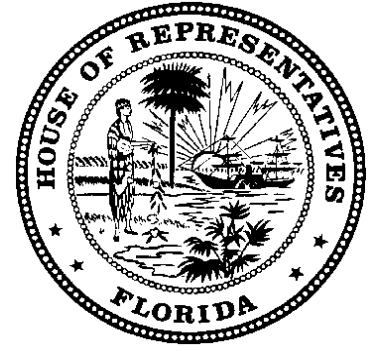


KATHLEEN PASSIDOMO
President of the Senate



PAUL RENNER
Speaker of the House



Joint Legislative Auditing Committee

Representative Michael Caruso, Alternating Chair
Senator Jason Pizzo, Alternating Chair

Meeting Packet

Monday, December 11, 2023
314 House Office Building
(Mashburn Hall)

3:30 p.m. – 5:30 p.m.

The Florida Legislature
COMMITTEE MEETING AGENDA
JOINT LEGISLATIVE AUDITING COMMITTEE

Representative Michael A. “Mike” Caruso, Alternating Chair
Senator Jason W. B. Pizzo, Alternating Chair

MEETING DATE: Monday, December 11, 2023

TIME: 3:30 p.m. – 5:30 p.m.

PLACE: 314 House Office Building (Mashburn Hall)

MEMBERS:

Senator Jason Brodeur
Senator Tracie Davis
Senator Nick DiCeglie
Senator Corey Simon

Representative Christopher Benjamin
Representative Peggy Gossett-Seidman
Representative Dianne “Ms Dee” Hart
Representative Rachel Lora Saunders Plakon
Representative Taylor Michael Yarkosky

-
1. Consideration of a request for an Auditor General operational audit of the City of Mexico Beach submitted by Senator Trumbull and Representative Griffiths
 2. Consideration of a request for an Auditor General operational audit of the Town of Greenville submitted by Representative Tant
 3. 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.
 4. Presentation of OPPAGA’s performance review of the Liberty Fire District and response from the District
 5. Presentation of OPPAGA’s performance review of the Argyle Fire District and response from the District
 6. Presentation of the Auditor General’s operational audit of the Town of White Springs and response from the Town
 7. Consideration of the Committee’s report required by the Transparency Florida Act, s. 215.985, F.S.
 8. 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.
 9. Results of recent Lobbying Firm Compensation Report engagements
 10. Any unfinished business from the previous meeting

**1. Audit Request:
City of Mexico Beach**



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Commerce and Tourism, *Chair*
Appropriations Committee on Transportation, Tourism
and Economic Development, *Vice Chair*
Appropriations Committee on Agriculture, Environment
and General Government
Banking and Insurance
Fiscal Policy
Transportation

SELECT COMMITTEE:
Select Committee on Resiliency

SENATOR JAY TRUMBULL
2nd District

November 8, 2023

The Honorable Michael A. Caruso, Alternating Chair Joint Legislative Auditing Committee
The Honorable Jason W.B. Pizzo, Alternating Chair Joint Legislative Auditing Committee
111 West Madison Street. Room 876
Tallahassee, FL 32399-1400

Dear Chair Caruso and Chair Pizzo:

We are requesting the Joint Legislative Auditing Committee to direct the Auditor General to perform an operational audit of the City of Mexico Beach (City).

The audit scope should include the City's compliance with policies, regulations, contracts, and good business practices in the areas of:

- o Filing annual financial audit reports;
- o Removal of unauthorized signers from an entity's bank accounts; and
- o Any other areas the Auditor General deems appropriate.

Please see attached supporting documentation from the City of Mexico Beach who have voted, unanimously, to request this audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay Trumbull".

State Senator Jay Trumbull

A handwritten signature in blue ink, appearing to read "Griff Griffitts".

State Representative Griff Griffitts

REPLY TO:

- 840 West 11th Street, Panama City, Florida 32401 (850) 747-5454
- 313 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5002

Senate's Website: www.flsenate.gov

KATHLEEN PASSIDOMO

DENNIS BAXLEY



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201 Paradise Path - Mexico Beach, Florida - 32456
PHONE: 850-648-5700 - FAX: 850-247-2702

September 22, 2023

The Honorable Jay Trumbull
Florida Senator
840 West 11th Street
Panama City, FL. 32401

Dear Senator Trumbull:

Several weeks ago, I called JLAC regarding a letter Mexico Beach received regarding our audit findings for the past three years. During this discussion to learn what we can do to correct these findings I was provided information which would be helpful for the City of Mexico Beach to be provided with a more extensive than the standard state audit. After I met with you and we briefly discussed this, I made a verbal request at that time if you would consider writing a letter requesting an audit be conducted by JLAC for the City of Mexico Beach. The City Council has voted unanimously to request a letter be written to our local Representatives for this audit letter. We recently closed our new FY 24 budget. The millage rate was reduced from 6.5 to 5.99 mills so funding for the audit is not available at this time. The council would like to pursue the letter as our first option. It would be difficult for our city at this time to bear this expense.

As JLAC requirements indicate we must have a need for the audit based on the following:

- Failure to timely file an annual financial audit report (now 1 year past the October 1st, 2022, date to start providing financial information to James Moore's office. Past due after June 30th, 2023).
- Failure to timely remove an unauthorized signer (i.e., former employee) from an entity's bank accounts (When taking office 4/21/2023, councilmen from several years ago were still listed on the bank accounts).

Thank you for your consideration on this matter. We believe this is one of the most important issues currently for Mexico Beach Citizens. We would like your legislative support in getting this audit conducted by the Joint Legislative Auditing Committee (JLAC).

Sincerely,

Dr. Michele Miller, Mayor
City of Mexico Beach Florida
201 Paradise Path
Mexico Beach, FL 32456
Cell: 850-247-7052
m.miller@mexicobeachfl.gov

STAFF ANALYSIS

Date: December 7, 2023

Subject: Request for an Audit of the City of Mexico Beach

Analyst Coordinator

DuBose^{KD} DuBose^{KD}

I. Summary

The Joint Legislative Auditing Committee (Committee) has received a request from Senator Jay Trumbull and Representative Griff Griffiths to have the Committee direct the Auditor General to conduct an operational audit of the City of Mexico Beach.

II. Present Situation

Current Law

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

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

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

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

Request for an Audit of the City of Mexico Beach

Senator Trumbull and Representative Griffiths have requested the Committee to direct an operational audit of the City of Mexico Beach (City).¹ They stated that “[t]he audit scope should include the City’s compliance with policies, regulations, contracts, and good business practices in the areas of:

- Filing annual financial audit reports;
- Removal of unauthorized signers from an entity’s bank accounts; and
- Any other areas the Auditor General deems appropriate.”²

The audit request included a letter from the City’s Mayor to Senator Trumbull.³ The Mayor stated that the City Council voted unanimously to request a letter be written to their local representatives to request this audit.⁴

Background

The City⁵ of Mexico Beach was created in 1967 pursuant to *Chapter 67-1717, Laws of Florida*. It is located in eastern Bay County along the Gulf of Mexico⁶ and has an estimated population of 1,285.⁷

The City is governed by a Mayor-Council form of government.⁸ The City Council consists of five members, a Mayor and four Council members, who are all elected at large to serve two-year terms.⁹ The City Council passes ordinances, adopts resolutions, adopts the City’s budgets, and sets the policies for the City.¹⁰ Per the City’s charter, the Mayor is “a voting member of the Council and presiding officer... [and] shall be recognized as head of City government for all ceremonial purposes, by the [G]overnor for purposes of military law, for service of process, execution of contracts, deeds and other documents, and as the [c]ity official to represent the City in all agreements with other governmental entities or certifications to other governmental entities. The [M]ayor shall be the chief elected administrative and fiscal official for the City.”¹¹ The City Council appoints a City Administrator who is responsible for the City’s administration.¹² The City operates water, sewer, and sanitation utilities and provides services including human resource services, community enrichment and development, law enforcement and fire

¹ Letter from Senator Jay Trumbull and Representative Griff Griffiths to The Honorable Michael A. Caruso and The Honorable Jason W.B. Pizzo, Alternating Chairs, Joint Legislative Auditing Committee, dated November 8, 2023 (on file with the Committee).

² *Id.*

³ Letter from Dr. Michele Miller, Mayor, City of Mexico Beach, Florida, to The Honorable Jay Trumbull, Florida Senator, dated September 22, 2023 (on file with the Committee).

⁴ *Id.*

⁵ Chapter 67-171, *Laws of Florida*, created the “Town” of Mexico Beach and Chapter 72-616, *Laws of Florida*, also references the “Town” of Mexico Beach. However, the City Charter states the “City” of Mexico Beach.

⁶ *Note 1(a) to the Financial Statements, City of Mexico Beach, Florida, Financial Statements, September 30, 2021* page 20.

⁷ University of Florida, College of Liberal Arts and Sciences, Bureau of Economic and Business Research, *Florida Estimates of Population by County and City 2023 (Table 1 only)*, page 1. (on file with the Committee).

⁸ *Mexico Beach, Fl Code of Ordinances, Article II, Section 2.01*, available at: https://codelibrary.amlegal.com/codes/mexicobeach/latest/mexicobeach_fl/0-0-0-1 (last visited December 6, 2023).

⁹ *Id.* Article II, Section 2.02.

¹⁰ *Mayor & Council*, City’s website, available at: <https://mexicobeachfl.gov/government/mayor-and-council/> (last visited December 6, 2023).

¹¹ *See supra* note 9. Article II, Section 2.07.

¹² *See supra* note 10.

safety, and general administration.¹³ In addition, the City has interlocal agreements with: (1) Bay County for wastewater treatment for a specified daily amount; and (2) the Mexico Beach Community Development Council, Inc. for the maintenance of the City's municipal canal and beaches, and the maintenance and operation of the City's public television station granted by franchise agreement.¹⁴

Hurricane Michael

In October 2018, the City was devastated by Hurricane Michael.¹⁵ Per an insurance trade publication, “[t]he massive storm made landfall in Mexico Beach... with maximum sustained winds of 155 mph... [it] is the most powerful hurricane to have come ashore in the Florida Panhandle since the first records were kept in 1851... ‘Fueled by unseasonably high 84-degree sea surface temperatures in the Gulf of Mexico and unhindered by any prior landfall, Hurricane Michael rapidly intensified shortly before making landfall at close to Category 5 intensity’... Mexico Beach was ‘virtually obliterated’... as it was in the right eyewall of Michael where storm surge is typically the highest. In addition, the high wind speeds leveled buildings in the area, as well as took down power lines and countless trees.”¹⁶

Per the City's website, “[a]s a result of damages incurred from Hurricane Michael in 2018, the City has rebuilt much of its infrastructure and resources, including an improved boat canal, beach front parks, and more.”¹⁷

Concerns

Senator Trumbull has requested the scope of the Auditor General's operational audit include the City's compliance with policies, regulations, contracts, and good business practices in the areas of filing annual financial audit reports; removal of unauthorized signers from an entity's bank accounts; and any other areas the Auditor General deems appropriate.¹⁸

The City's most recently required financial audit report, due June 30, 2023, has not been completed and submitted to the Auditor General and the Department of Financial Services (DFS). Many earlier audit reports were also submitted significantly late. Details are provided under the heading **Financial Audits**.

Regarding authorized signatures for the City's bank accounts, the City's Mayor stated that when she took office in April 2023, she noticed that “councilmen from several years ago were still listed on the bank accounts.”¹⁹

Other Concerns and Information

Hurricane Michael Recovery

Since Hurricane Michael, the City has received significant funding for costs associated with repairs, rebuilding, debris removal, and other emergency work.

¹³ See *supra* note 6.

¹⁴ Note 11 to the Financial Statements, City of Mexico Beach, Florida, Financial Statements, September 30, 2021, page 35.

¹⁵ Patricia Sullivan, Emily Wax-Thibodeaux and Annie Gowen, ‘It’s all gone’: Tiny Florida beach town nearly swept away by Hurricane Michael, The Washington Post, October 12, 2018, (on file with the Committee).

¹⁶ Amy O’Connor, Florida Picks Up the Pieces from Powerful Hurricane Michael, Insurance Journal, November 20, 2018, available at: <https://www.insurancejournal.com/news/southeast/2018/11/20/509157.htm> (last visited December 6, 2023).

¹⁷ About Mexico Beach, City’s website, available at: <https://mexicobeachfl.gov/> (last visited December 6, 2023).

¹⁸ See *supra* note 1.

¹⁹ See *supra* note 3.

A July 2023 funding update provided by Atkins, a disaster recovery consulting firm hired by the City immediately after Hurricane Michael to provide disaster recovery and grant management consulting services,²⁰ stated that the “primary program through which the City has received funding so far is ... the Public Assistance [p]rogram. [It] is a program aimed at assisting local governments rebuild... [and] is primarily a reimbursement-based program. There are some exceptions, but generally [the City has] to complete work and provide documentation of that work before FEMA/FDEM [will] give [the City] any money. Typically the Public Assistance program has a local match... this forces local governments to have some skin in the game... The City [has an] [o]bligated amount [of] around \$100 million right now... [an amount] set aside or allocated... [and has] been paid around \$92 million so far.”²¹

Lawsuit filed by the Mayor

On September 1, 2023, the City’s Mayor filed a lawsuit against the City Council in the Bay County Circuit Court to enforce a section of the City’s charter related to her role as the Mayor.²² The initial petition states, in part, that:

- Per the City’s Charter, the City is a Mayor-Council form of government and part of the Mayor’s duties are to serve as the chief elected administrative and fiscal official for the City.²³
- Beginning on or around April 28, 2023, the Mayor requested to have access to the City’s financial records, including but not limited to accounts payable, accounts receivable, invoices and purchase orders.²⁴
- As of the date of the filing, the Mayor has been denied access to the records. The City Council voted to hire an individual for the City Administrator’s position with duties that infringe on the Mayor’s Charter based responsibilities and obligations.^{25,26}
- The City Council claims the Mayor does not have a right to the records and declared that the City Administrator is in control of the City’s financial records, which is a violation of the City’s Charter.²⁷
- Two City ordinances that assign duties to the City Administrator are in direct conflict with the Charter’s assignment of duties to the Mayor, as chief elected administrative official for the City.²⁸

²⁰ Bailey Nichols, *Future projects underway in Mexico Beach*, mypanhandle.com, July 25, 2023/updated July 27, 2023 (on file with the Committee).

²¹ *Mexico Beach Disaster Funding Update (7/25/23)*, available at: <https://mexicobeachfl.gov/uploads/2023/07/MB-Disaster-Funding-Update-072523-RYAN.pdf> (last visited December 6, 2023).

²² *Michele Miller, as the Mayor of the City of Mexico Beach, Florida v. City of Mexico Beach, Florida, City Council*, Petition for Writ of Mandamus and Injunctive Relief, Case No. 23001140CA (on file with the Committee).

Case documents are available on the Bay County Clerk of Court & Comptroller’s [website](#) by searching the case number or one of the party’s names.

²³ *Id.*

²⁴ *Id.*

²⁵ On August 17, 2023, the City Council voted to approve an agreement with an individual to become the City Administrator. See: Minutes for August 17, 2023 City Council Special Meeting, available at: <https://mexicobeachfl.gov/uploads/2023/08/8-17-23-Special-Meeting-Minutes.pdf> (last visited December 6, 2023). Other individuals served as the City Administrator or Interim City Administrator from the time the Mayor states she requested the records until mid-August 2023.

²⁶ See *supra* note 23.

²⁷ *Id.*

²⁸ *Id.*

- If the City Council or its electors wish to change the form of government to a Council-Member government, there must be referendum on the ballot to allow the voters of the City to decide if that is in the best interest of the City.^{29,30}
- The City Council is circumventing amending the Charter by delegating the duties of the Mayor assigned in the Charter to the City Administrator; an ordinance that conflicts with a charter is invalid.³¹
- The Mayor is concerned about her obligation to ensure that the City is financially responsible and that funds are appropriately spent.³²

On September 25, 2023, the City Council hired a law firm to defend the City.³³ Since then, the Mayor has filed an amended petition and the City Council has responded to both petitions.³⁴ The City Council requested the dismissal of the original petition and filed a motion to strike the amended petition.³⁵ The most recent petition and response were filed on November 15 and 17, 2023, respectively.³⁶

The amended petition includes, in part, a request for a declaratory judgment that finds the Mayor is the “chief elected administrative and fiscal official for the City, and this specific authority governs over the general requirement that the powers and duties of the mayor shall be as conferred by State Laws, this Charter, and by the City Council; and a declaratory judgment that requires the City Council “not interfere with [the Mayor’s] duties as administrative and fiscal officer.”

