

**JOINT LEGISLATIVE AUDITING COMMITTEE
MEETING SUMMARY
January 26, 2017**

Members in attendance:

**Senator Debbie Mayfield, Chair
Representative Daniel Raulerson, Vice Chair
Senator Dennis Baxley
Representative Tracie Davis
Representative Randy Fine
Senator Audrey Gibson
Representative Joe Gruters
Representative Roy Hardemon
Senator Kathleen Passidomo
Representative Cyndi Stevenson
Senator Perry E. Thurston, Jr.**

Presentation of the Auditor General's audit of the City of Archer, Report Number 2016-197

Mike Gomez, Audit Manager, presented the Auditor General's report of the City of Archer.

Zeriah Folston, Archer City Manager, spoke to the Committee on behalf of the City. He advised the Committee as to what the City has done to address the audit findings since the report was released in June 2016.

Laurie Costello and Sue Batey, citizens of Archer, also spoke to the Committee.

The Chair, with the Committee's consent, instructed the staff to invite the Mayor of the City to come back to the next meeting.

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) in accordance with ss. 218.32(1) and 218.39, F.S.

Debbie White, CPA, Legislative Analyst with the Committee, discussed the local governments that had not submitted their required financial reports. Below are the lists of the local governmental entities that had failed to file an annual financial report, and/or an annual financial audit report for one or more years and the Committee's action:

List 1: Municipalities

Name	County	Staff Recommendations
Biscayne Park, Village of	Miami-Dade	Take action if not received by 2/3/2017.
Century, Town of	Escambia	
DeFuniak Springs, City of	Walton	Take action if not received by 2/3/2017.
Hampton, City of	Bradford	Continue to delay action and request the City provide an updated status by 4/28/2017.
Noma, Town of	Holmes	Take action if annual financial report not received by 4/28/2017. No state action relating to FY 2014-15 audit. FY 2015-16 audit in lieu of FY 2014-15 audit.
Opa-locka, City of	Miami-Dade	Take action if not received by 4/28/2017.
Pahokee, City of	Palm Beach	
Springfield, City of	Bay	Take action if not received by 2/3/2017.
Sweetwater, City of	Miami-Dade	
Webster, City of	Sumter	Take action if not received by 4/28/2017.
Total Number of Municipalities: 10		

List 2: Special Districts (Independent)

Name	County/ Creation Method	Staff Recommendations
Aqua One Community Development District	Manatee/ Local Ordinance	Take action if not received by 2/3/2017 or the 60-day deadline provided by DEO pursuant to s. 189.067(1), F.S., whichever occurs later.
Avalon Beach / Mulat Fire Protection District	Santa Rosa/ Special Act	Take action if not received by 4/28/2017.
Baker Fire District	Okaloosa/ Special Act	
Campbellton-Graceville Hospital District	Jackson/ Special Act	Take action if not received by 2/3/2017.
Coquina Water Control District	Okeechobee/ General Law	
Cypress Cove Community Development District	Broward/ Local Ordinance	
Forest Creek Community Development District	Manatee/ Local Ordinance	
Gamble Creek Community Development District	Manatee/ Local Ordinance	Take action if not received by 2/3/2017 or the 60-day deadline provided by DEO pursuant to s. 189.067(1), F.S., whichever occurs later.
Green Corridor Property Assessment Clean Energy (PACE) District	Miami-Dade/ General Law	Take action if not received by 2/3/2017.
Heritage Plantation Community Development District	Okaloosa/ Local Ordinance	
Holmes Creek Soil and Water Conservation District	Holmes/ General Law	
Laguna Estates Community Development District	Lee/ Local Ordinance	
Martin Soil and Water Conservation District	Martin/ General Law	
Mirabella Community Development District	Hillsborough/ Local Ordinance	
Orange Hill Soil and Water Conservation District	Washington/ General Law	

South Dade Soil and Water Conservation District	Miami-Dade/ General Law	Take action if not received by 2/3/2017.
South Fork East Community Development District	Hillsborough/ Local Ordinance	
Southbay Community Development District	Manatee/ Local Ordinance	
Southern Hills Plantation II Community Development District	Hernando/ Local Ordinance	
Southern Hills Plantation III Community Development District	Hernando/ Local Ordinance	Take action if FY 2013-14 annual financial report and audit report not received by 4/28/2017. No state action relating to FY 2012-13 audit. FY 2013-14 audit in lieu of FY 2012-13 audit.
Summit at Fern Hill Community Development District	Hillsborough/ Local Ordinance	Take action if not received by 2/3/2017 or the 60-day deadline provided by DEO pursuant to s. 189.067(1), F.S., whichever occurs later.
WaterGrass Community Development District I	Pasco/ Local Ordinance	Take action if not received by 2/3/2017.
Yellow River Soil and Water Conservation District	Okaloosa/ General Law	
Total Number of Special Districts: 23		

List 3: Special Districts (Dependent)

