

JOINT LEGISLATIVE AUDITING COMMITTEE
MEETING SUMMARY
February 16, 2023

Members in attendance:

Senator Jason Pizzo, Alternating Chair
Representative Mike Caruso, Alternating Chair
Representative Christopher Benjamin
Senator Jason Brodeur
Senator Tracie Davis
Representative Peggy Gossett-Seidman
Representative Dianne Hart
Representative Vicki Lopez

Senators Nick DiCeglie and Corey Simon and Representative Daniel Alvarez, Sr. were excused

Presentation of the Auditor General's operational audit of the Department of Management Services – Oversight of Private Correctional Facilities and response from the Department

Christi Alexander, Audit Manager with the Auditor General's Office, presented the Auditor's General's Report Number 2022-203, *Department of Management Services – Oversight of Private Correctional Facilities Operational Audit*. Ms. Alexander and Matthew Tracy, Deputy Auditor General, answered questions from the Committee members.

Patrick Gillespie, Deputy Secretary for Department of Management Services (DMS), also spoke in regards to the audit report and answered questions from the Committee members.

Chair Pizzo asked to see all of the contracts that DMS has relating to the Private Correctional Facilities and also asked DMS to come up with a reasonable timeline to resolve the findings in the audit report. DMS staff agreed to try to resolve all findings before the end of the year.

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, Chief 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 2020-21 fiscal year.

List 1: Municipalities

Name	County	Staff Recommendation
City of Apalachicola	Franklin	Take action if delinquent financial reports not received by 3/31/2023
Town of Campbellton	Jackson	Take action if delinquent financial reports not received by 2/28/2023
City of Center Hill	Sumter	Take action if delinquent financial reports not received by 5/31/2023
City of Clermont	Lake	Take action if delinquent financial reports not received by 4/30/2023
Town of Cloud Lake	Palm Beach	Take action if delinquent financial reports not received by 2/28/2023
Village of El Portal	Miami-Dade	Take action if delinquent financial reports not received by 3/31/2023
Town of Esto	Holmes	Take action if delinquent financial reports not received by 6/30/2023 (for 2019-20 and 2020-21 fiscal years)
Town of Fort White	Columbia	Take action if delinquent financial report not received by 2/28/2023
City of Gretna	Gadsden	Take action if delinquent financial reports not received by 6/30/2023
Town of Havana	Gadsden	
City of High Springs	Alachua	Take action if delinquent financial reports not received by 3/31/2023
City of Jacob City	Jackson	Take action if delinquent financial report not received by 2/28/2023
Town of Loxahatchee Groves	Palm Beach	Take action if delinquent financial reports not received by 3/31/2023
Town of Mangonia Park	Palm Beach	
City of Neptune Beach	Duval	Take action if delinquent financial reports not received by 4/30/2023
City of Opa-locka	Miami-Dade	
Town of Otter Creek	Levy	Take action if delinquent financial reports not received by 3/31/2023
City of Pahokee	Palm Beach	Take action if delinquent financial reports not received by 2/28/2023
Town of Welaka	Putnam	Take action if delinquent financial reports not received by 3/31/2023
Town of White Springs	Hamilton	Take action if delinquent financial reports not received by 4/30/2023
Total Number of Municipalities: 20		

List 2: Special Districts (Independent)

Name	County / Creation Method	Staff Recommendation
Almarante Fire District	Okaloosa / Local Ordinance	Take action if delinquent financial reports not received by 3/31/2023
Dorcas Fire District	Okaloosa / Special Act	Take action if delinquent financial reports not received by 4/30/2023
Hastings Drainage District	Putnam, St. Johns / Special Act	Take action if delinquent financial report(s) not received by 2/28/2023
Hillsborough Soil and Water Conservation District	Hillsborough / General Law	Take action if delinquent financial reports not received by 3/31/2023
Holmes Creek Soil and Water Conservation District	Holmes / General Law	Take action if delinquent financial reports not received by 4/30/2023
Jackson Soil and Water Conservation District	Jackson / General Law	
Orange Hill Soil and Water Conservation District	Washington / General Law	Take action if delinquent reports not received by 3/31/2023
Parkland Preserve Community Development District	St. Johns / Local Ordinance	
Total Number of Special Districts (Independent): 8		

List 3: Special Districts (Dependent)

