracking of recommendations, including dates and final disposition of the recommendation.
 - To assist the Agency in consideration of the recommendation, a requirement that Medicaid Services provide a formal response within a specified timeframe concerning its views regarding the recommendation. If the recommendation will not be implemented, the reason(s) for the rejection should be included in the response.

Finding No. 8 – Provider Enrollment

- In order to be enrolled in and receive payments from Medicaid, Florida law requires that providers have a valid professional license and that the license be maintained in good standing.
- During the 2009-10 FY, Florida Medicaid had over 70,000 enrolled providers.
- Department of Health (DOH) notification of licensure actions is provided through the mailing of a final order to the Agency. In addition the Agency receives daily an electronic file showing the status of all individuals licensed by DOH that may be used to automate the process associated with monitoring the license status of enrolled providers. However this file is not loaded into FMMIS and electronically compared to existing providers to determine whether any providers have had a license change that should preclude Medicaid participation.
- The Agency also screens new providers against the Federal Government's List of Excluded Individuals/Entities (LEIE) to verify that the providers have not been excluded from participation by the Federal Government. This list is also available in a downloadable database. The Agency had not developed a process by which the database could be loaded into FMMIS and automatically compared to currently enrolled providers.
- The Agency has also not advised providers to screen their employees against the LEIE as required by the Centers for Medicare and Medicaid Services.

Recommendation

We recommend the Agency implement automated processes by which electronic files of license information and the LEIE can be uploaded into FMMIS and compared against currently enrolled Medicaid Providers. We also recommend the Agency modify the provider agreement to inform providers of their obligation to screen their employees against the LEIE and to explicitly require providers to agree to comply with this obligation as a condition of participation.

Finding No. 9 – Fiscal Agent Oversight

- In order to monitor fiscal agent performance, each month the Medicaid fiscal agent, HP Enterprise Services (HPES), is scored on 90 performance measures, organized into nine separate reporting areas.
- Each month a report card is prepared for each of the nine separate reporting areas. For each of the nine report cards, HPES can be assessed a penalty of \$5,000 for scoring below a 77 and \$10,000 for scoring below a 70.
- Upon reviewing the scoring methodology, we noted that while many of the performance measures could receive a score of 100, the lowest score that could be recorded for 84 of 90 performance measures was 65. By setting 65 as the lowest score possible, the effect of averaging a 65 into the report card's final score rather than a lower score, should it be warranted, is to artificially inflate the report card's overall score and allow the avoidance of monetary penalties.
- Additionally, the contract between the Agency and HPES provided for the assessment of monetary penalties that were relatively small in amount.

Recommendation

- We recommend that the Agency take steps necessary to revise its scoring methodology to subject each performance measure to a monetary penalty or allow scores of less than 65 should they be warranted. We also recommend that the Agency amend the contract with the fiscal agent to provide for an escalation of monetary penalties for a continued failure to achieve satisfactory levels of performance. The escalation of penalties should increase to an amount that encourages the contractor to timely correct performance deficiencies.

Questions?

Auditor General Report No. 2012-035

AGENCY FOR HEALTH CARE ADMINISTRATION - MEDICAID
PROGRAM FRAUD PREVENTION AND DETECTION POLICIES
AND PROCEDURES - FACILITY COST REPORTS

Background

- Medicaid Program compensation paid to providers, such as hospitals, nursing homes, and intermediate care facilities for the developmentally disabled (ICF-DDs) was based upon per diem reimbursement rates calculated by the Agency using data included in cost reports submitted by each of the applicable facilities.

Table 1
Medicaid Program
Cost Report-Based
Payments to Facilities

2009-10 Fiscal Year

Provider Type	Medicaid Payments	Number of Facilities
Hospital	\$5,851,114,834	241
Nursing Home	3,557,020,050	733
ICF-DD	341,214,226	101
Total	<u>\$9,749,349,110</u>	

Background

- The Medicaid State Plan includes for hospitals, nursing homes, and ICF-DDs reimbursement provisions that list allowable costs that may be claimed in annual cost reports and that specify timeframes within which the facilities must submit their reports to the Agency. Federal regulations require that the Agency provide for the periodic audits of facility financial and statistical records such as annual cost reports and supporting facility documentation.
- Objective of the audits is to provide reasonable assurance that the reports are accurately prepared and that the costs and other data reported comply with the governing reimbursement plan requirements and other agency instructions.
- Florida law provides authority to the Agency to suspend or terminate a medical provider's participation in Medicaid or to impose monetary sanctions against the provider for a variety of offenses, including the submission of a cost report to the Agency that contains materially false or incorrect information.

Background

- The Agency contracted with independent certified public accounting (CPA) firms to perform on-site nursing home and ICF-DD cost report audits and the Agency contracted with First Coast Service Options (FCSO), Inc., to perform hospital cost report audits.
- During the 2009-10 State fiscal year, the Agency paid CPA firms approximately \$1.2 million to perform nursing home and ICF-DD cost report audits and FCSO approximately \$1.8 million to perform hospital cost report audits.

Findings and Recommendations – Facility Cost Reports

- In the 2007 and 2008 Health Care Fraud and Abuse Control Program Annual Reports, the United States Department of Health and Human Services (USDHHS) and the Department of Justice have included descriptions of provider settlements totaling millions of dollars in cases involving cost report fraud in a similarly administered program, the Medicare Program. The USDHHS, Office of the Inspector General, has also issued a Special Fraud Alert that addresses cost report fraud.
- The Florida Agency for Health Care Administration was able to identify only one instance in which a Florida hospital, nursing home, or ICF-DD had ever been referred by the Agency for further investigation of fraudulent Medicaid cost reporting. MPI staff indicated that MPI did not investigate cost report fraud.
- Our audit of the controls over the cost report audit and review process disclosed several issues that should be corrected to strengthen the Agency's ability to prevent and timely detect improper payments, including those that may be caused by fraud.