Name	County/ Creation Method	Staff Recommendations
Ali-Baba Neighborhood Improvement District	Miami-Dade/ Local Ordinance	No action on the special district since the City of Opa-locka is responsible for submitting the district's annual financial report.
City of Mulberry Community Redevelopment Agency	Polk/ Local Ordinance	Take action if not received by 2/3/2017 or the 60-day deadline provided by DEO pursuant to s. 189.067(1), F.S., whichever occurs later.
East-West Neighborhood Improvement District	Miami-Dade/Local Ordinance	No action on the special district since the City of Opa-locka is responsible for submitting the district's annual financial report.
Hunter's Lake Special Dependent Tax District	Hillsborough/ Local Ordinance	Take action if not received by 2/3/2017 or the 60-day deadline provided by DEO pursuant to s. 189.067(1), F.S., whichever occurs later.
Mount Dora Health Facilities Authority	Lake/ Local Ordinance	Take action if not received by 2/3/2017.
Niles Garden Neighborhood Improvement District	Miami-Dade/ Local Ordinance	No action on the special district since the City of Opa-locka is responsible for submitting the district's annual financial report.
Springfield Community Redevelopment Agency	Bay/ Local Ordinance	No action on the special district since the City of Springfield is responsible for submitting the CRA's annual financial report and the CRA is included in the City's audit report.
Tarawood Special Dependent Tax District	Hillsborough/ Local Ordinance	Take action if not received by 2/3/2017 or the 60-day deadline provided by DEO pursuant to s. 189.067(1), F.S., whichever occurs later.
Village Estates West Special District	Hillsborough/ Local Ordinance	
Total Number of Special Districts: 9		

List 4: Take No Action

Name	County/ Creation Method	Staff Recommendations
CrossCreek Community Development District	Manatee/ Local Ordinance	Continue to delay action, since District is working to catch up on delinquent audits.
Santa Rosa Bay Bridge Authority	Santa Rosa/ Special Act	Continue to delay action.
Total Number of Special Districts: 2		

Rep. Raulerson moved that the Committee accept staff recommendations for the municipalities and special districts on Lists 1 through 4 and direct staff to contact the Department of Revenue and the Department of Financial Services or the Department of Economic Opportunity, as appropriate, and direct them to proceed according to the provisions of Section 11.40(2), *Florida Statutes*.

Staff shall notify all parties required to be notified by law regarding these entities.

He further moved that the Chair, with the consent of the Vice Chair, be permitted to delay action against the entities on Lists 1 through 3 if additional information is brought to their attention that should be considered in determining the effective date of the Committee's action.

Staff shall deliver a copy of any such decision to the members of the Committee, the President of the Senate, and the Speaker of the House.

Staff shall continue to monitor the special districts on List 4.

The motion was adopted.

The Committee is expected to consider taking action against local governmental and educational entities that have failed to provide the Auditor General with: (1) significant items missing from audit reports submitted in accordance with s. 218.39, F.S., or (2) evidence of corrective action taken related to investment policies pursuant to ss. 11.40(2), 11.45(7)(b) and (d), F.S.

Debbie White, CPA, Committee staff, explained the list of local governmental entities that have failed to provide items or information to the Auditor General. All educational entities reported to the Committee were compliant before the meeting.

Rep. Gruters moved that the Committee accept staff recommendations for the entities that have failed to provide the Auditor General with required information on Lists 1 and 2, and direct staff to notify the appropriate entity to proceed with the provisions of Section 11.40(2), *Florida Statutes*.

He further moved that the Chair, with the consent of the Vice Chair, be permitted to delay action against any of these entities, if additional information is brought to their

attention that should be considered in determining the effective date of the Committee's action.

List 1: Local Governments

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

(required by s. 11.45(7)(b), F.S.)

	Entity Name (County)	Item(s) Missing from FY 2014-15 Audit Report	Staff Recommendation
1	Archer, City of ¹ (<i>Alachua</i>)	A written statement of explanation or rebuttal concerning the auditor's comments included in the auditor's management letter (required by Sections 10.557(3)(l) and 10.558(1), Rules of the Auditor General).	Take action if not received by March 3, 2017
2	Arlington Ridge Community Development District (<i>Lake</i>)	A statement in the management letter as to whether corrective actions have been taken to address findings and recommendations made in the preceding audit report (required by Section 10.554(1)(i)1., Rules of the Auditor General).	

¹ The City submitted the required item to the Auditor General on January 25, 2017, but after the meeting packet was published.

List 2: Local Governments

Failure to Provide the Auditor General with Evidence of Corrective Action taken Related to Investment Policies

(required by s. 11.45(7)(d), F.S.)

	Entity Name (County)	Non-Compliance Reported in the FY 2014-15 Audit Report Related to Investment Policies	Staff Recommendation
1	Suwannee County Development Authority (<i>Suwannee</i>)	<i>Audit Finding 2015-002:</i> The Authority held deposits in a financial entity contrary to <i>Florida Statutes 218.415(17)(c)</i> . Section 218.415(17)(c), F.S. specifies: (17) AUTHORIZED INVESTMENTS; NO WRITTEN INVESTMENT POLICY.—Those units of local government electing not to adopt a written investment policy in accordance with investment policies developed as provided in subsections (1)-(15) may invest or reinvest any surplus public funds in their control or possession in: (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02 (bank, savings bank, or savings association that meets certain requirements).	Take action if not received by March 3, 2017

The motion was adopted.

Senator Baxley moved to adjourn.