

**JOINT LEGISLATIVE AUDITING COMMITTEE  
MEETING SUMMARY  
February 4, 2021**

**Members in attendance:**

**Senator Dennis Baxley, Chair**  
**Representative Ardian Zika, Vice Chair**  
**Senator Jim Boyd**  
**Senator Jennifer Bradley**  
**Senator Janet Cruz**  
**Representative Yvonne Hayes Hinson**  
**Representative Andrew Learned**  
**Representative Jenna Persons-Mulicka**  
**Senator Victor M Torres, Jr.**  
**Representative Keith L. Truenow**  
**Representative Kaylee Tuck**

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**Presentation of the Auditor General’s Summary of Significant Findings and Financial Trends Identified in Local Government Audit Reports for the 2018-2019 Fiscal Year**

Mike Gomez, Audit Manager with the Office of the Auditor General, presented the Auditor General’s report number 2021-101 on local government significant findings and financial trends.

**The Committee is expected to consider taking action against local governmental entities that have failed to file an annual financial report and/or annual financial audit report (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 governmental entities that had not submitted their required financial reports. Below are the lists of the local governmental entities that, as of the time of the meeting, had failed to file an annual financial report and/or an annual financial audit report for one or more years and the staff’s recommendations.

Unless otherwise stated, the delinquent reports are for the 2018-19 fiscal year.

**List 1: Municipalities**

<b>Name</b>	<b>County</b>	<b>Staff Recommendation</b>
Town of Altha	Calhoun	Take action if delinquent reports not received by 6/30/2021
Village of El Portal	Miami-Dade	Take action if delinquent reports not received by 2/12/2021

Name	County	Staff Recommendation
Town of Esto	Holmes	Continue action on FY 2017-18 delinquent reports Take action on FY 2018-19 delinquent report (AFR) <sup>1</sup> if not received by 6/30/2021
City of Gretna	Gadsden	Take action if delinquent reports not received by 3/31/2021
City of Hampton	Bradford	Take action if delinquent reports not received by 6/30/2021
Town of Havana	Gadsden	Take action if delinquent reports not received by 2/12/2021
Village of Lazy Lake	Broward	Continue action on FY 2017-18 delinquent report(s) Take action on FY 2018-19 delinquent report (AFR) if not received by 2/12/2021
Town of Loxahatchee Groves	Palm Beach	Take action if delinquent report (AFR) not received by 3/1/2021
Town of Mangonia Park	Palm Beach	Take action if delinquent reports not received by 3/31/2021
City of Mexico Beach	Bay	Take action if delinquent reports not received by 3/31/2021
City of Opa-Locka	Miami-Dade	Take action if delinquent reports not received by 6/30/2021
Town of Otter Creek	Levy	Take action if delinquent report(s) not received by 2/12/2021
City of Parker	Bay	Take action if delinquent reports not received by 3/31/2021
Town of Raiford	Union	Take action if delinquent report(s) not received by 3/31/2021
Town of Reddick	Marion	Allow the Town to have a FY 2019-20 audit performed in lieu of the FY 2018-19 audit. No state action re: FY 2018-19 audit report
City of Riviera Beach (Palm Beach)	Palm Beach	Take action if delinquent reports not received by 3/1/2021
City of San Antonio	Pasco	Take action if delinquent report (AFR) not received by 2/12/2021
City of Starke	Bradford	Take action if delinquent report (AFR) not received by 3/1/2021
Town of White Springs	Hamilton	Take action if delinquent reports not received by 3/31/2021
Total Number of Municipalities: 19		

## List 2: Special Districts (Independent)

Name	County / Creation Method	Staff Recommendation
Daytona Beach Racing and Recreational Facilities District	Volusia / Special Act	Take action if delinquent report (audit) not received by 2/12/2021
Eastpoint Water and Sewer District	Franklin / Special Act	Take action if delinquent reports not received by 3/31/2021
Green Corridor Property Assessment Clean Energy (PACE) District	Miami-Dade / General Law	Take action if delinquent reports not received by 3/31/2021
Hamilton County Soil and Water Conservation District	Hamilton / General Law	Take action if delinquent report(s) not received by 2/12/2021
Hillsborough Soil and Water Conservation District	Hillsborough / General Law	Take action if delinquent report (AFR) not received by 2/12/2021
Orange Hill Soil and Water Conservation District	Washington / General Law	No state action regarding FY 2018-19 delinquent reports; however, encourage the District to attempt to reconstruct the financial records for FY 2018-19 and FY 2019-20 and submit the respective AFRs at some future date.
Santa Fe Soil and Water Conservation District	Columbia / General Law	Take action if delinquent report(s) not received by 2/12/2021
South Dade Soil and Water Conservation District	Miami-Dade / General Law	Take action if delinquent reports not received by 3/1/2021
Verona Community Development District	Lee / Local Ordinance	Due to a lack of a registered agent and office, take action upon the filing of a registered agent or office if filed by 2/3/2022. Otherwise, declare District inactive.
Total Number of Special Districts: 9		