Finding No. 1 – Cost Report Audit Coverage

- The Agency did not select for audit facility cost reports at a frequency sufficient to reasonably ensure that improper payments were not made to facilities due to overstated or inaccurate cost reports.
- The Agency also generally did not request audits of succeeding periods for nursing home or ICF-DD providers, including those whose cost report audits had resulted in rate decreases after correction of report errors.

Recommendation

- The Agency should develop policies specifying the frequency with which each facility's cost report shall be audited. The policy should include provisions requiring the scheduling of follow-up audits for those facilities whose previous cost reports have contained significant error and the imposition of sanctions when errors in the costs reported are knowingly repeated by the provider in subsequent cost reports.

Finding No. 2 – Cost Report Audit Timeliness

- ❖ The Agency did not release cost reports in a timely manner. With respect to reports released by the Agency during the period July 2009 through September 2010:
 - For 242 nursing home cost report audits released, the average length of time to release an audit, from the facility's cost report fiscal year end, to the release date was 4.15 years.
 - For 12 ICF-DD cost report audits released, the average length of time to release a report, from the facility's cost report fiscal year end, to the release date was 7.34 years.
 - For 80 hospital cost report audits, the average length of time to process a hospital cost report audit, from the facility's cost report fiscal year end to the release date was 5.58 years.

Recommendation

- We recommend:
 - The Agency develop policies and procedures to provide for the timely release of cost report audits. Those procedures should provide timeframes within which cost report audits are to be reviewed and released.
 - With respect to delays attributable to facilities failing to submit their cost report in a timely manner, the Agency finalize a rule, in development at the time of this audit, that subjects facilities to monetary penalties for failing to submit their cost reports within specified timeframes.

Finding No. 3 – Cost Report Audit Appeals Process

- We found that nursing homes and ICF-DDs frequently appealed the results of cost report audits. Our analysis of nursing home and ICF-DD cost report audits released by the Agency during the 2007-08, 2008-09, and 2009-10 fiscal years found that 201 of 344 (58 percent) nursing home audit reports released and 19 of 42 (45 percent) ICF-DD audit reports released were appealed by the facility. Agency staff could not recall any instances in which a hospital had appealed the results of its cost report audit.
- A total of 291 nursing home and ICF-DD appeals had been opened but not finalized as of December 2010 with 24 of the open appeals dating to audits assigned during the 2002-03 fiscal year.

Table 2
Pending Cost Report Audit Appeals

Fiscal Year in Which Assigned	Nursing Homes	ICF-DDs	Total	% of Total
2002-03	24	0	24	8.2%
2003-04	15	14	29	10.0%
2004-05	5	5	10	3.4%
2005-06	121	0	121	41.6%
2006-07	56	0	56	19.2%
2007-08	49	0	49	16.8%
2008-09	1	0	1	0.3%
2009-10	1	0	1	0.3%
Total	<u>272</u>	<u>19</u>	<u>291</u>	<u>100.0%</u>

Table 3
Analysis of Appeals Process on Audit Adjustments

	Adjustments Due to Documentation Deficiencies		All Other Adjustments	Total
	Adjustments Due to Lack of Supporting Documentation	Adjustments to Adjust Costs to Amounts Documented		
Initial Audit Adjustments	146	488	327	961
Audit Adjustments Revised Through Appeal	96	51	70	217
% of Initial Adjustments Revised Through Appeal	65.8%	10.5%	21.4%	22.6%

Finding No. 3 – Cost Report Audit Appeals Process – (continued)

- Absent the timely disposition of appeals, there is an extended delay in the correction of reimbursement rate errors.
- The delay in closing appeals, combined with issues in finding Nos. 1 and 2, results in conditions under which a nursing home, should it appeal a cost report audit, may avoid the calculation and application of a corrected reimbursement rate for periods of, on average, seven years after the fiscal year end of a cost report containing errors.

Recommendation

- We recommend that the Agency pursue steps to reduce the number of appeals and the length of time involved in closing appeals. Steps to reduce the number of appeals should include the disallowance of those appeals that seek to extend consideration of audit adjustments made in response to facility documentation deficiencies.

Finding No. 4 – Consideration of Cost Report Fraud

- The Agency had not developed written policies and procedures requiring further scrutiny or inquiry into the cost reports of facilities that may contain indications of fraudulent preparation.

Recommendation

- We recommend that the Agency develop and communicate to relevant staff written policies and procedures describing the steps to be followed should the results of cost report audits contain indication of facility fraud.

Finding No. 5 – Hospital Cost Report Oversight

- The level of oversight provided by the Agency over the hospital cost report audit process was not sufficient. Increased Agency involvement in the hospital cost report audit process could provide additional assurance that hospital cost reports are accurate, complete, and free of material error.

Recommendation

- ❖ The Agency should increase the level of oversight provided for the hospital cost report audit process. We recommend the Agency define and increase its role by:
 - Documenting an understanding of the relationship between FCSO's work as Medicare intermediary and FCSO's review of hospital Medicaid cost reports as well as how that relationship impacts the prevention and detection of errors and fraud in the Medicaid cost reports of hospitals.
 - Documenting the extent of the Agency's participation in the hospital cost reports selected for audit.
 - Reviewing cost report audits as they are received to ensure that the Agency is in agreement with the adjustments made by FCSO.
 - Reviewing and approving of all adjustments made through the reopening process.

Questions?

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AUDITOR GENERAL REPORT NO. 2012-021

AGENCY FOR HEALTH CARE ADMINISTRATION

**FMMIS CONTROLS AND THE PREVENTION OF
IMPROPER MEDICAID PAYMENTS**

Operational Audit

http://www.myflorida.com/audgen/pages/pdf_files/2012-021.pdf

From the Auditor General's [website](#), select "By Fiscal Year," "By Entity Audited," or "Audit Type" then choose either "full report" or "summary." The link shown above is for the full report.