Name	County / Creation Method	Staff Recommendation
Columbia County Industrial Development Authority	Columbia / General Law	Take action if delinquent financial report(s) not received by 2/28/2023
Community Redevelopment Agency of the Town of Havana	Gadsden / Local Ordinance	Take action if delinquent financial report(s) not received by 6/30/2023
Downtown / Historic Ybor Tourism Marketing District	Hillsborough / Local Ordinance	Take action if delinquent financial report(s) not received by 5/31/2023
Downtown Clermont Redevelopment Agency	Lake / Local Ordinance	Take action if delinquent financial reports not received by 4/30/2023
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 financial report(s) not received by 6/30/2023.]
High Springs Community Redevelopment Agency	Alachua / Local Ordinance	Take action if delinquent financial reports not received by 3/31/2023
Highlands County Industrial Development Authority	Highlands / General Law	Take action if delinquent financial report(s) not received by 3/31/2023
Loxahatchee Groves Water Control District	Palm Beach / Special Act	No action on the special district. The Town is responsible for submitting the District's AFR. [Note: Take action on Town of Loxahatchee Groves if delinquent reports not received by 3/31/2023.]
Opa-Locka Community Redevelopment Agency	Miami-Dade / Local Ordinance	Take action if delinquent financial reports not received by 4/30/2023
Total Number of Special Districts (Dependent): 9		

List 4: Take No Action

Name	County / Creation Method	Staff Recommendation
Apalachicola Community Redevelopment Agency	Franklin / Local Ordinance	No state action because CRA has been dissolved.
Campbellton-Graceville Hospital District	Jackson / Special Act	Continue to delay state action on prior year delinquent financial reports and delay state action on FY 2020-21 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 state action (for delinquent financial reports for FY 2020-21 and multiple prior years)
Total Number of Special Districts: 3		

Scott Gay and Teri Siewert spoke to the Committee about concerns regarding the Town of White Springs. The following individuals waived their appearance in support of Mr. Gay's remarks:

Beverly Brazil
Elizabeth Daniel
Julie Gay
Scott Siewert

Representative Gossett-Seidman 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.

She 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, Chief Legislative Analyst with the Committee, discussed that there are four entities that continue 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 Section 11.40(2), F.S.

<u>LOCAL GOVERNMENTAL ENTITIES</u>		
<u>Significant Items Missing from Audit Report - Not Yet Provided to Auditor General</u>		
<u>Outstanding As of February 13, 2023</u>		
<i>(required by s. 11.45(7)(b), Florida Statutes)</i>		
Entity Name <i>(County)</i>	Item(s) Missing from FY 2020-21 Audit Report	Staff Recommendation
Hardee County	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2-3, Florida Statutes, was not included in the management letter of the audit report of a local government entity that includes a dependent special district within its reporting entity, although required by Section 10.554(1)(i)(6), Rules of the Auditor General.	Take action if not provided to Auditor General by March 15, 2023
Business Improvement District of Coral Gables <i>(Miami-Dade)</i>	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2-3, Florida Statutes, was not included in the management letter of the audit report of a special district, although required by Section 10.554(1)(i)(6), Rules of the Auditor General. The millage rate on ad valorem taxes imposed, the total amount of ad valorem taxes collected and, if applicable, the total amount of outstanding bonds issued and the terms of those bonds were not included in the audit report of an independent special district although required by Sections 218.39(3)(c), and 218.32(1)(e)4., Florida Statutes. The rate(s) on non-ad valorem special assessments imposed, the total amount of special assessments collected and, if applicable, the total amount of outstanding bonds issued and the terms of those bonds were not included in the audit report of an independent special district although required by Sections 218.39(3)(c), and 218.32(1)(e)5., Florida Statutes.	
Port St. Joe Redevelopment Agency <i>(Gulf)</i>	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2-3, Florida Statutes, was not included in the management letter of the audit report of a special district, although required by Section 10.554(1)(i)(6), Rules of the Auditor General. An accountant’s examination report with a determination of the entity’s compliance with Section 163.387(6), and (7), Florida Statutes, regarding the community redevelopment trust fund was excluded from the audit report of a community redevelopment agency although required by Sections 10.556(10)(a), and 10.557(3)(c), Rules of the Auditor General.	
Westchase Community Development District <i>(Hillsborough)</i>	The date the audit report was delivered to the local governmental entity was not included in correspondence accompanying the audit report submitted to the Auditor General, although required by Section 10.558(4), Rules of the Auditor General.	
Total Number of Special Districts: 4		

Chair Pizzo entertained a motion to accept the staff recommendation to take action against these four entities. Representative Benjamin moved the motion.

Motion passed 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.

Chair Pizzo called on Kathy DuBose, Committee Coordinator, to explain the list of entities that have met one or more financial emergency conditions and have failed to respond to the Governor's office.

Local Governmental Entity that Met One or More Condition of a Financial Emergency and Failed to Respond to the Governor's Office Request for Further Information in a Timely Manner		
Entity Name	County	Staff Recommendation
Special District		
Portofino Vineyards Community Development District	Lee	Take action if Governor's office does not receive a response by March 31, 2023

Chair Pizzo entertained a motion to accept the staff recommendation. Senator Brodeur moved the motion.

Motion was approved.

With no further business before the Committee, Representative Hart moved to adjourn.