Effort to Recall the Mayor

A group of citizens, alleging that the Mayor violated the Sunshine Law and exceeded her authority, have initiated a petition to recall her.³⁷ Recently, about 100 residents signed the petition.³⁸ Section 100.361, *Florida Statutes*, specifies the requirements for a municipal recall and, based on the City’s size, appears to require 10% of its registered electors to sign the petition.

²⁹ Section 166.031, *Florida Statutes*, states, in part, that the governing body of a municipality may, by ordinance, or the electors of a municipality may, by petition signed by 10 percent of the registered electors as of the last preceding municipal general election, submit to the electors a proposed amendment to its charter. The proposed amendment may be to any part or all of the charter, except the part describing the municipality’s boundaries.

³⁰ See *supra* note 23.

³¹ *Id.*

³² *Id.*

³³ Special Meeting Minutes, City of Mexico Beach, September 25, 2023, available at:

<https://mexicobeachfl.gov/uploads/2023/09/09-25-2023-Special-Meeting-Minutes.pdf> (last visited November 30, 2023).

³⁴ Additional petitions filed in *Michele Miller, as the Mayor of the City of Mexico Beach, Florida v. City of Mexico Beach, Florida, City Council*: By petitioner (Mayor): *First Amended Petition for Writ of Mandamus, Declaratory and Injunctive Relief*, dated November 15, 2023. By Respondent (City Council): *Response to Petition for Writ of Mandamus*, dated October 25, 2023; *Motion to Strike “First Amended Petition for Writ of Mandamus, Declaratory and Injunctive Relief,”* dated November 17, 2023 (on file with the Committee).

³⁵ *Id.*

³⁶ *Id.*

³⁷ Cortney Evans, *Mexico Beach Mayor Michele Miller being recalled by residents*, mypanhandle.com, November 20, 2023, available at: <https://www.mypanhandle.com/news/local-news/bay-county/mexico-beach/mexico-beach-mayor-michele-miller-being-recalled-by-residents/> (last visited December 7, 2023).

³⁸ *Id.*

Financial Audits

Delinquent Financial Reports

The City has not completed the most recently required annual audit of its accounts and records by an independent certified public accountant (CPA), as required by Section 218.39(1), *Florida Statutes*. The audit report and the Annual Financial Report (AFR) to the Department of Financial Services (DFS) for the 2021-22 fiscal year were due no later than June 30, 2023. On November 16, 2023, the City notified the Committee that the estimated timeframe to complete the audit is 90 days.³⁹

For most of the past ten years, the City has failed to timely submit its required financial reports.⁴⁰ As shown in the following table, the City submitted its audit report to the Auditor General by the statutory due date once.⁴¹ During the remaining years, the City submitted the audit report from 11 to 275 days late. Timely financial reporting is necessary for effective decision-making by the City’s governing body and management, as well as to provide transparency and accountability to City residents and others doing business with the City.

City of Mexico Beach – Timeliness of Audit Report Submissions				
	Fiscal Year	Audit Report Due Date	Audit Report Received Date	Number of Days Late
1	2012-13	6/30/2014	12/9/2014	162
2	2013-14	6/30/2015	8/6/2015	37
3	2014-15	6/30/2016	7/28/2016	28
4	2015-16	6/30/2017	6/29/2017	0
5	2016-17	6/30/2018	7/11/2018	11
6	2017-18	6/30/2019	10/28/2019	120
7	2018-19	6/30/2020	4/1/2021	275
8	2019-20	6/30/2021	3/31/2022	274
9	2020-21	6/30/2022	12/20/2022	173
10	2021-22	6/30/2023	Not Submitted Yet	160*

*As of 12/7/2023

During certain years the Committee has taken action against the City for its failure to comply with the statutory reporting requirements in Section 218.32(1)(a) and 218.39(1), *Florida Statutes*. If the delinquent reports were not submitted by the effective date set by the Committee, this action involved directing the Department of Revenue (DOR) and the DFS withhold any state funds that were not pledged for bond debt service that the City would have otherwise been entitled to receive. However, the City has not lost any state funds based on the Committee’s action.

During three of the years listed above in which the reports were submitted late, the City submitted the required reports prior to the Auditor General’s and DFS’ notifications to the Committee.⁴² These notifications generally occur two or more months after the reports’ due dates. For the remaining years in which the reports were submitted late, the City submitted the required reports either before the effective date of the Committee’s action or within 30 days of the Committee’s action.⁴³ Once notified to

³⁹ Memorandum from Chris Hubbard, City Administrator, City of Mexico Beach, to Florida Joint Legislative Auditing Committee, dated November 16, 2023 (on file with the Committee).

⁴⁰ The Committee enforces compliance with Sections 218.32(1) and 218.39(1), *Florida Statutes*, which requires most local governmental entities to submit an annual financial audit report (audit) and an annual financial report (AFR) to the state. The City meets the audit threshold and is required to submit an audit and AFR each year.

⁴¹ Source: Committee’s database.

⁴² *Id.*

⁴³ *Id.*

withhold funds from a municipality, the DOR and the DFS are required by law to wait 30 days before withholding any funds.⁴⁴ For the reporting periods that were affected by Hurricane Michael, the Committee provided generous extensions to ensure that the City was not penalized when it appeared that it was doing its best to submit the outstanding reports.⁴⁵

Audit Findings

Although delinquent, the City’s most recent audit report, for the 2020-21 fiscal year, was submitted to the Auditor General’s Office, as required by Section 218.39(1), *Florida Statutes*.⁴⁶ The auditors issued unmodified opinions on the General Fund and Disaster Recovery Fund.⁴⁷ However, the auditors qualified their opinions for the Governmental Activities, Business-Type Activities, and Water, Sewer, and Sanitation Funds.⁴⁸ The same opinion qualifications were also made by the auditors for the two preceding fiscal years.⁴⁹

The City’s most recent audit report, for the 2020-21 fiscal year, included the following nine findings:⁵⁰

Number	Finding
2021-001 <i>Material Weakness</i> ⁵¹	Management Override and Segregation of Duties: The size of the City’s accounting staff and turnover during the year precluded certain internal controls that would be preferred including review of journal entries posted to the accounting system by an individual not involved in the creation of the journal entry and restricting access for updating pay rates within the payroll system to management or human resources. Certain practices could be implemented to improve existing internal control without impairing efficiency. The auditors recommend management develop and implement controls that sufficiently segregate duties within the accounting function.
2021-002 <i>Material Weakness</i>	Reconciliation of Account Balances and Audit Adjustments: Many significant account balances were not reconciled until a significant period of time after year-end. Substantial journal entries and adjustments were required as a result of audit procedures, including various restatements to correct beginning fund balance and net position balances. The auditors recommend management select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

⁴⁴ Section 11.40(2)(a), *Florida Statutes*.

⁴⁵ See *supra* note 41.

⁴⁶ Pursuant to Section 218.39(7), *Florida Statutes*, these audits are required to be conducted in accordance with rules of the Auditor General promulgated pursuant to Section 11.45, *Florida Statutes*. The Auditor General has issued *Rules of the Auditor General, Chapter 10.550 - Local Governmental Entity Audits* and has adopted the auditing standards set forth in the publication entitled *Government Auditing Standards* (2018 Revision) as standards for auditing local governmental entities pursuant to Florida law.

⁴⁷ An unmodified opinion indicates that the auditors have determined that the referenced financial statements present fairly, in all material respects, the respective financial position of the General Fund and Disaster Recovery Fund of the City as of the fiscal year-end, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States. Source: *Independent Auditors’ Report, City of Mexico Beach, Florida, Financial Statements, September 30, 2021*, pages 1-2.

⁴⁸ The auditors qualified their opinions because the City had not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (effective for fiscal years beginning after June 15, 2017). Source: *Independent Auditors’ Report, City of Mexico Beach, Florida, Financial Statements, September 30, 2021*, pages 1-2.

⁴⁹ *Independent Auditors’ Report, City of Mexico Beach, Florida, Financial Statements, September 30, 2020*, pages 1-2, and *Independent Auditors’ Report, City of Mexico Beach, Florida, Financial Statements, September 30, 2019*, pages 1-2.

⁵⁰ *Schedule of Findings and Questioned Costs, and Management Letter, City of Mexico Beach, Florida, Financial Statements, September 30, 2021*, pages 47-48 and 54-55, respectively.

⁵¹ A material weakness is “a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis.” American Institute of Certified Public Accountants (AICPA). (2021). *U.S. Auditing Standards – AICPA (Clarified)*, AU-C Section 265.07. Available at: <https://us.aicpa.org/content/dam/aicpa/research/standards/auditattest/downloadabledocuments/au-c-00265.pdf> (last visited December 7, 2023).

Number	Finding
2021-003 <i>Material Weakness</i>	Timeliness of Bank Reconciliations: Bank reconciliations were not performed timely during the course of the year. Additionally, audit adjustments were required during the audit to agree the accounting records to the amount listed on the bank reconciliation. The auditors recommend the City's finance department perform bank reconciliations within 30 days after the end of the month and ensure all reconciled balances per the bank reconciliations agree to the general ledger.
2021-004	Financial Emergency: As a result of the ongoing impact from Hurricane Michael during the first part of the fiscal year, the auditors noted the City had not paid all uncontested claims from vendors within 90 days, which is a condition noted in Section 218.503(1), <i>Florida Statutes</i> , of a financial emergency. While the auditors noted this occurred under exceptional circumstances and the condition was subsequently resolved prior to the end of the year, the auditors recommend management continuously review and monitor the negative fund balance and plan for any further response should the City approach similar circumstances in the near future.
2021-005	Budgetary Control: There was no legally adopted budget for the disaster recovery fund. In addition, the general fund expenditures exceeded the amounts budgeted for. The auditors recommend, going forward, the City legally adopt a budget for all funds and that the City maintain a level of expenditures that is within the adopted budget.
2021-006	Utility Deposits: The City currently has no policy to collect and hold customer deposits on utility accounts. In the event of nonpayment on customer accounts, particularly for any accounts not in the name of the property owner, the City's risk of write-offs and potential cost of future collections is substantially higher than it would be if deposits were collected. The auditors recommend the City contemplate the benefits of implementing a utility deposit policy for new accounts.
2021-007	Building Permit Expenditures: Section 553.80(7)(a), <i>Florida Statutes</i> , limits the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The City does not specifically budget and track expenditures related to building department activities in a standalone department of the general fund budget. The auditors recommend the City specifically budget and track expenditures related to the building department, whether as a department of the general fund or an entirely separate fund.
2021-008	Debt Compliance: The City has various notes payable outstanding at year end with varying debt covenants. The debt sinking fund was underfunded at year-end. The auditors recommend management act to fund the sinking fund at the level required by the debt covenants.
2021-009	Impact Fee Accounting: At year-end, the City's impact fees were not being recorded in a separate fund. In late fiscal year 2021, Section 163.31801(4)(b), <i>Florida Statutes</i> , was modified, which requires impact fees be recorded in a separate accounting fund. The auditors recommend the City transition its impact fees to a separate fund in fiscal year 2022 and in the fiscal year 2023 budget process.

In accordance with the *Rules of the Auditor General*, the auditors are required to:

- Communicate any recommendations to improve financial management to the governing officials.⁵² The auditors identified the following findings related to improving financial management: 2021-005 through 2021-009.⁵³
- Determine whether or not the City met any conditions of a financial emergency, as specified in Section 218.503(1), *Florida Statutes*.⁵⁴ The auditors determined that the City did meet such a condition as reported in Finding 2021-004.⁵⁵

Repeat Audit Findings

Seven of the nine audit findings noted above were reported in three successive audit reports.⁵⁶ Any audit findings that are included in at least three successive audit reports are required to be reported to the Committee by the Auditor General, and a process is provided in Section 218.39(8), *Florida Statutes*, for

⁵² Rules of the Auditor General, Chapter 10.550, *Local Governmental Entity Audits*, page 5, available at: https://flauditor.gov/pages/pdf_files/10_550.pdf (last visited December 7, 2023).

⁵³ *Management Letter, City of Mexico Beach, Florida, Financial Statements, September 30, 2021* page 54.

⁵⁴ See *supra* note 53.

⁵⁵ See *supra* note 54.

⁵⁶ *Id.* (Findings 2021-001 through 2021-007)

the Committee's involvement. The first step authorized in the process for municipalities is for the Committee to send a letter to the Mayor to request an updated status of the municipality's effort to correct these repeat audit findings. In July 2023, the Committee requested a status update for the seven findings that had been reported in at least three successive audit reports.⁵⁷

Committee staff compared the City's audit finding status response,⁵⁸ to its responses included in the audit reports from the prior years for the same findings. Based on this review, it appears that City has not demonstrated its commitment to correcting these repeat audit findings. The responses for six of the seven repeat findings provided in the 2018-19 fiscal year audit report, the first year the findings were reported, were identical to the responses provided in August 2023. For example, the City's response to Finding 2019-003,⁵⁹ related to the Timeliness of Bank Reconciliation, was:

“Management agrees with the recommendation to have all bank reconciliations prepared within 30 days after the end of the month to ensure all reconciled balances per the bank reconciliations agree to the general ledger. Anticipated completion date: Immediate.”

This report was dated March 18, 2021. An identical response and anticipated completion date was included in the audit reports for the 2019-20 fiscal year (dated March 22, 2022), and the 2020-21 fiscal year (dated December 15, 2022), and the City's response to the Committee (dated August 18, 2023).

Committee staff acknowledge that the City has had challenges since Hurricane Michael; however, it appears reasonable that at least some of the audit findings could have been corrected.

Summary of Certain Financial Information Included in the City's Audit Report for the Fiscal Year ended September 30, 2021:

- “The City was catastrophically impacted by Hurricane Michael in October 2018, resulting in substantial negative financial positions and trends as the City waits on financial assistance from the Federal and State government.
- The total assets of the City... exceeded its liabilities at the close of the most recent fiscal year by \$36,907,609 (net position). Of this amount, \$1,536,415 is considered unrestricted net position and is available to be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased... by \$26,011,215 in fiscal year 2021, after restatements to beginning net position. Net position of the City's governmental activities increased... by \$26,121,041, while net position of its business type activities... decreased by \$109,826.
- The City's governmental funds reported a combined ending fund balance of \$20,570,527 at the end of the current fiscal year, which increased... by \$24,715,296 in comparison to the (\$4,144,769) (as restated) reported at the end of the prior fiscal year... \$6,868,317 [of the fund balance] is available

⁵⁷ Letter from Senator Jason Pizzo, Chair, and Representative Michael Caruso, Vice Chair, Joint Legislative Auditing Committee, to the Honorable Michele Miller, Mayor, City of Mexico Beach, dated July 6, 2023, available at: http://www.leg.state.fl.us/Data/Committees/Joint/JCLA/correspondence/790_20230710105244.pdf (last visited December 7, 2023).

⁵⁸ Letter from Mell Smigielski, Interim City Administrator, City of Mexico Beach, to Kathryn H. Dubose, Coordinator, Joint Legislative Auditing Committee, dated August 18, 2023, available at: http://www.leg.state.fl.us/Data/Committees/Joint/JCLA/correspondence/790_20230822123355.pdf (last visited December 7, 2023).

⁵⁹ The same finding was reported as 2020-003 and 2021-003 in subsequent years.

for spending at the City's discretion (unassigned fund balance)... [this is] 163% of the total fiscal year 2021 General Fund expenditures of \$4,376,585.

- The City's total long-term debt obligations decreased by \$346,651 during the fiscal year, due to scheduled current-year principal maturities/reductions on existing obligations. The City's combined long-term commitment for compensated absences totaled \$77,638 at year-end."⁶⁰
- "The Disaster Recovery fund, which was established in 2019 [after Hurricane Michael], had an ending fund balance of \$11,160,621, all of which was reported as restricted fund balance related to disaster recovery expenditures.⁶¹ [It] is expected to be used over the course of the coming years as the City recovers from damage related to Hurricane Michael."⁶²

Other Considerations

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

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

III. Effect of Proposed Request and Committee Staff Recommendation

If the Committee directs the Auditor General to perform an operational audit of the City of Mexico Beach, the Auditor General, pursuant to the authority provided in Section 11.45(3), *Florida Statutes*,

⁶⁰ *Management's Discussion and Analysis, City of Mexico Beach, Florida, Financial Statements, September 30, 2021*, page 4.

⁶¹ *Id.*, page 9.

⁶² *Id.*

shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Senator Trumbull and Representative Griffiths are considered.

IV. Economic Impact and Fiscal Note

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

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

V. Related Issues

None.