AUDITOR GENERAL REPORT NO. 2012-035

AGENCY FOR HEALTH CARE ADMINISTRATION

**MEDICAID PROGRAM
FRAUD PREVENTION AND DETECTION
POLICIES AND PROCEDURES
FACILITY COST REPORTS**

Operational Audit

http://www.myflorida.com/audgen/pages/pdf_files/2012-035.pdf

From the Auditor General's [website](#), select "By Fiscal Year," "By Entity Audited," or "Audit Type" then choose either "full report" or "summary." The link shown above is for the full report.

oppaga

Florida's Prison Diversion Drug Courts

Presentation to the Joint Legislative Auditing Committee

December 5, 2011

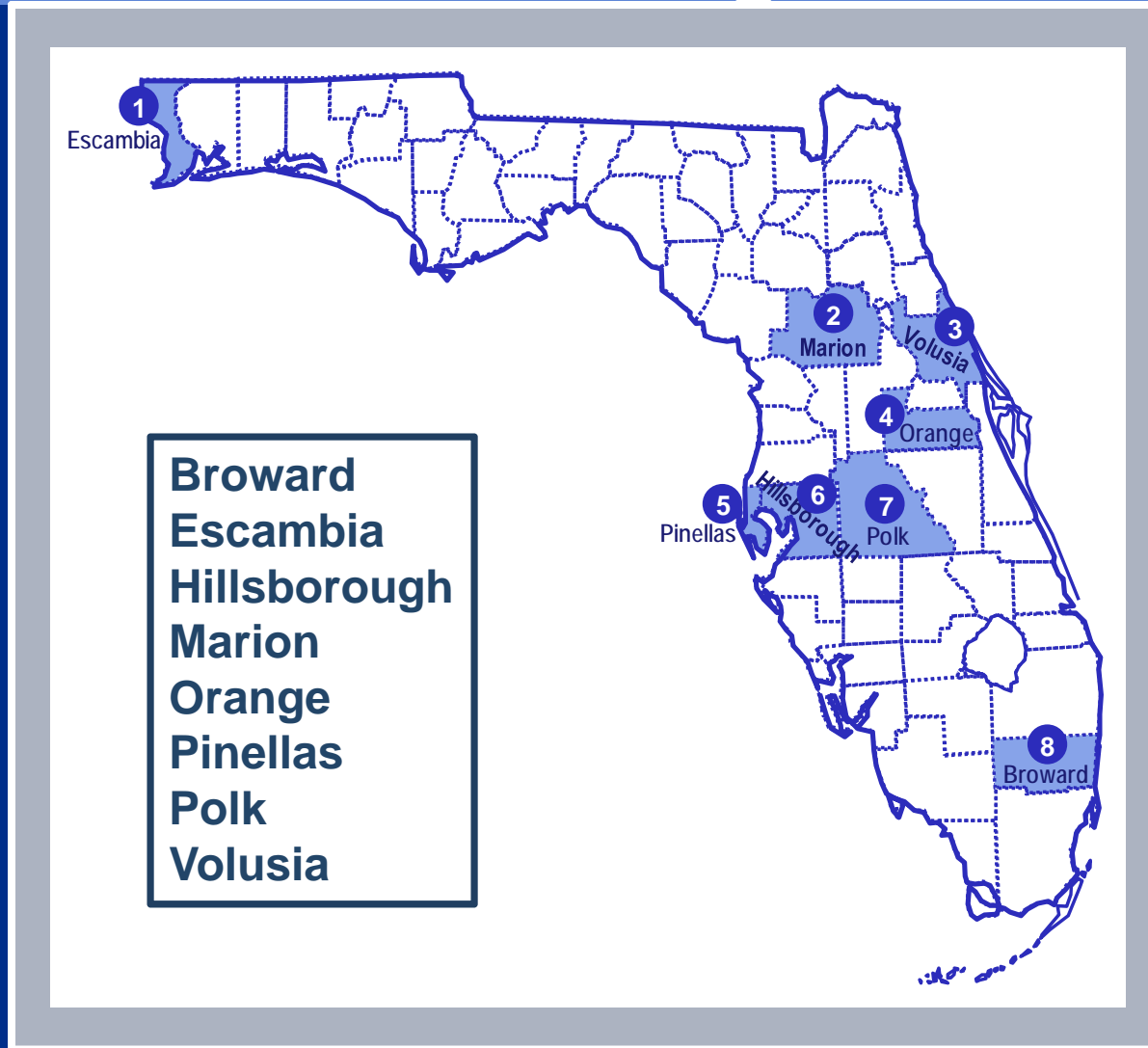
LucyAnn Walker-Fraser
Senior Legislative Analyst



2009 Legislature Expanded Post-Adjudicatory Drug Courts

- **\$18.6 million in federal funds from the Edward Byrne Memorial Justice Assistance Grant**
 - **Prison-bound non-violent offenders who need and agree to substance-abuse treatment**
 - **Current offense is a non-violent 3rd degree felony**
 - **Sentencing score of 52 points or fewer**
 - **Have violation of probation solely for a failed drug test**