## List 3: Special Districts (Dependent)

Name	County / Creation Method	Staff Recommendation
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 AFR. [Note: Take action on City of Opa-locka if delinquent report(s) not received by 6/30/2021.]
Brandon Groves North Service District	Hillsborough; Local Ordinance	Continue action on FY 2017-18 delinquent report(s) Take action on FY 2018-19 delinquent report (AFR) if not received by 2/12/2021

<sup>1</sup> Annual Financial Report.

<b>Name</b>	<b>County / Creation Method</b>	<b>Staff Recommendation</b>
City of Riviera Beach Utility Special District	Palm Beach; Local Ordinance	No action on the special district. The District is a component unit of the City of Riviera Beach and is included in the City's audit. The City is also responsible for submitting the District's AFR. [Note: Take action on City of Riviera Beach if delinquent reports not received by 3/1/2021.]
Community Redevelopment Agency of the City of Parker	Bay; Local Ordinance	No action on the special district. The Agency is a component unit of the City of Parker and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Parker if delinquent report(s) not received by 3/31/2021.]
Community Redevelopment Agency of the Town of Havana	Gadsden; Local Ordinance	No action on the special district. The Agency is a component unit of the Town of Havana and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on Town of Havana if delinquent report(s) not received by 2/12/2021.]
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 AFR. [Note: Take action on City of Opa-locka if delinquent report(s) not received by 6/30/2021.]
Gretna Neighborhood Improvement District	Gadsden; Local Ordinance	No action on the special district since the City of Gretna is responsible for submitting the District's AFR. [Note: Take action on City of Gretna if delinquent report(s) not received by 3/31/2021.]
Loxahatchee Groves Water Control District	Palm Beach; Special Act	No action on the special district. The District is a component unit of the City of Loxahatchee Groves and is included in the City's audit. The City is responsible for submitting the District's AFR. [Note: Take action on City of Loxahatchee Groves if delinquent report not received by 3/1/2021.]
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 AFR. [Note: Take action on City of Opa-locka if delinquent report(s) not received by 6/30/2021.]
Opa-Locka Community Redevelopment Agency	Miami-Dade; Local Ordinance	No action on the special district. The Agency is a component unit of the City of Opa-locka and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Opa-locka if delinquent reports not received by 6/30/2021.]
Riviera Beach Community Redevelopment Agency	Palm Beach; Local Ordinance	No action on the special district. The Agency is a component unit of the City of Riviera Beach and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Riviera Beach if delinquent reports not received by 3/1/2021.]
Starke Community Redevelopment Agency	Bradford; Local Ordinance	No action on the special district. The Agency is a component unit of the City of Starke and is included in the City's audit. The City is responsible for submitting the Agency's AFR. [Note: Take action on City of Starke if delinquent report not received by 3/1/2021.]
Total Number of Special Districts: 12		

#### List 4: Take No Action

<b>Name</b>	<b>County / Creation Method</b>	<b>Staff Recommendation</b>
Campbellton-Graceville Hospital District	Jackson / Special Act	Continue to delay state action on FY 2016-17 and FY 2017-18 delinquent financial reports and delay state action on FY 2018-19 delinquent financial reports, and have staff monitor District's progress in complying with terms of Chapter 2018-188, Laws of Florida, to "wind down its affairs" now that the Hospital property has been sold.
Santa Rosa Bay Bridge Authority	Santa Rosa / Special Act	Continue to delay action  Note: The Authority has not submitted report(s) for FY 2008-09 through FY 2018-19.
Total Number of Special Districts: 2		

Representative Zika 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), F.S.<sup>2</sup>

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.

Motion passed unanimously.