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

**2 Audit Request:
Town of Greenville**

From: [Tant, Allison](#)
To: [Caruso, Mike](#); [Dubose, Kathy](#)
Cc: [edwardwalkerdean@gmail.com](#); [seat1@mygreenvillefl.com](#); [seat3@mygreenvillefl.com](#); [seat5@mygreenvillefl.com](#); [Allen, Mitchell](#); [seat2@mygreenvillefl.com](#); [seat4@mygreenvillefl.com](#); [district3@madisoncountyfl.com](#)
Subject: Town of Greenville Audit
Date: Tuesday, November 28, 2023 2:58:00 PM
Attachments: [Greenville Town Manager.JPG](#)
[OutlookEmoji-165938679679097310d61-9b20-4b58-9833-1681365ea768.png](#)

Dear Chair Caruso,

I am requesting that the Joint Legislative Auditing Committee direct the Auditor General to conduct a complete operational and fiscal audit of the Town of Greenville, a town in my district located in Madison County, Florida. In addition to constituent concerns that have been raised with my office, attached please see a statement issued by the Interim Town Manager circulated on social media, which recently came to my attention.

As you will read, the statement indicates that the prior Town Manager was terminated with cause due to "highly credible allegations of fraud, mismanagement and failure to comply with state law". The audit should include concerns raised with my office about waste and abuse of public funds, failure to timely submit the Town budget, the excessive salary of the former town manager who was never a resident of the Town, utilities fees and the lack of clean water. In light of these very serious allegations, the urgency of this matter can not be understated and I respectfully request consideration of this matter as soon as your committee can take this matter up.

Thank you for consideration of this very serious request.

Sincerely,



*State Representative
Allison Tant*

State Representative for
Florida House District 9

✉ Allison.Tant@MyFloridaHouse.Gov

☎ 850-717-5009

📍 1001 The Capitol | 402 S. Monroe
St. Tallahassee, FL 32399



154 SW Old Mission Avenue • Post Office Box 235 • Greenville, Florida 32331-0235
Phone 850-948-2251 • Fax 850-948-3363

Incorporated 1907

FOR IMMEDIATE RELEASE

November 22, 2023

Contact: Edward W. Dean

Phone: (850) 948-2251

**STATEMENT FROM
INTERIM TOWN MANAGER EDWARD DEAN**

On Monday, November 20, 2023, the Town Council voted to retain me as your Interim Town Manager. I am honored to return to this great community and appreciate the confidence shown in me by the Town Council.

At this same meeting, the Town Council voted to terminate the former town manager. I understand that this decision was controversial, and as a result, misinformation is being spread online in an attempt to undermine the people's faith in our town. Please allow me to correct the record.

At Monday's special meeting, the Town Council voted to terminate with cause the former town manager. The vote was 3-2. The grounds for his termination involved highly credible allegations of fraud, mismanagement, and failure to comply with state law.

Since this termination, rumors have circulated online that the future operator of Greenville's grocery store now refuses to continue his relationship with the Town. This fact cannot be confirmed. I understand that there is a document circulating online alleged to be a letter from this operator; however, the veracity of the document cannot be confirmed, and the operator has not contacted the Town of Greenville. It is also important to note that the individual(s) circulating this document have a history of fabricating documentation involving Greenville business.

Most importantly, the people of Greenville need to be assured that the future of the Town and our grocery store is strong and secure. The vast majority of the work associated with the grocery store is done by outside consultants, all of whom are still working with the Town of Greenville. The work done by these consultants will not be affected by who is employed as the Town Manager, whether it be me or my predecessor.

I wish all of you a Happy Thanksgiving and look forward to serving you again!

Edward Walker Dean
Interim Town Manager
Town of Greenville

An Excellent Place to Live and Work

STAFF ANALYSIS

Date: December 8, 2023

Subject: Request for an Operational Audit of the Town of Greenville

Analyst Coordinator

DuBose^{KD}

DuBose^{KD}

I. Summary:

The Joint Legislative Auditing Committee (Committee) has received a request from Representative Allison Tant for an operational audit of the Town of Greenville.

II. Present Situation:

Current Law

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

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

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

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

Request for an Operational Audit of the Town of Greenville

Representative Tant has requested an operational audit of the Town of Greenville (Town). She submitted the request after the prior Town Manager was reportedly terminated with cause due to "highly credible allegations of fraud, mismanagement and failure to comply with state law."¹ Representative Tant

¹ Email from Representative Allison Tant to Chair Mike Caruso, Alternating Chair, Joint Legislative Auditing Committee, dated November 28, 2023 (on file in Committee Office).

requested that the audit “include concerns raised with my office about waste and abuse of public funds, failure to timely submit the Town budget, the excessive salary of the former Town Manager, who was never a resident of the Town, utilities fees and the lack of clean water.”²

Background

The Town is a municipal corporation formed under Chapter 5808, *Laws of Florida, Act of 1907*. It is located in Madison County and has an estimated population of 773.³ It is governed by a five-member elected Town Council, each elected for a term of two years.⁴ The Town Council elects a Mayor and Vice Mayor from its membership.⁵ The Town Council is the legislative body of the Town.⁶

The Town’s Charter provides the following powers to the Town Council:⁷

- Exercise the inherent police power of the Town by establishing and maintaining a suitable police department, fire protection department, emergency services department, code enforcement department, and any other departments and quasi-judicial boards necessary for the safety, health, and welfare of the people of the Town, or at the election of the Town Council, enter into sufficient interlocal agreements, contracts, and other agreements for the provision of these services, as well as any other municipal services as are necessary to protect the public health, morals, welfare, and safety of the Town unless preempted by or inconsistent with general or special law, and by unanimous vote of the Town Council, abolish any municipal department.
- By majority vote, the Town Council shall hire and retain, or may discharge and terminate a Town Manager, a Town Clerk, and a Town Attorney. Each of these are Charter Officers.

The Town’s Charter provides the Town Manager with the authority to:⁸

- Appoint, suspend, demote, or dismiss any Town employee under his or her jurisdiction in accordance with law and the personnel rules.
- Direct and supervise the administration of all departments of the Town, except the Offices of Town Clerk and Town Attorney.
- Attend all Town Council meetings unless excused by the Town Council and shall have the right to take part in discussions, but not vote.
- See that all laws, charter provisions, ordinances, resolutions, and other acts of the Town Council, subject to enforcement by the Town Manager are faithfully executed.
- Prepare and submit the annual budget, budget message, and capital program to the Town Council.
- Keep the Town Council fully advised as to the financial condition and future needs of the Town.
- Make such recommendations to the Town Council concerning the affairs of the Town as he or she deems desirable.

² *Id.*

³ University of Florida, College of Liberal Arts and Sciences, Bureau of Economic and Business Research, *Florida Estimates of Population by County and City 2023* (on file with the Committee).

⁴ *Code of Ordinances, Town of Greenville, Florida*, Part I - Charter, Section 5, available at:

https://library.municode.com/fl/greenville/codes/code_of_ordinances (last visited December 8, 2023).

⁵ *Id.*, Section 5(d).

⁶ *Id.*, Section 4(b).

⁷ *Id.*, Sections 4 (b)(1) - (4).

⁸ *Id.*, Section 4(b)(2).

In addition to general government services, the Town offers water, sewer, and garbage pickup services to its residents.⁹

Concerns

Representative Tant stated that she has been aware of issues with the Town, located in one of the poorest counties in the State, since she began representing its citizens after reapportionment.¹⁰ She further stated that she now believes an audit is needed based on a social media post by the newly appointed Interim Town Manager in which he referenced “highly credible allegations of fraud, mismanagement, and failure to comply with state law.”¹¹ Her letter requested that the audit scope include the following issues: (1) waste and abuse of public funds; (2) failure to timely submit the Town budget; (3) the excessive salary of the former Town Manager, who was never a resident of the Town; (4) utilities fees; and (5) the lack of clean water. Committee staff have also been aware of concerns about the Town for the past several years.

Concerned Citizens

In August 2020, Concerned Citizens of Greenville FL (Concerned Citizens), a group identified as a then current council member, former mayors, former council members, and respected citizens of the Town, sent a letter to Governor Ron DeSantis requesting his intervention under Part V, Chapter 112, *Florida Statutes* (Suspension, Removal, or Retirement of Public Officers).¹² They stated that “[w]e are proud residents of this small, rural community and we need your help... Our community is in the midst of a crisis created by the current town council.¹³ They are jeopardizing the town’s financial solvency and eroding principles of democratic governance. They have used the pretext of a national health emergency to wrest control unto themselves without regard for the town’s charter or state law.”¹⁴ Specific concerns are as follows:

- “Councilmembers have blatantly, willfully violated the Florida Sunshine Law by meeting repeatedly in city hall without proper citizen access or public notice.
- Council members have personally handled financial transactions and worked in city hall in violation of the town Charter.
- Council’s reckless actions in firing the Town Clerk in May was done without planning or forethought and created chaos and confusion. Then, Council compounded the town’s problems by forcing the resignations of the Deputy Town Clerk and Town Manager.
- Council refuses to advertise and permanently fill City Hall positions. Appropriate citizen inquiry during meetings is met with a wall of silence with no follow-up, especially in regards to the hiring of replacement staff.
- At present, the sole administrative staff for Greenville is an Interim Town Clerk paid \$126,600 per year. He is an out-of-town consultant hired at the insistence of the Mayor to perform all city hall duties. The position was not advertised and he was the sole person interviewed. This individual is in City Hall only one day a week, refuses to answer the telephone and is rarely available to citizens or vendors. City Hall is locked tight.

⁹ *Utility Information*, Town’s website, available at: <https://mygreenvillefl.com/utility-information/> (last visited December 8, 2023).

¹⁰ Phone call with Representative Tant on November 28, 2023. She has represented the Town’s citizens since November 2022.

¹¹ *Id.*

¹² August 28, 2020 Letter from Concerned Citizens of Greenville FL to Governor Ron DeSantis (on file with the Committee).

¹³ Two of the five members of the now current Town Council were also on the Town Council at this time.

¹⁴ *See supra* note 12.

- Council has excluded the town’s citizenry. Council members claim “emergency powers” and have repeatedly prohibited or impeded direct citizen engagement in matters which are of great public interest.
- Since April 13 [2020], town meetings have been held via Zoom and closed to citizen presence. Requests to hold meetings in an adjacent, larger city building allowing social distancing have been ignored. Many Greenville citizens do not have Internet access, so they are excluded from the democratic process.
- For months, billing and accounting for town utilities have been mishandled, late, or incorrect (one citizen received a bill for over \$20,000). Vendors have complained about unpaid invoices.
- Public notice of meetings has been irregular, sometimes the day before a meeting. Public records requests are delayed, deferred, sometimes ignored.
- There has been no report on town finances since April.
- Ordinances have been pushed through to enact major changes to a brand-new town charter approved by the town’s electorate in March 2020.
- A cabal among councilmembers has gone to great lengths to obscure business in city hall, even failing to inform other councilmembers of their activities.
- Citizen inquiries about when city hall will be open, when the city parks will be open and when limited citizen presence will be allowed at meetings have been ignored for months.
- This week citizens have come forward asserting the Mayor is unilaterally making decisions about which customers must pay town water bills. She is granting special favors to friends and family, while insisting others must pay in full or be cut-off.”¹⁵

The group described the Town’s situation as urgent and further stated that “[o]ur community is dominated by secrecy and chaos. Any citizen effort to address these issues has been met with derision or personal attacks during council meetings and on social media. The pressing issue is what is going on – or not going on – with the town’s finances. On numerous occasions the Mayor and another councilmember, her sibling, have been in city hall conducting financial transactions contrary to the express prohibition of the town’s attorney. They have handled petty cash, made bank deposits, accepted payments and conducted transactions involving access to private financial information of Greenville citizens. There is no oversight or accountability.”¹⁶

Prior to contacting the Governor, the group indicated that its “attempts to seek remedy through local law enforcement and the state attorney’s office have been unsuccessful.” They requested the Governor’s Office to examine the actions of the Mayor and two Councilmembers for possible suspension.”¹⁷

There is overlap in the members of the Town Council between the date of the Concerned Citizens’ letter in 2020 and now. Most recently, the Town’s November 2023 ballot included four of the five seats.¹⁸ Incumbents ran in two seats, and the other two seats were vacant.¹⁹ Both of the incumbents lost the

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ Source: Madison County Supervisor of Elections’ Election Results, available at: <https://www.votemadison.com/Election-Information/Election-Results> [select ‘(11/7/2023) 2023 Town of Greenville;’ last visited December 8, 2023].

¹⁹ Source: Town’s website, *Qualifying for 2023 Municipal Election*, available at: <https://mygreenvillefl.com/town-elections/> (last visited December 8, 2023). Seat 3 was scheduled to be on the November 2022 ballot; however, due to an error, explained in the section title **2022 Election**, it was not. The Town Council voted to add the two candidates who had qualified to run

election.²⁰ Of the four Town Council members sworn in at the November 9, 2023 Town Council meeting, two were new to the Town Council and the other two had served on the Town Council during a previous time.²¹

2022 Election

One of the Town Council seats was supposed to appear on the November 2022 ballot; however, due to an error it did not.²² The incumbent filed the necessary paperwork with the Town and paid the required filing fee in order to run for re-election. In addition, another candidate, a former Town Council member, also filed to run for that seat. As reported, the paperwork from the Town for the two candidates was not provided to the Madison County Supervisor of Elections. The Town's CEO/CFO stated that "responsibility was given to the [T]own's office manager...[who] is no longer employed with the Town..."²³

The seat remained vacant until after the November 2023 election due to the Town Council's failure to agree on a method to fill the seat.²⁴ In November 2022, the Town Council voted against the three options considered, which were to: (1) hold a special election, (2) fill the seat with an individual named by the Mayor (who happened to be the Mayor's sister and a former council member), and (3) follow the Town Charter for the appointment of the vacant seat.²⁵ In August 2023, the Town Council voted to add the two candidates that qualified and filed for the November 2022 election to the November 2023 ballot.²⁶

Questionable Document

Reportedly, a fraudulent document was posted on the Town's website related to a September 29, 2023 Emergency Session of the Town Council.²⁷ The purpose of the session was to codify the Town's budget and millage rate, which had been approved earlier but was not in the form of a resolution, as required.²⁸ A document available on the Town's website on October 4, 2023, stated that two resolutions were considered and voted on at the meeting.²⁹ At the time, only three of the five council seats were filled.³⁰ The posted document indicated that the Mayor and Vice Mayor were present at the meeting and the third Town Council member was absent.³¹ It further indicated that the Vice Mayor moved both resolutions and each passed 2-0.³² However, the Vice Mayor stated that she was not at the meeting and did not

for that seat to the November 2023 ballot. Seat 5 lists Carl Livingston; however, he resigned from the Town Council prior to the election.

²⁰ See *supra* note 18.

²¹ Rick Patrick, *New leadership takes office in Greenville*, The Madison Enterprise-Recorder, November 16, 2023 (on file with the Committee).

²² Rick Patrick, *Greenville Town Council at an impasse Two Council Members deny citizens the chance to choose*, The Madison Enterprise-Recorder, November 23, 2022 (on file with the Committee).

²³ *Id.*

²⁴ Minutes, Greenville Town Council, Regular Session, November 17, 2022, available at: <https://mygreenvillefl.com/wp-content/uploads/doc01200720230710134059.pdf> (last visited December 8, 2023).

²⁵ *Id.*

²⁶ Minutes, Greenville Town Council, Regular Session, August 14, 2023, available at: <https://mygreenvillefl.com/wp-content/uploads/doc01324220230908091251-2.pdf> (last visited December 8, 2023).

²⁷ Rick Patrick, *Greenville's "ghost" vote?*, The Madison Enterprise-Recorder, October 5, 2023 (on file with the Committee).

²⁸ *Id.*

²⁹ *Id.*

³⁰ One member resigned on August 14, 2023, effective immediately. Source: Minutes, Greenville Town Council, Regular Session, August 14, 2023. The other seat was vacant due to the 2022 election error.

³¹ See *supra* note 27.

³² *Id.*

participate in the vote.³³ It was reported that the Vice Mayor provided documentation that she was at a doctor's appointment at the time the meeting was scheduled.³⁴ Absent the Vice Mayor and the other Town Council member, it appears that only the Mayor was present. Therefore, there would not have been a quorum and no business could be conducted. The resolutions were officially passed during the Town Council's next regular meeting on October 9, 2023.³⁵ The "fraudulent" document referenced was not found on the Town's website on December 8, 2023.

Budget Not Timely Submitted

Per the Department of Revenue (DOR), "[t]he Truth in Millage (TRIM) process informs taxpayers and the public about the legislative process by which local taxing authorities determine ad valorem (property) taxes. Florida law provides for public input and requires governing bodies of taxing authorities to state specific reasons for proposed changes in taxes and the budget. When levying a millage, taxing authorities must follow chapter 200 of the Florida Statutes... which governs TRIM... According to Florida law, failure to meet TRIM requirements will result in the loss of revenue sharing for the taxing authority."³⁶

TRIM requirements include specific deadlines for local taxing authorities related to notifications to the public and the local property appraiser and tax collector, and the schedule for public budget hearings. For example, Section 200.065(2)(d), *Florida Statutes*, requires the meeting to finalize the budget to be advertised within 15 days after the meeting in which the tentative budget was adopted. The public hearing to finalize the budget shall be held not less than 2 days nor more than 5 days after the day the advertisement is first published. Section 200.065(4), *Florida Statutes*, requires local taxing authorities to submit the resolution or ordinance approved during the budget process to the property appraiser and tax collector within 3 days of its adoption.