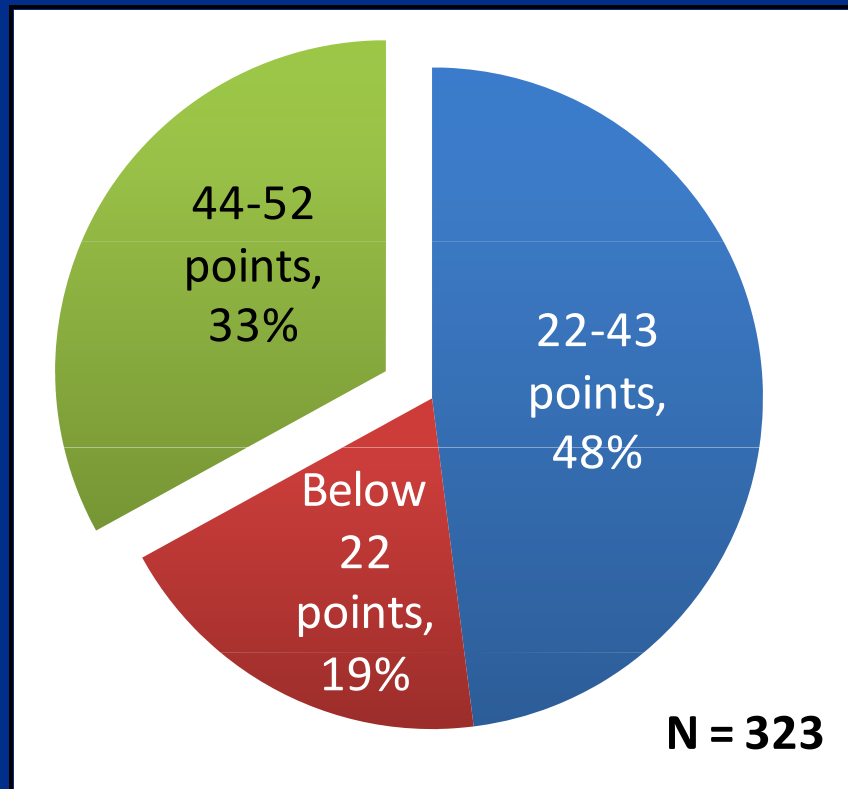
Expansion Drug Courts Were Implemented in Eight Counties



Expansion Drug Courts Served Fewer Offenders than Projected

- **Admissions were lower than expected**
 - initial estimates were overstated
 - too few counties were selected to reach goals
 - eligibility criteria restricted admissions
- **In their first six months of operation, expansion drug courts spent only 4% of the funds appropriated**

Initially, Most Expansion Drug Court Offenders Had Low Sentencing Scores



2011 Legislature Expanded the Eligibility Criteria

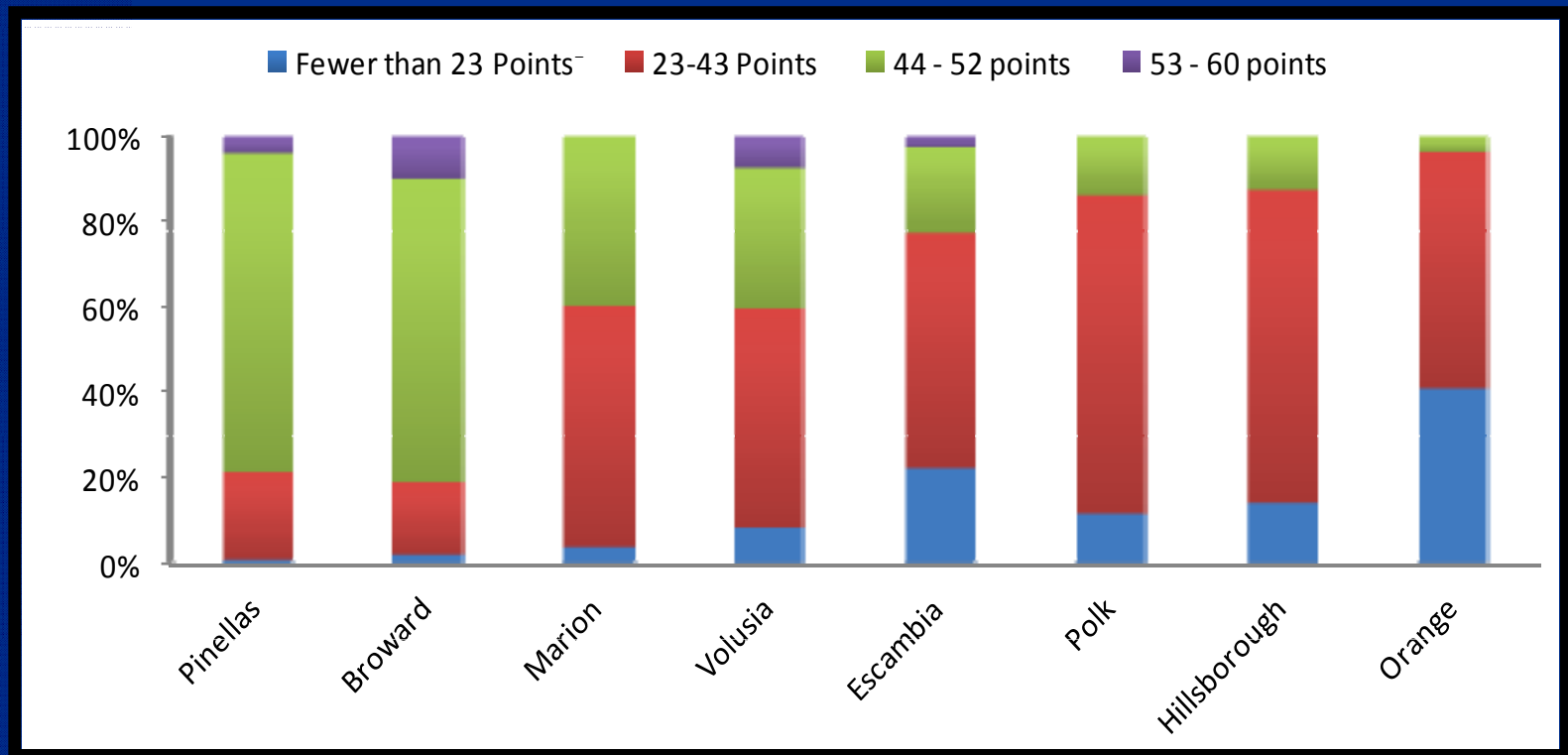
- **Authorized courts to serve prison-bound offenders**
 - before the court for a non-violent offense
 - with a sentencing score of 60 points or fewer
 - those who violate probation for reasons other than a failed drug test
- **\$19,469 in cost savings per offender successfully diverted from prison**