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

Debbie White, CPA, Legislative Analyst with the Committee, discussed that there is one local governmental entity that continues to fail to provide information requested by the Auditor General. This is information that is required to be included in local governmental financial audit reports. The enforcement action available to the Committee is specified in s. 11.40(2), F.S.<sup>3</sup>

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<sup>2</sup> Section 11.40(2), F.S., authorizes the Committee to: (1) For counties and municipalities, direct the Department of Revenue and the Department of Financial Services to withhold certain revenue, with withholding to begin 30 days after the agencies have received notification; and (2) For special districts, direct the Department of Economic Opportunity to file a petition for enforcement in the circuit court in Leon County or begin the process to declare the special district inactive for dissolution.

<sup>3</sup> *Id.*

**LOCAL GOVERNMENTS**

**Significant Items Missing from Audit Report - Not Yet Provided to Auditor General**  
*(required by s. 11.45(7)(b), Florida Statutes)*

	Entity Name <i>(County)</i>	Senate District(s)	House District(s)	Item(s) Missing from FY 2018-19 Audit Report	Comments and Staff Recommendation
1	New River Public Library Cooperative <i>(Baker, Bradford, Union)</i>	5	10, 19	<p>A schedule showing the entity's proportion (percentage) of the collective net pension liability, their proportionate share (amount) of the net pension liability, the entity's covered payroll, and the plan's fiduciary net position as a percentage of the total liability was excluded from the audit report's required supplementary information, although required for entities with defined benefit cost-sharing pension plans by P20.183a. of the <i>Codification of Governmental Accounting and Financial Reporting Standards</i>.</p> <p>A schedule showing the entity's required employer contribution, the amount actually contributed, the difference between the required and the actual contribution, the entity's covered payroll, and the contribution recognized by the pension plan in relation to the required amount as a percentage of covered payroll was excluded from the audit report's required supplementary information, although required for entities with defined benefit cost-sharing pension plans by P20.183b. of the <i>Codification of Governmental Accounting and Financial Reporting Standards</i>.</p> <p>Note: The auditors' opinion on the financial statements is modified for reasons relating to the above-noted missing items (failure to acquire an actuarial valuation in order to determine its net Other Postemployment Benefits (OPEB) obligation and for failure to record its proportionate share of the net pension obligation of the Florida Retirement System in the government-wide financial statements).</p>	<p>For each of the past five years, the opinion on the special district's financial statements has been qualified because the special district has not included this required information in its financial statements.</p> <p>Send a letter to the special district encouraging it to acquire an actuarial valuation, at least on a periodic basis, and comply with the specified accounting standards.</p>

Chair Baxley entertained a motion to accept the staff recommendation to encourage New River Public Library Cooperative to acquire an actuarial valuation, at least periodically. Senator Cruz moved the motion, and it was adopted unanimously.

**The Committee is expected to consider taking action against local governmental entities that have met a condition of a financial emergency and have failed to respond to the Governor's Office, pursuant to s. 218.503(3), F.S**

All entities have responded to the Governor's Office regarding the need for state financial assistance, so there was no need to discuss this item.

**The Committee is expected to consider taking action against educational and local governmental entities that have failed to take full corrective action in response to repeat audit findings, pursuant to ss. 11.45(7)(j) and 218.39(8), F.S.**

Chair Baxley called on Debbie White, CPA, Legislative Analyst with the Committee, to explain the lists of educational entities and local governmental entities with audit findings that have been reported in at least three successive audit reports.

Chair Baxley entertained a motion to accept the staff's recommendations and also direct staff to send a letter to any entity for which the Auditor General reports uncorrected audit findings to the Committee for late-filed 2018-19 audit reports unless a response has been previously provided and it appears that the entity has taken corrective action, to the extent possible, using existing resources.

Senator Boyd moved the motion, and it was adopted unanimously.

### **Consideration of the Department of the Lottery's audit for the 2020-21 fiscal year**

Senator Baxley recognized Representative Tuck who moved that the Committee direct the Auditor General and OPPAGA to conduct the audit of the Department of Lottery for the 2020-21 fiscal year.

The Auditor General will be responsible for the financial statements, internal control, and compliance issues. The Auditor General may also use her discretion to include operational topics.

OPPAGA will be responsible for developing recommendations to enhance the earning capability of the lottery and to improve the efficiency of the department's operations.

Motion passed unanimously.

**Overview of the audits of Lobbying Firm Quarterly Compensation Reports performed in 2020**

Chair Baxley called on Kathy DuBose, Committee Coordinator, to provide the results of the audits of the lobbying firm quarterly compensation reports performed in 2020.

With no further business before the Committee, Senator Boyd moved to adjourn.

Senator Baxley adjourned meeting.