As noted earlier, the Town Council did not officially adopt the required budget resolutions until October 9, 2023.³⁷ Although Town's website includes agendas and meeting minutes for Town Council meetings dating back to January 2019, as of December 8, 2023, there are no such records related to the September and October 2023 budget hearings posted on the website.³⁸ Based on news articles and as previously mentioned, the Town Council's schedule to adopt its final budget for the 2023-24 fiscal year was as follows:³⁹

- September 25, 2023: The Town Council met and approved the Town's budget and millage rate; however, they were not in the form of a resolution, as required by TRIM.
- September 29, 2023: The Town Council scheduled an emergency meeting; however, a quorum was not present.
- October 9, 2023: The Town Council held a regular meeting and officially approved the budget and millage rate.

³³ *Id.*

³⁴ Rick Patrick, *Greenville's budget and millage rate officially passed*, The Madison Enterprise-Recorder, October 12, 2023 (on file with the Committee).

³⁵ *Id.*

³⁶ *TRIM Compliance Workbook, Regular Taxing Authorities*, Florida Department of Revenue, Property Tax Oversight, 2023, page 2, available at: <https://floridarevenue.com/property/Documents/trimregwb.pdf> (last visited December 8, 2023).

³⁷ See *supra* note 34.

³⁸ Town Council agendas and meeting minutes are available at: https://mygreenvillefl.com/agendas/?sf_paged=2 (last visited December 8, 2023).

³⁹ See *supra* notes 27 and 34.

Although the Town was unable to fully meet the statutory TRIM requirements regarding the budget schedule, the DOR did not withhold any funds from the Town.⁴⁰

Town Manager Related Events

- May 2020: The Town Council extended a contract to a Jacksonville-based Certified Public Accountant to serve as the Town's Interim Town Clerk.⁴¹ The contract amount equals approximately \$88,000 over a 52-week period.⁴² Reportedly, no other applications were received.⁴³
- At some point between May and December 2020, the Interim Town Clerk's position was changed to Interim Town Manager upon the resignation of the previous Town Manager.⁴⁴
- December 2020: The Town Council voted to name the Interim Town Manager as the permanent Town Manager.⁴⁵ The Mayor stated that, in August 2020, the Town began advertising for a new Town Manager.⁴⁶ She further stated that the position had been advertised outside Town Hall and on the Town's website, but not in any newspapers.⁴⁷
- March 2021: The Town Council voted to adopt an ordinance to change the Town Manager's title to Chief Executive Officer/Chief Financial Officer, or CEO/CFO.⁴⁸
- October 2021: The Town Council voted to extend the contract with the Town Manager for five years and increase the base salary from \$80,000 to \$100,000 per year.⁴⁹
- November 2022: Reportedly, during the Public Comments portion of the Town Council's November 17, 2022 meeting, a citizen asked "[w]hy is [the Town Manager]... being paid \$150,000 per year."⁵⁰
- October 2023: The CEO/CFO tendered his resignation and agreed to stay in his current job for 90 days from September 25, 2023.⁵¹ The Town Council agreed to a new contract with him beginning January 1, 2024, for three months to serve as a "Special Projects Consultant" and oversee the grocery store project and the water, sewer and utility projects.⁵² In addition, he would serve as Interim Town Treasurer to oversee Town finances, including monthly reconciliations.⁵³

⁴⁰ Email from DOR to Committee staff dated November 27, 2023 (on file with the Committee). Note: The DOR report, which is a document the Committee regularly receives related to another Committee responsibility, indicates that funds have not been withheld from the Town for TRIM noncompliance since the fall of 2011. The Town became compliant in mid-November 2011 and the DOR subsequently released the funds that had been withheld to the Town.

⁴¹ *Greenville offers \$87,000 to interim clerk*, The Madison Enterprise-Recorder, May 19, 2020, available at: <https://www.greenepublishing.com/greenville-offers-87000-to-interim-clerk/> (last visited December 8, 2023).

⁴² *Id.*

⁴³ *Id.*

⁴⁴ Rick Patrick, *Greenville hires town manager*, The Madison Enterprise-Recorder, December 22, 2020, available at: <https://www.greenepublishing.com/greenville-hires-town-manager/> (last visited December 8, 2023).

⁴⁵ Minutes, Greenville Town Council, Regular Session, December 14, 2020, available at: <https://mygreenvillefl.com/wp-content/uploads/2020-12-14-MINUTES-Regular-Session-agenda.pdf> (last visited December 8, 2023).

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ Minutes, Greenville Town Council, Regular Session, March 8, 2021, available at: <https://mygreenvillefl.com/wp-content/uploads/MINUTES-Regular-Session-March-8-2021-2.pdf> (last visited December 8, 2023).

⁴⁹ Rick Patrick, *Greenville town manager gets \$20K raise*, The Madison Enterprise-Recorder, October 14, 2021, available at: <https://www.greenepublishing.com/greenville-town-manager-gets-20k-raise/> (last visited December 8, 2023).

⁵⁰ See *supra* note 22. Although the minutes for the November 17, 2022 Town Council Meeting reference some comments made by this citizen, this specific remark was not included.

⁵¹ Rick Patrick, *Greenville to keep outgoing town manager around*, The Madison Enterprise-Recorder, October 19, 2023 (on file with the Committee). Note: Meeting minutes for Town Council Meetings held in October 2023 are not available on the Town's website on December 8, 2023.

⁵² *Id.*

⁵³ *Id.*

- November 2023: The Town Council voted to “terminate the Town CEO/CFO... for cause because of his misrepresentation and possible fraudulent submission of [t]he Town Budget meeting minutes.”⁵⁴ In addition, the Town Council voted to terminate his three-month consulting contract mentioned above.⁵⁵ Other issues stated were that “[the CEO/CFO] [b]otched the 2022 Town Election leaving qualified candidates for office off the ballot leaving a council seat vacant for a year... [and he] did not supply [the auditors] with documents in a timely manner [for the annual financial audit] and that the ending balance of the accounts has [one council member] concerned.”⁵⁶

At the same meeting, the Town Council voted to appoint Edward Dean as Interim Town Manager until January 13, 2024. Mr. Dean had previously served as the Town Manager.⁵⁷

Additional Information

Grocery Store

Although the Town does not have a grocery store, the State has awarded it several grants to ensure that its citizens will have access to one going forward. While labor and supply issues related to the COVID-19 pandemic caused delays in building projects across the country, the Town’s grocery store has had additional challenges. After more than four years, the grocery store has yet to open. Selected developments are provided below:

- January 2019: The Town is awarded a total of \$1,705,000 from the Florida Job Growth Grant Fund to “be used to repurpose a local building into a mattress manufacturing facility and to construct a publicly-owned building to be leased as the only grocery store in town.”⁵⁸
- March 2019: The Town Council met to finalize one of the grants to be used for the grocery store.⁵⁹ A total of six grants are to be used to support the project. In addition to the Florida Job Growth Grant, some of the additional grants include the CDBG-ED (Community Development Block Grant – Economic Development category) and the Rural Infrastructure Fund (Total Participation Category and possibly, also, the Feasibility Fund).⁶⁰ Grant funds for the grocery store appear to exceed \$1 million.⁶¹ Groundbreaking for the grocery store was scheduled for March 2021 with an expected completion in November 2021.⁶²
- December 2021: The Town’s CEO/CFO provides the Town Council with an update as follows: (1) construction on the grocery store is moving along; (2) the interior completion is all custom orders,

⁵⁴ Minutes, Greenville Town Council, Regular Session, November 20, 2023, available at: <https://mygreenvillefl.com/wp-content/uploads/doc01503420231130144247-1.pdf> (last visited December 8, 2023).

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.* Mr. Green served in this position immediately preceding the individual who was terminated as the CEO/CFO in November 2023.

⁵⁸ Savannah Reams, *Greenville economic expansion*, The Madison Enterprise-Recorder, January 8, 2019, available at: <https://www.greenepublishing.com/greenville-economic-expansion/> (last visited December 8, 2023).

⁵⁹ John Willoughby, *Grocery store in Greenville’s future*, The Madison Enterprise-Recorder, March 26, 2019, available at: <https://www.greenepublishing.com/grocery-store-in-greenvilles-future/> (last visited December 8, 2023).

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² Rick Patrick, *Groundbreaking planned for Greenville’s new grocery store Wednesday*, The Madison Enterprise-Recorder, March 23, 2021, available at: <https://www.greenepublishing.com/groundbreaking-planned-for-greenvilles-new-grocery-store-wednesday/> (last visited December 8, 2023).

so the shipping delays are affecting the completion timeline; and (3) he expected to provide an updated completion date over the next 30 to 45 days.⁶³

- March 2022: The Town’s CEO/CFO informs that Town Council that “[t]here has been a short-term construction stoppage due to supply chain and labor issues as previously reported. More recently, there has been some design changes to include a pharmacy and credit union.”⁶⁴
- April 2022: The Town’s CEO/CFO informs the Town Council that the grocery store “is continuing to work with the State in making changes to the grocery store to expand the deli and [it] will include a pharmacy and credit union.”⁶⁵ He states that 24 jobs will be created for the grocery store and credit union, not including the pharmacy.⁶⁶
- January 2023: The Town’s CEO/CFO informs the Town Council that the “grocery store project was paused to address some reconstructions and [he] is happy to announce that the project is active again. [He also] stated that the funds expire and [it] had to be completed by the summer.”⁶⁷
- November 2023: Reportedly, a Town Council member claimed that the President/CEO of FRESH Communities Market, the tenants of the grocery store, notified the Town Council that they are withdrawing from the project because of the termination of the CEO/CFO.⁶⁸ A news article included a copy of the letter the Town Council member had posted on social media; however, the Interim Town Manager referenced rumors that had been circulating, could not confirm the letter’s veracity, and stated that the tenant had not contacted the Town.⁶⁹

Financial Audit

Although delinquent at times,⁷⁰ the Town has obtained annual financial audits of its accounts and records by an independent certified public accountant (CPA) and has submitted the audit reports to the Auditor General’s Office in accordance with Section 218.39(1), *Florida Statutes*.⁷¹

⁶³ Minutes, Greenville Town Council, Regular Session, December 13, 2021, available at: <https://mygreenvillefl.com/wp-content/uploads/MINUTES-Regular-Session-December-13-2021-1-1.pdf> (last visited December 8, 2023).

⁶⁴ Minutes, Greenville Town Council, Regular Session, March 14, 2022, available at: <https://mygreenvillefl.com/wp-content/uploads/MINUTES-Regular-Session-March-14-2022-1.pdf> (last visited December 8, 2023).

⁶⁵ Minutes, Greenville Town Council, Regular Session, April 11, 2022, available at: <https://mygreenvillefl.com/wp-content/uploads/MINUTES-Regular-Session-April-11-2022-2.pdf> (last visited December 8, 2023).

⁶⁶ *Id.*

⁶⁷ Minutes, Greenville Town Council, Regular Session, January 9, 2023, available at: <https://mygreenvillefl.com/wp-content/uploads/doc01200920230710134119.pdf> (last visited December 8, 2023).

⁶⁸ Rick Patrick, *But who’s going to run the store?*, The Madison Enterprise-Recorder, November 30, 2023 (on file with the Committee).

⁶⁹ *Id.*

⁷⁰ The Town’s two most recent audit reports, for the 2020-21 and 2021-22 fiscal years, were submitted to the Auditor General’s Office at 68 and 140 days late, respectively. In addition, the Town has not yet submitted its required 2021-22 fiscal year Annual Financial Report (AFR), due June 30, 2023, to the Department of Financial Services (DFS). If the AFR is not submitted by December 11, 2023, the Committee is expected to take action against the Town at its meeting that day. If the delinquent report is not submitted by the effective date set by the Committee, this action involves directing the DOR and the DFS to withhold any state funds that were not pledged for bond debt service that the Town would have otherwise been entitled to receive. Many earlier financial reports were timely submitted.

⁷¹ Pursuant to Section 218.39(7), *Florida Statutes*, these audits are required to be conducted in accordance with rules of the Auditor General adopted pursuant to Section 11.45, *Florida Statutes*. The Auditor General has issued *Rules of the Auditor General, Chapter 10.550 - Local Governmental Entity Audits* and has adopted the auditing standards set forth in the publication entitled *Government Auditing Standards* (2018 Revision) as standards for auditing local governmental entities pursuant to Florida law.

In the Town’s most recent audit report, for the 2021-22 fiscal year, the auditors issued an unmodified opinion regarding the financial statements for the General Fund.⁷² However, the auditors qualified their opinions for the Governmental Activities, the Business-Type Activities, and the Utility Fund,⁷³ not only for the 2021-22 fiscal year, but also for at least the four preceding fiscal years.⁷⁴

Audit Findings

The Town’s most recent audit report included the following four findings:⁷⁵

Number	Finding
2022-001 <i>Material Weakness</i> ⁷⁶	Significant Adjustments: The auditors were required to make certain material adjustments to the Town’s accounting records subsequent to the start of the audit process. Specifically, there were material adjustments required for certain grant revenues and receivables. The auditors recommend that management select and apply the appropriate accounting principles in accordance with generally accepted accounting principles.
2022-002 <i>Material Weakness</i>	Documentation of Internal Control and Journal Entry Process: Documentation was not readily available or accessible surrounding certain internal control processes including the creation and approval of journal entries. The auditors recommend that transactions or journal entries created in the accounting system be accompanied by support that is readily available for review when requested and journal entries be reviewed by an individual who did not also prepare the journal entry.
2022-003	Bond Reserve Account: The Town failed to re-open a bond reserve account, required by the Town’s bond covenants for USDA bonds, after closing out its bank account. The auditors recommend that the Town open a reserve account in accordance with the bond covenants.
2022-004	Financial Condition Assessment Indicated Deteriorating Financial Condition: As required by Section 218.39(5), <i>Florida Statutes</i> , the auditors notified the Town Council that conditions are present which could lead to the various financial emergency situations described Section 218.503(1), <i>Florida Statutes</i> . The annual financial condition assessment required by the Auditor General produced an “unfavorable” result. In addition, the auditors noted that the: (1) Town’s General Fund reserve level was approximately 4% in comparison to the Government Finance Officers Association recommendation of 33% for coastal locations; and (2) Utility Fund’s unrestricted net position balance was a deficit at year end. The auditors recommend that the Town review its financial condition and adjust the operating budget for the General and Utility funds to improve the long-term financial condition of the Town.

⁷² An unmodified opinion indicates that the auditors have determined that the referenced financial statements represent fairly, in all material respects, the respective financial position of the General Fund of the Town as of the fiscal year-end, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States. Source: *Town of Greenville, Florida, Financial Statements*, September 30, 2022, page 1.

⁷³ The Utility Fund accounts for the financial activities of the Town’s potable water utility system, including the pumping, treatment, and distribution systems. Source: Note 1(d) to the Financial Statements, *Town of Greenville, Florida, Financial Statements*, September 30, 2022, page 21.

⁷⁴ The auditors qualified their opinion because the City had not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (effective for fiscal years beginning after June 15, 2017). Source: *Town of Greenville, Florida, Financial Statements*, September 30, 2022, page 2.

⁷⁵ This audit report may be found at:

https://flauditor.gov/pages/mun_efile%20rpts/2022%20greenville.pdf (last visited December 8, 2023).

⁷⁶ A material weakness is “a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis.” American Institute of Certified Public Accountants (AICPA). (2021). *U.S. Auditing Standards – AICPA (Clarified)*, AU-C Section 265.07. Available at: <https://us.aicpa.org/content/dam/aicpa/research/standards/auditattest/downloadabledocuments/au-c-00265.pdf> (last visited December 8, 2023).