Expansion Drug Courts Will Not Fully Expend Federal Funds

- **Goal: Serve 4,000 offenders**
- **Admissions : 1,190 offenders**
- **Percentage of funds spent:
39% (\$7.2 of \$18.6 million)**
- **Funding period ends :
March 31, 2013**

Sentencing Scores Varied Widely Among Drug Courts

- Expansion drug courts in Pinellas and Broward have served mostly offenders with 44 – 60 points
- Most circuits served offenders with 23 – 43 points



The Percentage of Admissions for Prison-bound Offenders Has Increased

Sentencing Scores of Participants	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12 (July – September)
1 – 22	19%	14%	11%
23 – 43	49%	46%	35%
44 – 52	32%	40%	29%
53 – 60 ¹	NA	NA	25%
			54%
Total Number of Participants	350	707	132

¹ Offenders with sentencing scores of 53 to 60 were not eligible for drug court prior to July 1, 2011.

Source: OPPAGA analysis of data from the Office of the State Courts Administrator for offenders with sentencing scores available.

Early Completion Rates May Exceed Those of Other Post-Adjudicatory Drug Courts

County	Percent of Unsuccessful Program Terminations	Completion Rate if All Remaining Participants Successfully Completed Program
Marion	25%	75%
Hillsborough	28%	72%
Orange	30%	70%
Broward	30%	70%
Volusia	35%	65%
Pinellas	57%	43%
Escambia	64%	36%
Polk	68%	33%
Total	44%	56%

Source: OPPAGA analysis of data from the Office of the Drug Court Administrator for offenders who entered the expansion drug court on or before June 30, 2010, allowing at least 15 months follow-up.

Completion Rates Determine Cost Savings

Cost savings to the state

- **33% completion rate:
\$6,425 per offender served**
- **65% completion rate:
\$12,655 per offender served**

Factors Associated with Lower Termination Rates

- **Availability of alternatives for non-compliant offenders**
 - residential programs
 - in-jail treatment, and
 - work release programs

In Summary

- **The admissions rate has not increased**
- **To date, only 39% of the federal grant funds have been spent**
- **Expansion drug courts are increasingly serving prison-bound offenders**
- **Completion rates of early participants are likely to exceed completion rates found in similar post-adjudicatory courts**

Questions?

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Office of Program Policy Analysis & Government Accountability

OPPAGA supports the Florida Legislature by providing data, evaluative research,
and objective analyses that assist legislative budget and policy deliberations.



Expansion Drug Courts Serving More Prison-Bound Offenders, but Will Not Fully Expend Federal Funds

at a glance

The 2009 Florida Legislature established eight post-adjudicatory drug courts to divert drug-addicted, prison-bound offenders to treatment, thereby saving state prison dollars. As of September 30, 2011, 1,190 offenders had been admitted to the program. Despite actions by the 2011 Legislature, the Office of the State Courts Administrator reports that the courts are not likely to serve enough offenders to expend all federal grant funds before they expire in March 2013.

While the number of prison-bound offenders served has continued to increase, only two of the eight expansion drug courts have had a majority of their participants facing mandatory prison sentences.

Current data indicates that Florida expansion drug court completion rates for early program participants may slightly exceed the completion rates of other post-adjudicatory drug courts.

Scope

This report, the second review of eight post-adjudicatory drug courts established with federal funds, examines program admissions, expenditures, and participant completion rates.¹ Data are not yet available to evaluate participant recidivism.

Background

In an effort to reduce prison costs, the 2009 Legislature appropriated \$18.6 million in federal funds from the Edward Byrne Memorial Justice Assistance Grant to establish eight post-adjudicatory drug courts.^{2,3} These courts were intended to divert drug-addicted offenders from prison to supervised community treatment, thereby reducing state corrections costs. The program targets prison-bound, non-violent felony offenders who agree to drug treatment and to participate in the program. The eight expansion counties were selected based on high numbers of prison admissions for eligible offenders. Most of the expansion post-adjudicatory drug courts were fully operational by February 2010. As of September 30, 2011, 1,190 offenders had been admitted to the program.

The program's federal grant funding expires in March 2013. OPPAGA reported in October 2010 that the program was not on track to spend the federal funds, and that a large number of the offenders being served by the program were not prison diversions.⁴ Subsequently, the 2011 Legislature changed the law to expand the pool of eligible offenders to include more offenders likely to be sentenced to prison.

² [Chapter 2009-64](#), *Laws of Florida*.

³ These eight drug courts are located in Broward, Escambia, Hillsborough, Marion, Orange, Pinellas, Polk, and Volusia counties.

⁴ *Without Changes, Expansion Drug Courts Unlikely to Realize Expected Cost Savings*, OPPAGA [Report No. 10-54](#), October 2010.

¹ *Without Changes, Expansion Drug Courts Unlikely to Realize Expected Cost Savings*, OPPAGA [Report No. 10-54](#), October 2010.

Questions and Answers —

Are expansion drug court admissions sufficient to fully expend available federal funds?

Due to lower than expected admissions, expansion drug courts are not likely to expend the remaining federal funds before they expire. In general, Florida’s post-adjudicatory expansion drug courts have not served as many offenders as first projected. We found in our October 2010 report that the expansion drug courts were serving significantly fewer offenders than anticipated for several reasons. First, initial estimates of the number of offenders who could be served in the expansion drug court were overstated; second, fewer counties were selected than needed to reach admissions goals; and third, restrictive program eligibility criteria limited program admissions.