Repeat Audit Findings

The first finding noted above has been reported by the auditors for at least the past 12 fiscal years.⁷⁷ However, this finding is commonly reported for smaller entities that may not have sufficient funds to employ more experienced staff and is required to be reported by professional auditing standards. The second finding has been reported in two successive audit reports, and this is the first time the other findings have been reported.⁷⁸

Summary of Certain Financial Information Included in the City's Audit Report for the Fiscal Year ended September 30, 2022:

At the fiscal year-end the Town's:

- Total net position was \$12,625,579. This was comprised of \$2,628,738 for Governmental Activities and \$9,996,841 for Business-Type Activities.⁷⁹
- The Governmental Fund (General Fund) fund balance was \$50,050, a decrease of \$278,379 from the prior year.⁸⁰
- The Proprietary Fund (Utility Fund) net position was \$9,996,841, an increase of \$243,312 from the prior year.⁸¹
- Long-term debt was \$529,871. The majority of this amount is a State Revolving Fund Construction Loan (\$230,262) and Revenue Bonds (\$213,300).⁸²

During the fiscal year, the Town's:

- Revenues and Expenditures/Expenses for
 - Governmental Activities were \$790,064 and \$908,671, respectively.⁸³
 - Business-Type Activities were \$1,042,037 and \$798,725, respectively.⁸⁴

Other Considerations

The Auditor General, if directed by the Committee, will conduct an operational audit as defined in Section 11.45(1)(i), *Florida Statutes*, and take steps to avoid duplicating the work efforts of other audits being performed of the Town's operations, such as the annual financial audit. The primary focus of a financial audit is to examine the financial statements in order to provide reasonable assurance about whether they are fairly presented in all material respects. Also, in accordance with Section 11.45 (2)(j), *Florida Statutes*, the Auditor General will be required to conduct an 18-month follow-up audit to

⁷⁷ This finding is expected to be reported by the Auditor General to the Committee for potential action in accordance with Section 218.39(8), *Florida Statutes*, because it has been included in at least three successive audit reports. The action available to the Committee is to request a written status update; however, the Town has provided a prior response that it has addressed the issue to the extent possible using existing resources. At the December 4, 2023 Committee Meeting, the members approved a motion to not require a written response in such cases.

⁷⁸ *Management Letter, Town of Greenville, Florida, Financial Statements*, September 30, 2022, page 49.

⁷⁹ *Management's Discussion and Analysis, Town of Greenville, Florida, Financial Statements*, September 30, 2022, page 6.

⁸⁰ *Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds, Town of Greenville, Florida, Financial Statements*, September 30, 2022, page 15.

⁸¹ *Statement of Revenue, Expenses and Changes in Net Position - Proprietary Funds, Town of Greenville, Florida, Financial Statements*, September 30, 2022, page 18.

⁸² See *supra* note 79, page 10.

⁸³ *Id.*, page 8.

⁸⁴ *Id.*

determine the Town's progress in addressing the findings and recommendations contained within the previous audit report.

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

III. Effect of Proposed Request and Committee Staff Recommendation

If the Committee directs the Auditor General to perform an operational audit of the Town of Greenville, the Auditor General, pursuant to the authority provided in Section 11.45(3), *Florida Statutes*, shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Representative Tant are considered.

IV. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

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

V. Related Issues:

None.

This staff analysis does not reflect the intent or official position of the requestor.
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Local Government Financial Reporting – Materials Provided

1. **Overview:** Local Government Financial Reporting Requirements; Summary of Requirements and Enforcement Authority Related to the Joint Legislative Auditing Committee and Action Taken.
2. **Lists of Non-Filers:** Local Governments Not in Compliance with Financial Reporting Requirements and Staff Recommendations

List	Staff Recommendation
1. County	Take Action
2. Municipalities	Take (or Continue to Take) Action
3. Special Districts (Independent)	Take Action
4. Special Districts (Dependent)	Take Action <small>(some against the municipality that created the special district)</small>
5. Special Districts	Continue to Delay Action

4. **Notifications:** From the Auditor General and the Department of Financial Services
5. **Statutes:** Relating to Local Government Financial Reporting

Local Government Financial Reporting
Summary of Requirements and Enforcement Authority
Related to the Joint Legislative Auditing Committee and Action Taken

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

Annual Financial Report (AFR)

- All counties, municipalities, and independent special districts¹ were required to file an AFR with the Department of Financial Services (DFS) for FY 2021-22 no later than 9 months after the end of the fiscal year (June 30, 2023, for most entities)² [s. 218.32(1), F.S.]
- Dependent special districts are also required to file an AFR, but they may be required to file the report with their county or municipality rather than with DFS [s. 218.32(1)(a) & (b), F.S.]
- Either staff of the entity or a certified public accountant may complete the AFR; specified staff of the entity are required to complete the certification page
- DFS notifies the Committee of the entities that have failed to file the AFR [s. 218.32(1)(f), F.S.]
- Committee staff monitor the submission of late-filed AFRs and contact all entities that continue to be non-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 performed for the previous two fiscal years
Municipalities – Revenues or expenditures below \$100,000	No audit required
Special Districts – Revenues or expenditures over \$100,000	Annual audit required
Special Districts – Revenues or expenditures between \$50,000 and \$100,000	Audit required if an audit has not been performed for the previous two fiscal years
Special Districts – Revenues or expenditures below \$50,000	No audit required
Community Redevelopment Agencies (CRA)⁵ – Revenues or expenditures over \$100,000, as reported on the trust fund financial statements	Annual audit required

- Audit reports for FY 2021-22 were required to be filed with the Auditor General no later than 9 months after the end of the fiscal year (June 30, 2023, for most entities) [s. 218.39(1), F.S.]

¹ As of November 30, 2023, FloridaCommerce’s website lists 1,970 active special districts; 1,357 are independent and 613 are dependent. A dependent special district has at least one of several characteristics including: the governing board is the same as the one for a single county or single municipality or its governing board members are appointed by the governing board of a single county or single municipality. An independent special district has no dependent characteristics.

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

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

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

⁵ As required by s. 163.387(8)(a), F.S. Also, audit report must accompany the annual financial report submitted by the county or the municipality that created the CRA to the Department of Financial Services as provided in s. 218.32, F.S., regardless of whether the CRA reports separately under that section [s. 163.387(8)(c), F.S.]

- Audits must be conducted by an independent certified public accountant (CPA) retained by the entity and paid from its public funds [s. 218.39(1), F.S.]⁶
- If an entity has not filed an AFR, the Auditor General may not have sufficient information to determine if an audit was required
- After June 30th, the Auditor General sends a letter to all entities that either *were* or *may have been* required to provide for an audit and file the audit report with the Auditor General but have failed to do so
- The Auditor General notifies the Committee of the entities that have failed to file an audit report [s. 11.45(7)(a), F.S.]
- Committee staff monitor the submission of late-filed audit reports and contact entities that continue to be non-compliant⁷
- The Committee may schedule a hearing to determine if action should be taken [s. 11.40(2), F.S.]

Committee Hearings: Authority and Action Taken

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

Type of Entity	Penalty
Counties and Municipalities	Direct the Department of Revenue (DOR) and the DFS to withhold any funds not pledged for bond debt service satisfaction which are payable to the entity until the entity complies with the law. ⁸ Withholding begins 30 days after the agencies have received notification.
Special Districts	Notify the Department of Economic Opportunity (DEO) [now the Department of Commerce (FloridaCommerce)] to proceed pursuant to provisions of ss. 189.062 or 189.067, F.S. If no registered agent information is available, the department may declare the special district to be inactive after public notice is provided in a local newspaper. For special districts created by Special Act of the Legislature, the Committee may convene a public hearing at the direction of the President and the Speaker. For special districts created by local ordinance, the chair or equivalent of the local general-purpose government may convene a public hearing within three months after receipt of notice of noncompliance from the Committee. For all special districts, once certain criteria is met, within 60 days of notification, or within 60 days after any extension the DEO/Florida Commerce has provided as authorized in law, the DEO/FloridaCommerce files a petition for enforcement in Leon County circuit court to compel compliance. Note: The law was revised to authorize public hearings in 2014.

- During the years 2009 through February 2023, the Committee directed action against a total of 3 counties, 80 municipalities, and 212 special districts (multiple times for some of these entities). Most of these entities filed the required reports either by the date Committee staff was directed to notify DFS, DOR, or the Department of Community Affairs (DCA)/DEO, as applicable, or within the timeframe the state agencies had to commence with action once notified by the Committee.⁹ When the required reports are filed prior to the effective date of the action, revenue is not withheld (counties, municipalities) and legal action does not occur (special districts).
- As a result of the Committee's action since 2009, revenue has been withheld from 28 municipalities (multiple times for a few of them), 19 special districts were declared inactive by DCA/DEO (with most subsequently dissolved by their respective LGA), and a petition was filed in court against 29 special districts (multiple times for a few of them).

⁶ The Auditor General may conduct a financial audit of a local governmental entity, either under her 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.

⁷ Committee staff notify each entity that has failed to file an audit report. Correspondence is sent by certified mail, return receipt requested, informing the mayor, board chair, or registered agent, as appropriate, of the audit requirement and possible penalty.

⁸ The Committee has directed DOR and DFS to withhold revenue from a number of municipalities. DOR withholds Municipal Revenue Sharing and Half-Cent Sales Tax funds from municipalities that would otherwise receive these funds. Municipal Revenue Sharing funds are restored to the municipality if the municipality files the required report(s) prior to the end of the state's fiscal year. Half-Cent Sales Tax funds are redistributed and are not available to be restored to the municipality once a distribution is made. DFS has withheld grant funds from some municipalities. These funds are released to the municipality once the required report(s) are filed. The only counties that the Committee has taken action against filed the required reports by the effective date of the Committee's action.

⁹ DCA no longer exists; this function is now handled by DEO/FloridaCommerce. Effective July 1, 2023, DEO became the Department of Commerce (FloridaCommerce). DFS and DOR are provided 30 days and DEO/FloridaCommerce is provided 60 days to commence with action once they receive the notification from the Committee.

List 1:

COUNTY

	County	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Baker County	6	10	FY 2021-22 AFR and Audit Report	<p>On 12/1/2023, Committee staff spoke with and received correspondence from the Assistant Clerk of Court & County Finance Director. During the telephone conversation, she stated that it was her understanding the audit firm had completed the audits of the constitutional officers and only the County's audit was left to complete. Correspondence received included correspondence to the County from the audit firm, which stated that the audit firm was working on other audit engagements, planning for the FY 2022-23 government audits, and it might be a little past 3/31/2024 before the audit firm can complete work on the County's audit due to having to prioritize work for the 3/31 deadline sensitive engagements.</p> <p>On 12/7/2023, Committee staff spoke with a Senior Manager with the County's audit firm, who stated that: (1) The FY 2021-22 audits for the Sheriff, Property Appraiser, Tax Collector, and Supervisor of Elections have been completed; (2) Regarding the audits of the Board of County Commissioners and the Clerk of Court, the audit firm has not received any of the documents on the audit request list, including the general ledger; (3) The audit firm's position is that it should not prioritize the County's FY 2021-22 audit over other government clients who have provided information timely for their FY 2022-23 audits; and (4) based on complications with the County's audit in prior years, he would estimate that the County's audit report may not be issued before the end of April 2024.</p> <p>Earlier correspondence received on 9/28/2023 from the Baker County Clerk of Court & Comptroller stated that: (1) The County went through a finance software conversion for the County and Clerk of Courts at the end of September; (2) Shortly after the conversion, the County's previous finance system was shut down and staff realized that some data had been lost; (3) The County has been struggling through the complexity of this conversion, along with keeping up with the current day-to-day requirements, so to try and help keep making progress, the County even hired an outside source to assist; (4) The goal is to get the remaining reports to the auditors by mid-October so they can complete the FY 2021-22 audit; and (5) The County is attempting to resolve this as soon as possible.</p>	Take action on 5/1/2024 if delinquent financial reports not received

List 2:

MUNICIPALITIES

	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Town of Altha (Calhoun)	2	5	FY 2021-22 AFR and Audit Report	On 12/4/2023, Committee staff received correspondence from the Town Attorney, which stated that the Town has received the information from the Town's third-party accountant and is delivering it to the audit firm today. In addition, Committee staff received correspondence from a partner with the Town's audit firm, which stated that: (1) The audit firm just received some financial information today from the Town; and (2) With their current audit workload, a 3/15/2024 date for the completion of the FY 2021-22 audit and submission of the FY 2021-22 financial reports is requested.	Take action on 4/1/2024 if delinquent financial reports not received
2	City of Apalachicola (Franklin)	3	7	FY 2021-22 AFR and Audit Report	On 9/27/2023, Committee staff received correspondence from the City Manager, which stated that: (1) The City has experienced staffing issues in the Finance Department, which has unfortunately created a delay in completing the FY 2021-22 financial reports; (2) As of today, the City now has adequate staffing in the Finance Department; (3) Finance Department staff met with the auditor and work has started on the audit; and (4) The City expects to have the audit completed and the financial reports submitted to the state no later than January 31, 2024.	Take action on 3/1/2024 if delinquent financial reports not received
3	Town of Bascom (Jackson)	2	5	FY 2021-22 AFR	On 6/28/2023, Committee staff received a call from the Town Clerk. She stated that: (1) the Town usually doesn't meet the audit threshold, but did for FY 2021-22; (2) once they realized that an audit was required, it took them a long time to find a CPA firm to complete the audit; (3) the audit is in progress, and the CPA firm is trying to complete it by 10/31/2023; and (4) she will provide an update in late October if audit is not finished. On 9/29/2023, Committee staff received correspondence from the Town Clerk, which stated that: (1) The AFR has been filled out to extent that she can but the Town has to have an audit this year and the auditor has not finished the audit; (2) The Town has not met the requirements to have an audit for a while now because of its very small size and very little revenue and expenditures, so it was hard to find someone who would perform the audit; and (3) She will get the reports submitted as soon as the audit is completed.	Take action on 1/15/2024 if delinquent financial report not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
4	Town of Bell (Gilchrist)	6	22	FY 2021-22 AFR	No response was received from the Town to either the Committee's certified letter dated 9/22/2023 or an email sent on 11/28/2023.	Take action on 1/15/2024 if delinquent financial report not received
5	Town of Branford (Suwannee)	3	7	FY 2021-22 AFR	On 9/27/2023, Committee staff received correspondence from the Town Clerk, which stated that she was currently working on the AFR.	Take action on 1/15/2024 if delinquent financial report not received
6	City of Brooksville (Hernando)	11	52	FY 2021-22 AFR	On 11/15/2023, Committee staff received correspondence from the City's Finance Director, which stated that the City will submit the AFR by 12/1/2023. On 12/1/2023, the City's Finance Director sent correspondence stating that she was working on the AFR and would have it submitted by early next week.	Take action on 1/15/2024 if delinquent financial report not received
7	City of Bunnell (Flagler)	7	19	FY 2021-22 AFR and Audit Report	No response was received from the Town to the Committee's certified letter dated 9/22/2023.	Take action on 1/15/2024 if delinquent financial reports not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
8	Town of Campbellton (Jackson)	2	5	FY 2021-22 AFR and Audit Report	<p>On 9/28/2023, Committee staff received correspondence from the contracted CPA consultant for the Town, which stated that: (1) his office has been hired to help the Town with their financials; it seems that helped them be able to get an auditor; (2) The Town had its normal CPA/Auditor retire recently and found it very challenging to hire another; (3) Most all CPAs are focused on the 10/16/2023 tax deadline now, but the Town is hopeful to get everything current after that; (4) The town is aware of how serious this issue is and working as hard as possible to correct; and (5) He is hopeful everything will be submitted by 11/15/2023, but a lot depends on the auditor's schedule, and he is working on getting some time estimates from them.</p> <p>On 12/4/2023, Committee staff received correspondence from the Town's contracted CPA consultant, which stated that: (1) He has spoken to the Town's new auditor and they have a plan in place with an estimated date to complete the audit and issue the report by mid-March 2024; and (2) The goal is to have it completed well before that date.</p>	Take action on 4/1/2024 if delinquent financial reports not received
9	Town of Century (Escambia)	1	1	FY 2021-22 AFR and Audit Report	No response was received from the Town to the Committee's certified letter dated 9/22/2023.	Take action on 1/15/2024 if delinquent financial reports not received
10	City of Clermont (Lake)	13	25	FY 2021-22 AFR and Audit Report	On 10/5/2023, Committee staff received correspondence from the Assistant Director of Finance, which stated that: (1) The City's Finance Department has experienced significant staff turnover during the past 12 months; in addition to new staff, there are currently three vacancies, including the Director of Finance position since 8/2/2023; (2) The City has hired contractors to assist with the completion of required information for the auditors, and those efforts are ongoing; (3) The City's auditors were onsite for preliminary work the week of 9/11/2023, and final fieldwork is currently scheduled for the week of 10/30/2023; (4) The audit includes both the City and the Downtown Clermont CRA; and (5) The City's expectation is the audit will be completed 60-90 days following the completion of field work.	Take action on 4/1/2024 if delinquent financial reports not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
11	City of Dade City (Pasco)	23	54	FY 2021-22 AFR and Audit Report	<p>On 11/20/2023, Committee staff received correspondence from the City's Finance Officer, which stated that: (1) The City's auditors are in the final stages of the FY 2021-22 audit, and the City anticipates that the separate CRA audit report will be forthcoming in the next few days; (2) The delays are a direct result of problems encountered in the failed transition to a software program that was offered as a free trial to the City and the subsequent need to re-enter data in the reversion back to the pre-existing ERP platform that is now back in full service; (3) City staff have been working weekends and have also obtained professional assistance which has been successful in providing the auditors with the requested records they require; and (4) The City fully expects that the audit will be completed in December.</p> <p>On 11/27/2023, Committee staff spoke with the City's Finance Officer, regarding the status of the City's and CRA's audits. He stated that he hopes to have the audit reports before the end of the year; however, it's been hard to get the auditors scheduled to come back to complete the audit fieldwork. He requested additional time through January 2024 to submit the FY 2021-22 financial reports and stated that he hopes to beat that due date.</p>	Take action on 3/1/2024 if delinquent financial reports not received
12	City of DeFuniak Springs (Walton)	2	5	FY 2021-22 AFR and Audit Report	<p>On 11/17/2023, Committee staff received correspondence from the City's Finance Director, which stated that: (1) The City has diligently worked with its audit firm to provide a firm date of completion of the City's FY 2021-22 audit and related required financial filings for the State of Florida; (2) At the present time, no such date has been obtained, as additional information is needed to complete the audit, which remains in draft form at this time; (3) During the summer of 2023, the audit firm reassigned the auditor assigned as the principal point of contact with the City; prior to that time, the auditor had repeatedly assured the City that the audit was on track for a timely submittal; (4) In discussions with newly assigned auditors, concerns about methodology and protocols used by an external accounting firm the City employed for certain bookkeeping functions have been represented to now be more severe than ever previously indicated; this is despite that external firm's assurances of proper performance; (5) The audit firm has advised that, if the draft audit report was to be issued at this time, they would have to issue an audit report</p>	Take action on 4/1/2024 if delinquent financial reports not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	City of DeFuniak Springs (continued)				with no opinion, or some other substantial disclaimer attached; to avoid that outcome, a list of additional information needed has been identified between the City and the audit firm; (6) To facilitate the prompt conclusion and filing of the audit, the City has engaged another CPA firm to assist its internal finance team with reconciliations and related tasks needed and has also employed a Finance Director and added a Staff Accountant, both of whom will be assisting in this process; (7) The City anticipates approximately 85 hours of work time for the newly engaged accounting firm to complete the needed tasks, and then the audit firm will need to review and complete the audit; and (8) The City respectfully requests an opportunity to meet and address these issues prior to any adverse actions or penalties being levied.	
13	Village of El Portal (Miami-Dade)	34	108	FY 2021-22 AFR	On 12/4/2023, Committee staff received correspondence from the Village's Chief Financial Officer, which stated that he had spoken with the auditors this morning, the financial statements are currently under partner review, and the goal is to issue the financials by the end of the week. Earlier correspondence regarding the status of the FY 2021-22 audit was also received from the Village.	Take action on 1/15/2024 if delinquent financial report not received
14	Town of Greenville (Madison)	3	9	FY 2021-22 AFR	No response was received from the Town to either the Committee's certified letter dated 9/22/2023 or an email sent on 11/28/2023.	Take action on 1/15/2024 if delinquent financial report not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
15	City of Gretna (Gadsden)	3	8	<p>FY 2021-22 AFR and Audit Report</p> <p>FY 2020-21 AFR and Audit Report</p>	<p>On 12/5/2023, Committee staff received correspondence from the City Manager, which stated that: (1) The City's audit firm will be delivering the draft FY 2020-21 audit report to the City on 12/6/2023, and the City anticipates the final audit report to be issued and AFR to be completed by 12/8/2023; (2) On 12/6/2023, the audit firm will begin the audit fieldwork on both the FY 2021-22 and 2022-23 audits; (3) The City and the audit firm expect both audits (FY 2021-22 and FY 2022-23) to be completed and the audit reports issued no later than the end of January 2024; (4) The City has recently hired a new full-time financial manager to replace its retiring financial manager who will depart City employment at the end of January 2024; (5) The City has also hired, on a part-time basis, a Tallahassee-based CPA to provide the City with additional financial management oversight, reporting, and support services; and (6) The City Manager believes that, with the additions to the City's financial management team, the City will eliminate reoccurrence of delinquent audits.</p> <p>Earlier correspondence received from the City Manager on 7/10/2023, stated that: (1) The City was making progress towards getting the FY 2020-21 audit complete and is now providing the auditor with the pre-audit documentation to initiate the audit; (2) The City expected to be complete with the pre-audit uploads in the next couple of days and had uploaded about 30 percent of the items; (3) The City Manager was not sure how much time it would take to complete the audit, but would work with the auditor to gain an understanding of a schedule for completion of the audit and communicate such with our office no later than the close of business on 7/14/2023; (4) The City had also contracted with an experienced accountant who was currently working on the pre-audit items for FY 2021-22; and (5) The accountant and an individual on City staff would be working with the auditor to supply the required information for completion of the FY 2021-22 audit.</p> <p>History:</p> <ul style="list-style-type: none"> - In February 2023, the Committee approved to take action on the City if the City's FY 2020-21 AFR and audit report were not received by 6/30/2023; a post-meeting email was sent to the City's Mayor regarding such. [Note: The City had just submitted its FY 2019-20 audit report and AFR.] -The City failed to submit the FY 2020-21 financial reports by the deadline, so State action began on 7/5/2023. -As a result of the Committee's action and the City's failure to timely submit the FY 2020-21 reports, the City has lost State funds that it would ordinarily have received. 	<p>Continue action on FY 2020-21 delinquent reports</p> <p>--</p> <p>Take action on 3/1/2024 if delinquent FY 2021-22 financial reports not received</p>

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
16	Town of Havana (Gadsden)	3	8	FY 2021-22 AFR and Audit Report	On 12/4/2023, Committee staff received correspondence from the Town Manager, which stated that: (1) Though the Town had hoped to have the FY 2021-22 audit completed this fall, scheduling and staffing issues at the Town's audit firm have pushed the Town's audit back slightly; (2) Per the lead auditor, the audit is scheduled to start 1/8/2024, with plans to be completed by the end of April at the very latest; and (3) The Town's FY 2022-23 audit is scheduled to start in May 2024, with the goal to finally be caught back up by the June 30 submission deadline.	Take action on 5/1/2024 if delinquent financial reports not received
17	City of Hawthorne (Alachua)	9	21	FY 2021-22 AFR and Audit Report	On 12/4/2023, Committee staff received correspondence from the City Manager, which stated that the new auditor is currently working on both the City's and the Hawthorne Community Redevelopment Agency's audits and is hoping to have them done by 12/15/2023 or sooner. Earlier correspondence on 9/27/2023 from the City Manager stated that: (1) The City switched auditors thus delaying its annual audit and has now engaged a new auditing firm; and (2) The audit is under way, and the City should have the audit report very soon.	Take action on 1/15/2024 if delinquent financial reports not received
18	City of Hialeah Gardens (Miami-Dade)	39	111	FY 2021-22 AFR and Audit Report	On 11/17/2023, Committee staff received correspondence from the City's Finance Director, which stated that: (1) The reason the City's FY 2021-22 financial reports are late is that the City of Hialeah Gardens Police Pension Plan audit was delayed until September 2023 due to change of the Plan Administrator, which delayed the City's audit; and (2) The audit is almost completed, and the City requests an additional two weeks to submit the FY 2021-22 financial reports.	Take action on 1/15/2024 if delinquent financial reports not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
19	City of High Springs (Alachua)	6	10	FY 2021-22 AFR	<p>On 12/4/2023, Committee staff received correspondence from Diane Wilson, Finance Director, which included copies of the FY 2021-22 audit reports for the City and the High Springs Community Redevelopment Agency and stated that: (1) The audit reports will be presented to the City Commission on 12/14/2023; and (2) She will complete the AFRs prior to that meeting rather than waiting until it is held. Earlier correspondence regarding the status of the FY 2021-22 audits was also received from the City.</p> <p>On 12/6/2023, Committee staff spoke with the Finance Director; the AFRs for the City and the CRA are in the process of being completed and will be submitted soon.</p>	Take action on 1/15/2024 if delinquent financial report not received
20	Town of Kenneth City (Pinellas)	18	61	FY 2021-22 AFR and Audit Report	No response was received from the City to the Committee's certified letter dated 9/22/2023.	Take action on 1/15/2024 if delinquent financial reports not received
21	City of LaBelle (Hendry)	28	82	FY 2021-22 AFR	No response was received from the City to either the Committee's certified letter dated 9/22/2023 or an email sent on 11/28/2023.	Take action on 1/15/2024 if delinquent financial report not received
22	City of Lake Worth Beach (Palm Beach)	24	87, 89	FY 2021-22 AFR and Audit Report	On 10/27/2023, Committee staff received correspondence from the City's Finance Director, which stated that: (1) Early in the year, the City's Finance Department had experienced the loss of its key personnel (i.e. Finance Director and Assistant Finance Director), which play a vital role regarding the closing process for financial reporting purposes; (2) As a result, these vacancies significantly delayed the FY 2021-22 audit; and (3) The City estimates the timeframe to complete the audit and submit the FY 2021-22 financial reports for both the City and Lake Worth Beach Community Redevelopment Agency is 2/29/2024.	Take action on 4/1/2024 if delinquent financial reports not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
23	City of Laurel Hill (Okaloosa)	1, 2	3, 4	FY 2021-22 AFR	No response was received from the City to either the Committee's certified letter dated 9/22/2023 or an email sent on 11/28/2023.	Take action on 1/15/2024 if delinquent financial report not received
24	Village of Lazy Lake (Broward)	32	99	FY 2021-22 AFR and Audit Report	On 12/4/2023, Committee staff received correspondence from the Village Attorney, which stated that: (1) In September 2023, after receipt of the Committee's 9/22/2023 letter to the Mayor, the Village's financial consultant had told Village staff that submission of the FY 2021-22 financial reports would be taken care of, but despite numerous phone calls and emails to the financial advisor, the reports have not been filed; (2) Because it is not getting a response from the financial advisor, the Village will be hiring a new financial advisor to assist with the delinquent reports and is in the process of doing so now; and (3) The Village is requesting a 60-day extension from the Committee to give it time to hire a new advisor and file the appropriate reports.	Take action on 3/1/2024 if delinquent financial report(s) not received
25	Town of Loxahatchee Groves (Palm Beach)	31	94	FY 2021-22 AFR and Audit Report	On 11/16/2023, Committee staff received correspondence from the Town's Finance Director, which stated that: (1) The FY 2021-22 audit report is now in draft form and the Town expects the final version to be received the last week of November; (2) the Town has started closing its FY 2022-23 books and anticipates delivery of those audited financial statements in February or March 2024; and (3) after the end of FY 2021-22, the Town outsourced much of its financial accounting and finance department operations in part to provide stability to this function and better manage the Town's financial operations and expects this to improve the Town's reporting to the State. [Note: The Loxahatchee Water Control District is included in the Town's audit.]	Take action on 1/15/2024 if delinquent financial reports not received
26	Town of Manalapan (Palm Beach)	24	87	FY 2021-22 AFR and Audit Report	No response was received from the Town to the Committee's certified letter dated 9/22/2023.	Take action on 1/15/2024 if delinquent financial reports not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
27	Town of Mangonia Park (Palm Beach)	24	88	FY 2021-22 AFR and Audit Report	Committee staff spoke to and received correspondence from the Town Manager, which stated that: (1) The Town is near the end of the audit; and (2) He requests until mid-February to submit the FY 2021-22 reports in order to have time to address any remaining items that may arise. Earlier correspondence received on 7/27/2023 from the Town Manager stated that: (1) The Town hired a new bookkeeper in July 2023, who is working directly with the Town's audit firm; and (2) The Town expects any unresolved matters to be closed out and the audit report submitted by the end of the year.	Take action on 3/1/2024 if delinquent financial reports not received
28	City of Mexico Beach (Bay)	2	6	FY 2021-22 AFR and Audit Report	On 11/16/2023, Committee staff received correspondence from the City Administrator, which stated that: (1) The City had not yet submitted its FY 2021-22 financial reports, but is making strides daily to rectify such; (2) Due to Hurricane Michael in 2018 and the amount of damage it caused, the City fell behind in its financial reporting, while trying to rebuild, and the City hired a financial contractor in late 2020 to bring the financial records into compliance; (3) The financial contractor resigned in May 2023, followed shortly by the City Administrator and the Assistant City Administrator; (4) The City has now hired a new City Administrator and an accounting firm to be the City's "accounting firm of record," who will oversee and complete all financial requirements of the City; (5) The accounting firm is currently working with the City's auditors to complete the FY 2021-22 audit, which is estimated to be completed within 90 days; and (6) The City requests this additional time to complete and submit the FY 2021-22 financial reports.	Take action on 4/1/2024 if delinquent financial reports not received
29	Village of Miami Shores (Miami-Dade)	34	108	FY 2021-22 AFR	No response was received from the Village to either the Committee's certified letter dated 9/22/2023 or an email sent on 11/28/2023.	Take action on 1/15/2024 if delinquent financial report not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
30	City of Neptune Beach (Duval)	4	16	FY 2021-22 AFR and Audit Report	On 10/6/2023, Committee staff received correspondence from the Chief Financial Officer, which stated that: (1) The City had experienced turnovers of key positions in the Finance Department that included the CFO, Senior Accountant, and Staff Accountant; (2) This delayed the process of completing the FY 2020-21 financial reports at the required time and consequently delayed the FY 2021-22 reports; and (3) The City's audit firm is currently working on the FY 2021-22 audit, and the goal is to complete the audit by the end of December 2023 and submit the financial reports in early January 2024.	Take action on 3/1/2024 if delinquent financial reports not received
31	City of New Port Richey (Pasco)	21	56	FY 2021-22 AFR	On 11/28/2023 Committee staff sent a courtesy email to the City regarding the delinquent AFR. In response to the courtesy email, Committee staff was copied on an email from the City's Finance Director to the City Manager, which stated that "all was sent. I will call the state." On 11/29/2023, Committee staff called and left a detailed voicemail message for the Finance Director regarding the AFR submission; no return call has been received as of 12/8/2023.	Take action on 1/15/2024 if delinquent financial report not received
32	Town of Noma (Holmes)	2	5	FY 2021-22 AFR and Audit Report	No response was received from the Town to the Committee's certified letter dated 9/22/2023.	Take action on 1/15/2024 if delinquent financial report(s) not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
33	City of Opa-locka (Miami-Dade)	34	109	FY 2021-22 AFR and Audit Report	<p>On 11/7/2023, Committee staff spoke with the City Manager and the Finance Director regarding the status of the City's FY 2021-22 audit. Items discussed included: (1) Since hiring the current Finance Director, the City has been in the process of rebuilding the Finance Department, including hiring a Procurement Officer and an accounts payable/receivable accountant, and interviewing for accounting staff (senior accountant, accountant, grants manager); (2) In the meantime, temporary staff has been hired to assist in the Finance Department; (3) The City has hired new accountant advisors because there was a contract dispute with the previous advisors that is still ongoing over certain City financial records/data; (4) The FY 2021-22 financials are expected to be provided to the City's audit firm between Nov. 15th and the first week of December, with a February 2024 estimated audit report issue date; and (8) The City will send a written summary with the information discussed.</p> <p>On 12/3/2023, Committee staff sent the City Manager and the Finance Director requesting a written status update on the FY 2021-22 audit, with an estimated time frame for submission of the audit report to the Auditor General and the Annual Financial Report (AFR) to DFS (via the LOGERx system). While Committee staff spoke with the Finance Director on 12/4/2023, a written status update has not been received to date.</p>	Take action on 3/1/2024 if delinquent financial reports not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
34	City of Pahokee (Palm Beach)	31	94	FY 2021-22 AFR and Audit Report FY 2020-21 AFR and Audit Report	<p>On 12/5/2023, Committee staff received correspondence from the City Manager, which included a letter from the City’s audit firm stating that: (1) The audit firm performed on-site audit fieldwork for the FY 2020-21 audit at the City on or around 11/30/2023, and the audit report and other close-out procedures are underway; and (2) The audit firm must perform several final audit procedures and disclosures for the audit report and is set to issue the final audit report, allowing time for presentation of such to the elected officials, no later than 12/31/2023.</p> <p>Earlier correspondence received on 10/6/2023 from the City Manager stated that: (1) The City is currently in the process of completing the FY 2020-21 audit and is diligently pursuing an updated schedule to complete the FY 2020-21 audit and address completion of the reports; (2) Due to circumstances beyond its control, the City has lost key management personnel that would assist with the preparation and finalization of the audit with its external auditor; (3) Several transitions of key personnel took place from temporary status to now hiring a permanent full-time director to oversee the financial services department, and the City also had to undergo two Office of the Inspector General (OIG) audits; these events have really put the City’s audits behind schedule; and (4) Per discussion with the City’s auditor, it is anticipated that the FY 2020-21 and FY 2021-22 financial reports will be submitted no later than 12/31/2023 and 3/31/2024, respectively.</p> <p>History: - In February 2023, the Committee approved to take action on the City if the City’s FY 2020-21 AFR and audit report were not received by 2/28/2023; a post-meeting email was sent to the City’s Mayor regarding such. -The City failed to submit the FY 2020-21 financial reports by the deadline, so State action began on 3/3/2023. -As a result of the Committee's action and the City’s failure to timely submit the FY 2020-21 reports, the City has lost State funds that it would ordinarily have received.</p>	<p>Continue action on FY 2020-21 delinquent reports</p> <p>--</p> <p>Take action on 4/1/2024 if delinquent FY 2021-22 financial reports not received</p>