While the Legislature took steps to address these issues, of the \$18.6 million in federal funds appropriated in 2009, drug courts had only expended approximately 39% (\$7.2 million) through September 2011. The Office of the State Courts Administrator projects that there will be approximately \$2 million in remaining grant funds at the end of federal grant in March 2013. This projection is based on the assumption that the Legislature will continue to fund the program after the federal grant expires. If the Legislature does not do so, the programs would stop taking new admissions approximately one year earlier, which would result in significantly more unexpended funds.

Recent legislative changes expanded the potential pool of drug court participants, but preliminary data do not show an increase in admissions. The 2011 Legislature changed the law to better target prison-bound offenders by increasing the maximum sentencing score for program eligibility from 52 to 60 points and allowing judges to transfer cases to drug court for offenders who violate their probation or community control with offenses other than a failed drug test.^{5,6} Court personnel, including judges,

⁵ Under the Florida Criminal Punishment Code, offenders are assigned points for their crime and any past crimes, and these scores are used in

drug court coordinators, state attorneys, and public defenders we spoke with were supportive of these changes to increase program participation.

Despite the legislative action to expand eligibility criteria, preliminary data show that average monthly admissions slowed in the first three months of Fiscal Year 2011-12, from 59 admissions per month to 44 per month. (See Exhibit 1.) According to stakeholders, turnover in local program staff contributed to reduced admissions in several counties.

Exhibit 1 Average Admissions Slowed in the First Three Months of Fiscal Year 2011-12

Time Period	Total Admissions	Average Admissions per Month
January 2010 – June 2010	350	58
July 2010 – June 2011	707	59
July 2011 – September 2011	133	44

Source: OPPAGA analysis of data from the Office of the State Courts Administrator for offenders admitted from January 1, 2010 through September 30, 2011, as of October 10, 2011.

Are expansion drug courts targeting prison-bound offenders?

Expansion drug courts have admitted an increasing percentage of offenders with higher sentencing scores each year. As shown in Exhibit 2, in each of the three fiscal years in which drug courts operated, the percentage of offenders admitted with sentencing scores in the target range requiring a prison sentence (scores of 44 and above) has increased. Conversely, the drug courts have admitted fewer offenders with sentencing scores below 23 points, who are eligible for prison only if deemed a danger to public safety by the court. Serving offenders with higher sentencing scores increases the likelihood that they would have been sentenced to prison in the absence of drug court.

sentencing. Prison is mandatory for those scoring above 44 points unless one of the conditions specified for an exemption, or ‘downward departure’ is met. If an offender’s total points are equal to or less than 44, the lowest permissible sentence is a non-state prison sanction unless the court determines within its discretion that a prison sentence up to the statutory maximum can be imposed.

⁶ Sections 948.06(2)(i)1.a. and b., *F.S.*

Exhibit 2

The Percentage of Expansion Drug Court Participants with Sentencing Scores Over 44 That Mandate Prison Sentences Has Increased Each Year

Sentencing Scores of Participants	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12 (July – September)
1 – 22	19%	14%	11%
23 – 43	49%	46%	35%
44 – 52	32%	40%	29%
53 – 60 ¹	NA	NA	25%
Total Number of Participants	350	707	132

¹ Offenders with sentencing scores of 53 to 60 points were not eligible for drug court prior to July 1, 2011.

Source: OPPAGA analysis of Office of the State Courts Administrator data for offenders with sentencing scores reported. The data does not include one offender for whom a sentencing score is not available.

Two primary factors contributed to offenders with higher sentencing scores participating in the program. In September 2010, the Office of the State Courts Administrator issued guidelines directing expansion drug courts to certify that the offenders entering the program would have otherwise been sentenced to prison, and advising them that offenders with sentencing scores below 23 points do not meet statutory criteria for drug court admission.⁷ In addition, the 2011 Legislature increased the sentencing score maximum for program eligibility from 52 to 60 points to allow expansion drug courts to serve more prison-bound offenders and reduce prison costs. In the first three months of Fiscal Year 2011-12, expansion drug courts in four counties admitted 33 offenders with sentencing scores in the 52 to 60 point range. As a result, just over half (54%) of the offenders admitted since the legislative changes became effective on July 1, 2011, had sentencing scores in the range for a mandatory prison sentence. Serving offenders who clearly would have been sentenced to prison in the absence of drug court results in greater cost savings for the state. For each offender diverted from prison, the

program potentially saves the state \$19,469 a year, the annual cost of housing an offender in prison.

Program participant sentencing scores vary across the expansion drug courts. While the overall percentage of offenders with higher sentencing scores being served has increased, the scores vary among the expansion drug courts. As shown in Exhibit 3, most of the expansion drug courts predominantly served offenders in the 23 to 43 point range. Although offenders with these sentencing scores are less likely to be sentenced to prison than those scoring 44 points or above, judges have discretion to impose a prison sentence on offenders in this score range.⁸ Two expansion drug courts, Broward and Pinellas, are serving a majority of the targeted offenders with higher scores.

Are expansion drug court completion rates comparable to other post-adjudicatory drug courts?