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
35	Town of Pembroke Park (Broward)	35	105	FY 2021-22 AFR and Audit Report	On 12/2/2023, Committee staff received correspondence from the Town's, Interim Budget and Finance Director, which stated that: (1) The auditors will be completing testing by the week of December 4th, and Town staff will have a final adjusted trial balance and will begin writing the Management Discussion and Analysis (MD&A) section; and (2) The estimated completion date is 12/17/2023, due to holiday schedules and delays in receiving certain legal confirmations, which are still in progress. [Note: The Town has been providing weekly audit update correspondence since 10/6/2023.]	Take action on 1/15/2024 if delinquent financial reports not received
36	Town of Raiford (Union)	6	10	FY 2021-22 AFR and Audit Report	No response was received from the Town to the Committee's certified letter dated 9/22/2023.	Take action on 1/15/2024 if delinquent financial report(s) not received
37	City of Safety Harbor (Pinellas)	21	57	FY 2021-22 AFR	On 11/16/2023, Committee staff received correspondence from the City Manager, which stated that the Town's Annual Comprehensive Financial Report was heading to the final round of review by the Town's audit firm, and the audit report should be issued no later than 12/11/2023. Earlier correspondence received on 9/27/2023 from the City Manager stated that: (1) The Town had a cyber-attack in June 2022 and then the Assistant Finance Director and the Finance Director both left within a nine-month period; (2) The Town has been down two full-time employees the majority of FY 2022-23; and (3) The Town's auditors had just started the FY 2021-22 audit.	Take action on 1/15/2024 if delinquent financial report not received
38	City of Springfield (Bay)	2	6	FY 2021-22 AFR and Audit Report	On 11/7/2023, Committee staff spoke with and received correspondence from a partner with the City's audit firm, which stated that: (1) The City has provided all necessary information for the FY 2021-22 audit, and it is in the wrap-up stage; and (2) He anticipates issuing the audit report no later than the next 30 days, but likely sooner.	Take action on 1/15/2024 if delinquent financial reports not received

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
39	City of Vernon (Washington)	2	5	FY 2021-22 AFR and Audit Report	On 11/16/2023, Committee staff received correspondence from the CPA consultant for the City, which stated that: (1) The City has experienced significant turnover in the City Clerk's position over the past few years; the former Mayor was hired in 2022 for the position, which should provide stability for the years to come; (2) His firm has contracted with the City for payroll and month-end procedures for the past two years; data entry fell behind due to the turnover and the many duties for which the city clerks in these small municipalities are responsible; (3) A few months ago, the City Council agreed to allow his firm to handle the accounting in full to allow the Town Clerk to focus on advancing the City; and (4) The City has contracted with a CPA firm to perform the FY 2021-22 audit, and the current projected completion date is 2/28/2024.	Take action on 4/1/2024 if delinquent financial reports not received
40	Town of Welaka (Putnam)	7	20	FY 2021-22 AFR and Audit Report	On 9/29/2023, Committee staff received correspondence from the Town Clerk, which stated that: (1) The Town's FY 2021-22 Financial AFR and audit reporting are still in the process of being completed; (2) Additional time is needed because the manual data entry is very time consuming, and she is still in the learning stages of correctly entering the financial information since the prior Town Clerk abruptly left; (3) She also oversees and manages multiple other departments and is training a new assistant; and (4) She expects to have the entries completed and sent to the Town's auditors within the next few months so the Town can wrap up FY 2021-22 and move on to FY 2022-23. On 12/4/2023, Committee staff received correspondence from the Town Clerk, which stated that: (1) She is diligently working on all the journal entries, reconciliations, and updating the Town's asset records; (2) The Town is starting the transition to new billing/financial software in the first quarter of 2024, and she has been cleaning and organizing the Town's data for the convergence; (3) She apologize for the audit delay, will be talking with the Town's audit firm this week to see what else they need in moving forward; and (4) She hopes to be wrapping up the FY 2021-22 audit within the first quarter of 2024 and moving right on to the FY 2022-23 audit.	Take action on 4/1/2024 if delinquent financial reports not received

List 2:

MUNICIPALITIES

	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
41	Town of White Springs (Hamilton)	3	7	FY 2021-22 AFR and Audit Report	On 12/4/2023, Committee staff received correspondence from a CPA consultant for the Town, which stated that: (1) The Town has contracted with his consulting firm to serve as its contract accountant, and they have prepared the FY 2021-22 financial records for audit and has furnished them to the Town's audit firm for audit; and (2) The audit firm has told him that they will begin the audit on 12/7/2023 and work promptly until finished.	Take action on 1/15/2024 if delinquent financial reports not received
42	City of Winter Springs (Seminole)	10	38	FY 2021-22 AFR and Audit Report	On 11/1/2023, Committee staff received correspondence from the Interim City Manager and the Interim Finance Director, which stated that: (1) From September 2021 - September 2022, the City experienced significant turnover in all positions in the Finance Department, including the Finance Director, Controller, and Budget Manager; (2) In late September 2022, Hurricane Ian's path took it directly over Central Florida including Seminole County, which caused flooding and downed debris that had to be addressed; (3) Audit fieldwork for the FY 2021-22 audit began as scheduled, but staff was behind in the preparation of many schedules, accruals, and other year-end entries; (4) In January 2023, the City learned that two additional audits would be performed, one on the City's discretionary infrastructure tax fund by the Seminole County Clerk of the Court and Comptroller and the second by the Auditor General as directed by the Committee; these audits required an extensive number of hours to pull documents and respond to various requests and questions; and (5) The City's goal is to have the audit completed by mid-December 2023 and presented to the Commission in January 2024. At the 12/4/2023 Committee meeting, the Mayor agreed to contact the City's audit firm and request that the FY 2021-22 audit be completed and the audit report submitted by 12/31/2023.	Take action on 1/15/2024 if delinquent financial reports not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Bayshore Gardens Park and Recreation District (Manatee County; Special Act)	20	70, 71, 72	FY 2021-22 AFR	No response was received from the District to either the Committee's certified letter dated 9/29/2023 or an email sent on 12/1/2023. In addition, the District did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the delinquent financial report.	Take action on 1/15/2024 if delinquent financial report not received
2	Belmond Reserve Community Development District (Hillsborough County; Local Ordinance)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2021-22 AFR	On 11/20/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received
3	Buckhead Trails Community Development District (Manatee County; Local Ordinance)	20	70, 71, 72	FY 2021-22 AFR	On 11/20/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
4	Concorde Estates Community Development District (Osceola County; Local Ordinance)	25	35, 45, 46, 47	FY 2021-22 AFR and Audit Report	On 12/6/2023, Committee staff received correspondence from the District's attorney, which stated: (1) There has been a delay in complying with the audit requirement because for part of the 2022 year there was a different management company, and the District has had issues securing all the documents required by the audit firm from the prior property management company; (2) The current property management company has been in communication with both the prior management company and the audit firm, and she has also been in communications with the audit firm by email inquiring on the status of the audit and if they needed any additional documents; (3) She has sent an email to the audit firm asking for a ballpark time frame for the completion of the audit and will attempt to secure such and provide prior to the Committee meeting on 12/11/2023.	Take action on 3/1/2024 if delinquent financial reports not received
5	Creek Preserve Community Development District (Hillsborough County; Local Ordinance)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2021-22 AFR	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received
6	Cypress Preserve Community Development District (Pasco County; Local Ordinance)	11, 21, 23	53, 54, 55, 56	FY 2021-22 AFR and Audit Report	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial reports not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
7	Doctors Memorial Hospital (Holmes County; Special Act)	2	5	FY 2021-22 AFR	In early December, Committee staff spoke with Hospital staff about the status of the FY 2021-22. She stated that the CFO had submitted the AFR several months ago, and Committee staff suggested that they contact the DFS to determine what item(s) may need to be resolved in order for the AFR submission to be complete.	Take action on 1/15/2024 if delinquent financial report not received
8	Dorcas Fire District (Okaloosa County; Special Act)	1, 2	3, 4	FY 2021-22 AFR and Audit Report FY 2020-21 AFR and Audit Report	<p>On 12/5/2023, Committee staff spoke with a Senior Manager with the District’s audit firm, who stated that: (1) They had been engaged to audit the District’s financial statements for FY 2020-21 and FY 2021-22, both audits are being performed simultaneously, and are still in progress; (2) The District had been informed at the time of engagement that the audits would have to be completed as time permitted due to the audit firm’s workload; (3) He was scheduled to go to the District later in the week to obtain additional information/documentation; and (4) An estimated timeframe for the audits be completed and the audit reports issued would be within the next two months.</p> <p>On 11/27/2023, FloridaCommerce - Special District Accountability Program staff forwarded to Committee staff correspondence from the District’s registered agent regarding the FY 2021-22 audit. It stated that the audit information has been in the possession of the audit firm since June 2023 and they have not given a completion date at this time.</p> <p>History: - In February 2023, the Committee approved to take action on the District if the District’s FY 2020-21 AFR and audit report were not received by 4/30/2023; a post-meeting email was sent to the District’s registered agent regarding such. -The City failed to submit the FY 2020-21 financial reports by the deadline, so State action began on 5/2/2023. -As a result of the Committee's action, the Department of Economic Opportunity (now the Department of Commerce (FloridaCommerce)) filed a <i>Petition for Enforcement</i> in Leon County Circuit Court on 6/30/2023 [Case Number: 2023-CA-001800].</p>	Take action on 3/1/2024 if delinquent financial reports not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Dorcas Fire District (continued)				-On 11/28/2023, FloridaCommerce filed a <i>Petitioner's Motion for Entry of Default by Clerk</i> against the District "for failure to serve any document on the undersigned [FloridaCommerce Assistant General Counsel] or file any document as required by law." On 11/30/2023, the Deputy Clerk of the Court entered a Default against the District. -On 12/6/2023, FloridaCommerce filed a <i>Petitioner's Motion for Final Judgment by Default Against Respondent Dorcas Fire District</i> .	
9	Duval Soil and Water Conservation District (Duval County; General Law)	4, 5	12, 13, 14, 15, 16, 17	FY 2021-22 AFR and Audit Report	On 11/17/2023, Committee staff spoke with the District Treasurer regarding the status of the District's FY 2021-22 financial reports. He stated that: (1) The District has an entirely new Board of Supervisors, and he is the new Treasurer; (2) He has requested and is still waiting to receive the financial records from the District's former Treasurer; (3) He knew the District had received a grant but is not sure if audit threshold was met for FY 2021-22 and would try to determine such; and (4) He will send a written status update to the Committee office by early December. Committee staff sent an email to him that day with some information about the AFR and DFS' LOGERx system. No written status update has been provided to date.	Take action on 3/1/2024 if delinquent financial report(s) not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
10	Eastpoint Water and Sewer District (Franklin County; Special Act)	3	7, 8	FY 2021-22 AFR and Audit Report	<p>On 10/27/2023, Committee staff received correspondence from the District’s registered agent, which stated: (1) Over the last few months the District has faced significant financial difficulties and he personally has faced major health issues; (2) The District has also had staffing changes as both the office manager and the senior customer service representative retired; this is only offered as an explanation not as an excuse as the responsibility to complete this task is my responsibility; (3) The District has reached out to a local accountant to help with the policies and continue to work with the auditors to complete the audit; and (4) The District is currently working on the FY 2021-22 audit and AFR and will submit it no later than 11/30/2023.</p> <p>On 12/7/2023, Committee staff received correspondence from a partner with the District’s audit firm, which stated that: (1) As of today, the audit firm has received approximately 45% of the requested documents from the District; (2) Upon engaging with the District, they notified the District that the audit would not begin until all documentation was provided; this was requested as historically the District had provided documentation to them over a significant period of time, which results in a very inefficient audit; (3) Until the they receive all requested documentation, he cannot provide an estimate of a report completion date; and (4) In addition, the audit team is entering its busiest workload period (January- March), and, as a result they cannot prioritize the District over clients who have provided information timely; this matter has been discussed with District as well.</p>	Take action on 3/1/2024 if delinquent financial reports not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
11	Fort Myers Beach Mosquito Control District (Lee County; Special Act)	27, 28, 33	76, 77, 78, 79, 80	FY 2021-22 AFR and Audit Report	On 11/16/2023, Committee staff received correspondence from the District's Commissioner - Treasurer, which stated that: (1) The District property and assets were heavily impacted by Hurricane Ian in September 2022; the District lost its administration building and everything contained within it; (2) The District employs three full-time staff with the one administrative staff not able to assist with the audit due to a leave of absence in October 2022; (3) The District has utilized a contract employee as a resource to aid with the accounting for the audit; (4) In May 2023, an engagement letter was signed with an audit firm to conduct the District's FY 2021-22 audit; (5) The District was required to research and reconstruct 100% of its general ledger and all financial records for FY 2021-22 due to the loss of all records as an impact of Hurricane Ian; (6) The District is currently at an 80% completion rate for submission of the QuickBooks general ledger files to the audit firm and expects to complete the general ledger files by 11/30/2023; and (7) Upon receipt of the completed general ledger, the audit firm has notified the District that it will take approximately 3-4 weeks to complete the required audit and produce the AFR and Annual Financial Audit Report for submission.	Take action on 4/1/2024 if delinquent financial reports not received
12	Grand Oaks Community Development District (St. Johns County; Local Ordinance)	7	18, 19, 20	FY 2021-22 AFR	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
13	Grove Resort Community Development District (Orange County; Local Ordinance)	10, 13, 15, 17, 25	35, 37, 39, 40, 41, 42, 43, 44, 45, 47	FY 2021-22 Audit Report	<p>On 11/20/2023, Committee staff received correspondence from the District's registered agent, which stated that: (1) The District is still in the process of having the FY 2021-22 audit prepared and is working through a complication; (2) During FY 2021-22, the District changed property management firms; the property manager has a significant role in the day-to-day operations of the District's infrastructure and the accounting for such operations; (3) The District has been trying to get the records necessary for the auditor to complete the audit from the prior property management firm and will continue to do so; however, until those records are received, the District's auditor cannot complete the audit; and (4) The District does not have an estimated date for completion of the audit, but respectfully asks for an extension of the audit deadline given this unanticipated complication.</p> <p>In early December, Committee staff spoke with the District's registered agent to discuss an estimated timeframe. He stated that some records had been provided by the prior property management firm, and he was hopeful that the audit could be completed and the reports submitted by mid-March 2024.</p>	Take action on 4/1/2024 if delinquent financial report not received
14	Ham Brown Reserve Community Development District (Osceola County; Local Ordinance)	25	35, 45, 46, 47	FY 2021-22 AFR	<p>On 10/5/2023, Committee staff received correspondence from the District's management company, stating that the District's FY 2021-22 AFR had been submitted to DFS and it was a "zero return as the District did not have any financial activity during FY 2022."</p> <p>On 10/5/2023 and 12/7/2023, Committee staff sent correspondence to the District's management company informing them that DFS' records still indicate that the AFR has not yet been submitted and to contact DFS to determine what item(s) are outstanding to complete submission of the AFR.</p>	Take action on 1/15/2024 if delinquent financial report not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
15	Hamilton County Soil and Water Conservation District (Hamilton County; General Law)	3	7	FY 2021-22 AFR and Audit Report	No response was received from the District to the Committee's certified letter dated 9/29/2023. In addition, the District did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the AFR.	Take action on 1/15/2024 if delinquent financial report(s) not received
16	Highland Trails Community Development District (Pasco County; Local Ordinance)	11, 21, 23	53, 54, 55, 56	FY 2021-22 Audit Report	On 11/17/2023, Committee staff received correspondence from the District's Counsel, which stated that the auditor is in the process of finalizing the FY 2021-22 audit and once finalized the financial reports will be filed with the state.	Take action on 3/1/2024 if delinquent financial report not received
17	Hillsboro Inlet District (Broward County; Special Act)	30, 32, 35, 37	95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105	FY 2021-22 AFR	On 12/1/2023, Committee staff received correspondence from the District's registered agent, stating that he would have the District Accounting Manager and Auditor review the 12/1/2023 email sent to him about the District's delinquent FY 2021-22 AFR.	Take action on 1/15/2024 if delinquent financial report not received
18	Hillsborough Soil and Water Conservation District (Hillsborough County; General Law)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2021-22 AFR and Audit Report	No response was received from the District to the Committee's certified letter dated 9/29/2023. In addition, the District did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the delinquent financial reports.	Take action on 1/15/2024 if delinquent financial reports not received
19	Holmes Creek Soil and Water Conservation District (Holmes County; General Law)	2	5	FY 2021-22 AFR and Audit Report	No response was received from the District to the Committee's certified letter dated 9/29/2023. In addition, the District did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the delinquent financial reports.	Take action on 1/15/2024 if delinquent financial reports not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
20	Lake Lucie Community Development District (St. Lucie County; Local Ordinance)	29, 31	84, 85	FY 2021-22 AFR	On 11/13/2023, FloridaCommerce - Special District Accountability Program staff, forwarded to Committee staff correspondence from the District's management company, which stated that: (1) They were hired by the District's Board of Supervisors on 10/1/2023 to manage the District and found that the District did not have proper management for the prior year; (2) They have been working hard to bring the District back into compliance, working closely with the District's audit firm, Board Chair, and others; and (3) The audit firm believes that it can provide the FY 2021-22 financial audit for submission no later than 12/21/2023.	Take action on 1/15/2024 if delinquent financial report not received
21	Leon Soil and Water Conservation District (Leon County; General Law)	3	7, 8, 9	FY 2021-22 AFR and Audit Report	No response was received from the District to the Committee's certified letter dated 9/29/2023. In addition, the District did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the delinquent financial reports.	Take action on 1/15/2024 if delinquent financial report(s) not received
22	Liberty Fire District (Walton County; Special Act)	2	5	FY 2021-22 AFR and Audit Report	On 11/21/2023, FloridaCommerce - Special District Accountability Program staff, forwarded to Committee staff correspondence from the District's Secretary/Board Member, which stated that: (1) After receiving its first ever Performance Audit, the District needed to correct prior audit reports, which has been done; (2) The District has met with its CPA about the FY 2021-22 audit, and he advises that he is getting close to completion but has requested additional time for submission due to the corrected prior year reports that needed to be fixed; and (3) The District is working closely to finish the audit and expects a mid-January 2024 report submission, but respectfully requests additional time until February 2024 to be safe.	Take action on 3/1/2024 if delinquent financial reports not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
23	North Park Isle Community Development District (Hillsborough County; Local Ordinance)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2021-22 AFR	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received
24	Plantation Acres Improvement District (Broward County; Special Act)	30, 32, 35, 37	95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105	FY 2021-22 AFR	On 12/7/2023, FloridaCommerce - Special District Accountability Program staff, forwarded to Committee staff correspondence from the Florida Association of Special Districts and the District, which stated that: (1) The District filed the AFR in June 2023 via email; the website piece was inoperative back then and still is today; (2) The District had been in contact with DFS, who said the District still needed to file online; however, the District had not been able to do so; and (3) FloridaCommerce staff told them to contact DFS about the continuing submission issues.	Take action on 1/15/2024 if delinquent financial report not received
25	Sherwood Manor Community Development District (Hillsborough County; Local Ordinance)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2021-22 AFR	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received