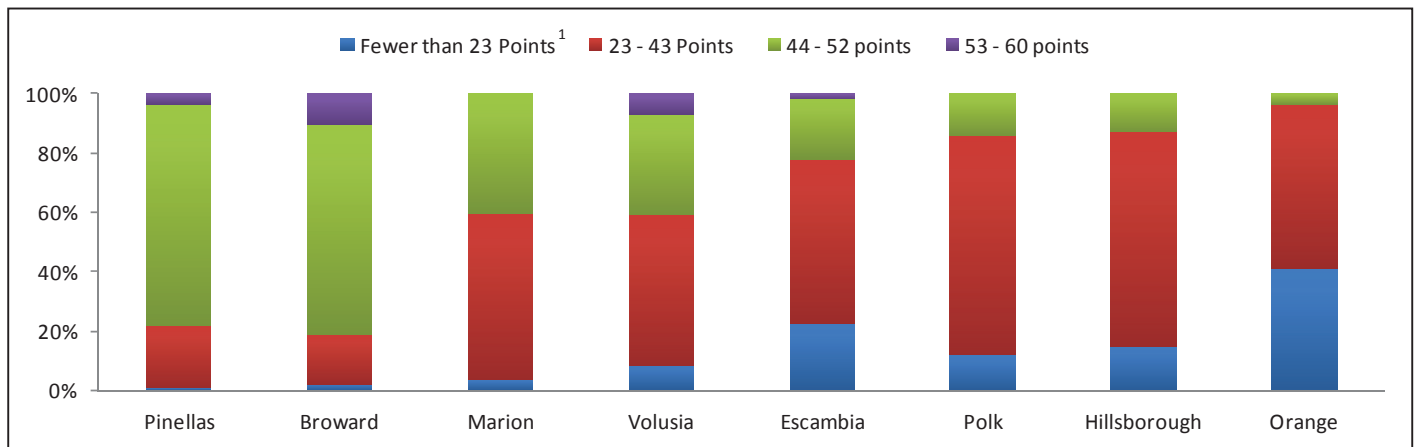
Some expansion drug courts may slightly exceed completion rates seen in other post-adjudicatory drug courts. Because most participants have not had time to complete the program, it is too early to evaluate participant recidivism. Therefore, a key measure of drug court success at this stage is completion rates. Early participants in some circuits are doing well on this measure; however, program completion rates may change over time, as they may differ for offenders who enter the program later.

⁷ The memo states, “Section 775.082(10), *F.S.* was amended effective July 1, 2009, to provide that for third degree felonies that are not forcible felonies as defined in section 776.08, *F.S.*, excluding any third degree felony under chapter 810 committed on or after July 1, 2009, the sentencing court cannot impose a state prison sanction if the sentencing score is 22 points or fewer unless the sentencing court makes a written finding that a non-state prison sanction could present a danger to the public. Thus, offenders scoring 22 points or fewer would not meet the ‘prison bound’ requirement unless the court made a written upward departure. However, if the court found that a non-state sanction could present a danger to the public, it would be difficult for the court to then justify that the offender would be suitable for a post-adjudicatory drug court program.”

⁸ Office of Economic and Demographic Research data reported in OPPAGA [Report No. 10-54](#) showed that only 3% of non-violent felony offenders with sentencing scores below 23 points and only 12% of offenders with scores between 23 and 44 points were sentenced to prison.

Exhibit 3

Since July 1, 2010, Six of the Expansion Drug Courts Have Mostly Served Offenders with Sentencing Scores Below 44 Points



¹ Offenders with sentencing scores of 53 to 60 points were not eligible for drug court prior to July 1, 2011.

Source: OPPAGA analysis of data from the Office of the State Courts Administrator for offenders with sentencing scores reported for July 1, 2010 through September 30, 2011.

To evaluate completion rates for the expansion drug courts, we used preliminary data on a cohort of participants who entered the expansion drug courts early in the program, at least 15 months before September 30, 2011. Because it can take up to 18 months to complete the program, 28% of the 351 participants in our study were still active in the program as September 30, 2011, but had three months or less remaining before they complete the program. (See Exhibit 4.)

Exhibit 4

Preliminary Data for Expansion Drug Courts Show that 44% of Participants Are Unsuccessful

Participant Status as of September 30, 2011	Number (Percentage) of Participants
Successful Program Completion	100 (28%)
Active Program Participant	97 (28%)
Unsuccessful Program Termination	154 (44%)
Total	351 (100%)

Source: OPPAGA analysis of data from the Office of the State Courts Administrator for offenders who entered the expansion drug court on or before June 30, 2010, allowing at least 15 months follow-up.

While an exact percentage of completions cannot be determined, if all remaining participants successfully complete the program, an overall successful completion rate of 56% could be achieved for these early drug court participants. Such a rate would be a modest improvement on the 49% average rate attained by other drug courts in our 2009 study.⁹

The success of individual programs varies widely, as five of the eight drug courts could achieve rates of 65% or better. (See Exhibit 5.) However, even if all of the remaining participants in two of the expansion drug courts (Escambia and Polk) complete the program, their completion rates of 36% and 33%, respectively, would be below the lowest completion rates in our prior study.

⁹ A 2009 OPPAGA analysis of participants in Florida’s non-expansion post-adjudicatory drug courts found 49% of program participants admitted to drug courts in 2004 successfully completed drug court while 51% were terminated before completion. Program completion rates for individual drug courts ranged from 39% to 74%.

Exhibit 5

Five of the Eight Expansion Drug Courts Could Potentially Achieve Completion Rates Above 65%

County	Total Number of Participants Admitted by June 30, 2010	Percent of Unsuccessful Program Terminations	Completion Rate if All Remaining Participants Successfully Completed Program
Marion	8	25%	75%
Hillsborough	78	28%	72%
Orange	50	30%	70%
Broward	47	30%	70%
Volusia	20	35%	65%
Pinellas	46	57%	43%
Escambia	22	64%	36%
Polk	80	68%	33%
Total	351	44%	56%

Source: OPPAGA analysis of data from the Office of the State Courts Administrator for offenders who entered the expansion drug court on or before June 30, 2010, allowing at least 15 months follow-up.

Although the program potentially saves the state \$19,469 a year for an offender successfully diverted from prison, actual cost savings per capita depend on the successful completion rate. With drug court costs currently paid for with federal funds, the cost savings to the state from a 65% successful completion rate would be \$12,655 per offender served. The cost savings to the state from a 33% successful completion rate would be \$6,425 per offender served.

Termination rates may vary among expansion drug courts due to the alternative resources and sanctions available for offenders who do not comply with program requirements. For example, court personnel in Orange County said their work release program served as an alternative to program termination for non-compliant offenders who may have relapsed. Staff from the Hillsborough County drug court also

stated that they used their in-jail treatment program and residential beds as alternatives to program termination. Conversely, a lack of resources may contribute to higher termination rates. For example, Polk County court staff said that a limited number of residential beds limit the court’s ability to impose an immediate sanction on offenders who have violated the conditions of probation or drug court or have relapsed.

Agency Response

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was submitted to the Office of State Clerks Administrator to review and respond. The State Court Administrator’s response has been reproduced in Appendix A.

OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

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 R. Philip Twogood, Coordinator

Appendix A

Charles T. Canady
Chief Justice



Elisabeth H. Goodner
State Courts Administrator

Office of the State Courts Administrator

Phone: (850) 922-5081 Fax: (850) 488-0156
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November 16, 2011

Mr. R. Philip Twogood
Coordinator, Office of Program Policy Analysis
and Government Accountability
Claude Pepper Building
111 West Madison Street, Room 312
Tallahassee, Florida 32399-1475

Dear Mr. Twogood:

I appreciate the opportunity to comment on OPPAGA’s draft report entitled “Expansion Drug Courts Serving More Prison-Bound Offenders but Federal Grant Funds Will Not Be Fully Expended.” While I concur with some of the findings in the report, I would like to offer a few observations and some additional details.

When the expansion program was developed, the number of counties selected was sufficient to reach the proposed admissions goals based on the estimates of eligible offenders provided to my office at that time. Unfortunately, the information on the potential pool of offenders was not accurate. Additionally, Duval County was selected to participate in the expansion program, but ended its participation early. Since discovering the error in estimating the pool of eligible offenders and losing Duval County’s participation, the OSCA sought ways to augment the original plan, but the time necessary to establish a program and the temporary nature of the grant award made it impossible to expand operations to mitigate these issues.

Our analysis of the costs of the expansion drug court program shows that for the 18 months from March 2010 through September 2011 program expenses were slightly more than \$7 million. The early months of this period were clearly the developmental stages of the program and thus had the smallest number of active participants and the lowest monthly costs. Projecting the exact same amount of expenses through March 2013 yields total expenditures of more than \$14 million. Considering the far greater number of active participants in the program now and additional admissions in the future, the total expenditures for the remainder of the program will exceed those of the first 18 months. At current spending levels, we project that there will be approximately \$2,000,000 in remaining grant funds at the end of March 2013. Should additional time be granted by FDLE to spend the funds beyond March, we anticipate that all funding would be spent by June 2013. While the state has not yet decided if this program should continue with state funding once federal grant funds expire, this analysis assumes that the state will want to

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continue this program once the grant period ends, and that it will not be necessary to ramp-down operations. If all program operations must cease in March 2013, then the program will have to stop taking new admissions approximately one year earlier which would result in significantly more unspent funds. If the program must ramp-down and end operations by March 2013, then we anticipate the monthly costs for the final 18 months of the program to mirror those of the first 18 months which would result in total program expenditures of approximately \$14 million.

The new eligibility range is already clearly working to bring more prison-bound offenders into the program. With the new eligibility requirement in place for only three months, there have already been 35 admissions of offenders in the new range. We have also recognized that staff turnover has resulted in reduced admissions. The temporary nature of this grant-funded program has made it difficult to attract qualified staff to these positions and to retain them once hired. While the number of admissions has somewhat declined during the past three months, overall, the expansion program is averaging 55 new admissions per month, and most recently, there were 59 admissions in October 2011.

It is encouraging to see that 54% of recent admissions to the program have sentencing scores indicating a mandatory prison sentence. Considering that the eight counties participating in the expansion program were specifically selected due to their unusually high number of prison admissions, those with sentencing scores in the 23 to 43 point range are much more likely to be prison-bound in these counties than statewide averages might suggest. The Office of Economic and Demographic Research statistics that were relied upon to formulate the drug court expansion plan showed that more than 50% of all people who were sentenced to prison for a non-forcible felony and had fewer than 44 sentencing points came from the counties (including Duval) selected for this program. Furthermore, of the offenders statewide who were sentenced to prison with sentencing scores in the 0 – 52 point range, more than 70% of them had 44 points or less.

Most of the people admitted with fewer than 23 points were admitted for violations of probation (VOPs), which is permissible under the eligibility criteria and which also reflects the reality that these offenders were prison-bound. The expansion program requirements distributed by my office have always called for a written finding of eligibility for any offender entering the program with fewer than 44 points. In September 2010, a reminder of this requirement was sent to all of the expansion counties. Judges handling expansion drug court dockets are making written certifications that the offender would have been sent to prison if not for the expansion drug court program.

Also encouraging is your finding that the majority of the expansion counties are poised to exceed the originally projected rate of successful completions. We also identified this trend and have been working with the counties that are currently underperforming. We have recently completed a training program with all of the expansion counties which was designed to identify each program's strengths and weaknesses and develop a program improvement plan for going forward. Finally, we will be following up with the counties with on-site technical assistance.

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Some additional detail regarding program expenses and cost savings to the state should be noted. Through September 30, 2011, the expansion drug court program has expended just under \$7.2 million. The total number of days all offenders have spent in the program through September 30, 2011 is 302,941. Had these offenders been sent to prison at a daily cost of \$58.36 per day, they would have cost the State of Florida \$17,679,636. On the simplest of metrics, the day for day costs of the expansion drug courts versus incarceration, this program has already helped the state avoid nearly \$10.5 million in prison costs. Considering additional costs to be avoided in the future through increased admissions and the expected reductions in recidivism for those offenders being served in drug court, I remain optimistic about future success of this program.

Thank you for the opportunity to respond to the report. Please do not hesitate to contact me if you require additional information.

Sincerely,



Elisabeth H. Goodner

LG:jg