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	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
26	Simmons Village North Community Development District (Hillsborough County; Local Ordinance)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2021-22 AFR	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received
27	South Bay Community Development District (Hillsborough County) (Hillsborough County; Local Ordinance)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2021-22 AFR	No response was received from the District to the Committee's certified letter dated 9/29/2023. In addition, the District did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the AFR.	Take action on 1/15/2024 if delinquent financial report not received
28	Southern Hills Plantation II Community Development District (Hernando County; Local Ordinance)	11	52, 53	FY 2021-22 AFR	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received
29	Stoneybrook Community Development District (Lee County; Local Ordinance)	27, 28, 33	76, 77, 78, 79, 80	FY 2021-22 AFR and Audit Report	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) The inventory for the Pro-Shop (golf course) is being restated and it has required additional procedures by the auditor; and (2) They expect it should be wrapped up within the next 3 to 4 weeks.	Take action on 3/1/2024 if delinquent financial reports not received

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SPECIAL DISTRICTS (INDEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
30	Suncoast Community Development District (Pasco County; Local Ordinance)	11, 21, 23	53, 54, 55, 56	FY 2021-22 AFR	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial report not received
31	Sun'n Lake of Sebring Improvement District (Highlands County; Local Ordinance)	29	83	FY 2021-22 AFR and Audit Report	On 11/20/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial reports not received
32	Taylor County Development Authority (Taylor County; Special Act)	3	7	FY 2021-22 AFR	No response was received from the Authority to either the Committee's certified letter dated 9/29/2023 or an email sent on 12/1/2023. In addition, the Authority did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the AFR.	Take action on 1/15/2024 if delinquent financial report not received
33	Two Rivers East Community Development District (Pasco County; Local Ordinance)	11, 21, 23	53, 54, 55, 56	FY 2021-22 AFR and Audit Report	No response was received from the District to the Committee's certified letter dated 9/29/2023. In addition, the District did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the delinquent financial reports.	Take action on 1/15/2024 if delinquent financial reports not received

List 3:

SPECIAL DISTRICTS (INDEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
34	Two Rivers North Community Development District (Pasco County; Local Ordinance)	11, 21, 23	53, 54, 55, 56	FY 2021-22 AFR and Audit Report	On 11/17/2023, Committee staff received correspondence from the District's management company, which stated that: (1) Several factors contributed to the delinquency of the FY 2021-22 financial reports, including an accounting software conversion, as well as some key personnel departures; (2) Both issues have since been resolved, and they now have a new accounting system in place along with the personnel; and (3) The District will meet all future reporting requirements, and they have committed to having the audit and AFR completed by month-end.	Take action on 1/15/2024 if delinquent financial reports not received
35	Wakulla Soil and Water Conservation District (Wakulla County; General Law)	3	7	FY 2021-22 AFR and Audit Report	No response was received from the District to the Committee's certified letter dated 9/29/2023. In addition, the District did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the AFR.	Take action on 1/15/2024 if delinquent financial report(s) not received
36	Wilderness Coast Public Libraries (Franklin County, Jefferson County, Wakulla County; General Law)	3	7, 8, 9	FY 2021-22 AFR	No response was received from the special district to either the Committee's certified letter dated 9/29/2023 or an email sent on 12/1/2023. In addition, the special district did not provide a response to correspondence from FloridaCommerce's Special District Accountability Program regarding the AFR.	Take action on 1/15/2024 if delinquent financial report not received

List 4:

SPECIAL DISTRICTS (DEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Bunnell Community Redevelopment Agency (Flagler County; Local Ordinance)	7	19	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the City of Bunnell, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report, if required.	Take action on 1/15/2024 if delinquent financial report(s) not received
2	Century Community Redevelopment Agency (Escambia County; Local Ordinance)	1	1, 2	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the Town of Century, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report, if required.	Take action on 1/15/2024 if delinquent financial report(s) not received
3	City of Brooksville Community Redevelopment Agency (Hernando County; Local Ordinance)	11	52, 53	FY 2021-22 AFR	The Agency is a component unit of the City of Brooksville, and its AFR is linked to the City's AFR, which cannot be submitted until the City's submits its FY 2021-22 AFR. [See List 1 for the status of the City's AFR.]	No action on the special district since the City of Brooksville is responsible for submitting the Agency's AFR. [Note: Take action on City of Brooksville if delinquent financial report not received by 1/15/2024.]

List 4:

SPECIAL DISTRICTS (DEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
4	City of Midway Community Redevelopment Agency (Gadsden County; Local Ordinance)	3	8	FY 2021-22 AFR and Audit Report	No response was received from the Agency to the Committee's certified letter dated 9/29/2023.	Take action on 1/15/2024 if delinquent financial report(s) not received
5	Community Redevelopment Agency of the Town of Havana (Gadsden County; Local Ordinance)	3	8	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the Town of Havana, and its AFR is linked to the Town's AFR, which cannot be submitted until the Town's FY 2021-22 audit is completed. [See List 1 for the status of the Town's audit.] However, the Agency is responsible for submitting its standalone audit report, if required.	Take action on 5/1/2024 if delinquent financial report(s) not received
6	Dade City Community Redevelopment Agency (Pasco County; Local Ordinance)	11, 21, 23	53, 54, 55, 56	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the City of Dade City, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report.	Take action on 3/1/2024 if delinquent financial reports not received
7	DeFuniak Springs Community Redevelopment Agency (Walton County; Local Ordinance)	2	5	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the City of DeFuniak Springs, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report, if required.	Take action on 4/1/2024 if delinquent financial report(s) not received
8	Downtown Clermont Redevelopment Agency (Lake County; Local Ordinance)	13	25, 26, 27	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the City of Clermont, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report, if required.	Take action on 4/1/2024 if delinquent financial reports not received

List 4:

SPECIAL DISTRICTS (DEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
9	Gretna Neighborhood Improvement District (Gadsden County; Local Ordinance)	3	8	FY 2021-22 AFR and Audit Report FY 2020-21 AFR and Audit Report	<p>The District is a component unit of the City of Gretna, and its FY 2020-21 and FY 2021-22 AFRs are linked to the City's AFRs for those fiscal years, which cannot be submitted until the City's FY 2020-21 and FY 2021-22 audits, respectively, are completed and submitted. [See List 1 for the status of the City's audit.]</p> <p>To date, the City has not yet completed and submitted either its FY 2020-21 AFR and audit report, including the AFR for the District (due by law no later than 6/30/2022), or its FY 2021-22 AFR and audit report, including the AFR for the District (due by law no later than 6/30/2023). See the History section below for specifics relating to the FY 2020-21 delinquent financial reports.</p> <p>History:</p> <ul style="list-style-type: none"> - In February 2023, the Committee approved to take: (1) no action on the special district since the City of Gretna (City) is responsible for submitting the District's AFR, and (2) action on the City if the City's FY 2020-21 AFR and audit report, including the AFR for the District, were not received by 6/30/2023; a post-meeting email was sent to the City's Mayor on 3/15/2023 regarding such. -The City failed to submit the financial reports by the deadline, so State action against the City began on 7/5/2023. [See the History section for the City on List 1 for more specifics relating to the ongoing State action.] -The City of Gretna reported zero total revenues and total expenditures for the District for at least the previous five fiscal years. 	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 on 3/1/2023 if delinquent financial report(s) not received.]
10	Hawthorne Community Redevelopment Agency (Alachua County; Local Ordinance)	6, 9	10, 21, 22	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the City of Hawthorne, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report, if required.	Take action on 1/15/2024 if delinquent financial report(s) not received

List 4:

SPECIAL DISTRICTS (DEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
11	High Springs Community Redevelopment Agency (Alachua County; Local Ordinance)	6, 9	10, 21, 22	FY 2021-22 AFR	The Agency is a component unit of the City of High Springs, and its AFR is linked to the City's AFR, which cannot be submitted until the City's submits its FY 2021-22 AFR. [See List 1 for the status of the City's AFR.]	No action on the special district since the City of High Springs is responsible for submitting the Agency's AFR. [Note: Take action on City of High Springs if delinquent financial report not received by 1/15/2024.]
12	Lake Worth Beach Community Redevelopment Agency (Palm Beach County; Local Ordinance)	24, 26, 30, 31	86, 87, 88, 89, 90, 91, 92, 93, 94	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the City of Lake Worth Beach, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report, if required.	Take action on 4/1/2024 if delinquent financial reports not received

List 4:

SPECIAL DISTRICTS (DEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
13	Loxahatchee Groves Water Control District (Palm Beach County; Special Act)	31	94	FY 2021-22 AFR and Audit Report	The District is a component unit of the Town of Loxahatchee Groves and is included in the Town's audit. Also, the District's AFR is linked to the Town's AFR, which cannot be submitted until the Town's FY 2021-22 audit is completed. In addition, the audit of the District is included as part of the Town's audit. [See List 1 for the status of the Town's audit.]	No action on the special district. The Town is responsible for submitting the District's financial reports. [Note: Take action on Town of Loxahatchee Groves if delinquent reports not received by 1/15/2024.]
14	New Port Richey Community Redevelopment Agency (Pasco County; Local Ordinance)	11, 21, 23	53, 54, 55, 56	FY 2021-22 AFR	The Agency is a component unit of the City of New Port Richey, and its AFR is linked to the City's AFR, which cannot be submitted until the City's submits its FY 2021-22 AFR. [See List 1 for the status of the City's AFR.]	No action on the special district since the City of New Port Richey is responsible for submitting the Agency's AFR. [Note: Take action on City of New Port Richey if delinquent financial report not received by 1/15/2024.]

List 4:

SPECIAL DISTRICTS (DEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
15	Opa-Locka Community Redevelopment Agency (Miami-Dade County; Local Ordinance)	34	109	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the City of Opa-locka, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report.	Take action on 3/1/2024 if delinquent financial reports not received
16	Safety Harbor Community Redevelopment Agency (Pinellas County; Local Ordinance)	16, 18, 21	57, 58, 59, 60, 61, 62	FY 2021-22 AFR	The Agency is a component unit of the City of Safety Harbor, and its AFR is linked to the City's AFR, which cannot be submitted until the City's submits its FY 2021-22 AFR. [See List 1 for the status of the City's AFR.]	No action on the special district since the City of Safety Harbor is responsible for submitting the Agency's AFR. [Note: Take action on City of Safety Harbor if delinquent financial report not received by 1/15/2024.]
17	Springfield Community Redevelopment Agency (Bay County; Local Ordinance)	2	6	FY 2021-22 AFR and Audit Report	The Agency is a component unit of the City of Springfield, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2021-22 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report, if required.	Take action on 1/15/2024 if delinquent financial report(s) not received

List 4:

SPECIAL DISTRICTS (DEPENDENT)

(Some special district boundaries are difficult to determine if they do not include an entire county. Therefore, for most Community Development Districts, and if applicable, some additional special districts, all House and Senate districts in the county in which these special districts are located are listed.)

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
18	Union Soil and Water Conservation District (Union County; General Law)	6	10	FY 2021-22 AFR and Audit Report	<p>On 9/18/2023, Committee staff received correspondence from FloridaCommerce stating that the District “no longer has a registered agent or registered office.”</p> <p>As of 12/6/2023, the FloridaCommerce, Special District Accountability Program’s records have the District’s registered agent name and registered office address as "None as of 9/18/2023" and “Not Yet Provided,” respectively.</p>	<p>Due to the lack of a registered agent and office, take action upon the filing of a registered agent or office if filed by 9/18/2024.</p> <p>Otherwise, declare District inactive in accordance with Section 189.062, <i>Florida Statutes</i>.</p>
19	Valrico Manor Special Dependent Tax District (Hillsborough County; Local Ordinance)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2021-22 AFR and Audit Report	No response was received from the District to the Committee’s certified letter dated 9/29/2023.	Take action on 1/15/2024 if delinquent financial report(s) not received

List 5:

TAKE NO ACTION OR CONTINUE TO DELAY ACTION

	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Campbellton-Graceville Hospital District (Jackson County; Special Act)	2	5	AFR and Audit Report* for: FY 2021-22 FY 2020-21 FY 2019-20 FY 2018-19 FY 2017-18 FY 2016-17 FY 2015-16 FY 2014-15 FY 2013-14 (*if audit threshold met)	<p>On 3/6/2023 and 11/28/2023, Committee staff was provided correspondence from the DEO (effective 7/1/2023, the Department of Commerce) with a status update of action against the District, which stated respectively: "We've looked into this issue. OGC [Office of the General Counsel] recommends taking no action based on the previous reasons given by legal." and "OGC will revisit and let program [the Special District Accountability Program] know if there is any reason to deviate from the previous recommendation to place on hold." [Note: In 2021, Committee staff asked the following question to DEO: "The Hospital corporation claims that it is a separate entity from the Hospital District, which is why it could file for bankruptcy without the Governor's consent. If that's accurate, what bearing does the bankruptcy case even have on the Hospital District?" The response received from DEO was "[I]t is in the best interest of the Department to not proceed with declaring the Campbellton-Graceville Hospital District inactive while the bankruptcy is ongoing."]</p> <p>History:</p> <ul style="list-style-type: none"> - On 2/9/2023, DEO forwarded to Committee staff an email received from the District's registered agent, which stated, "Can the legislature just go ahead and dissolve Campbellton-Graceville Hospital District? CGH hasn't had any board members since the hospital property was sold in 2018. I believe CGH still has one bank account open at Peoples Bank in Graceville, Florida. There are also unclaimed assets at DFS. These assets should go to Jackson County upon the dissolution of the district. Would it help if Jackson County requested the dissolution from the legislature?" [Note: The DEO General Counsel's office was requested by the Special District Accountability Program to review and respond to this email.] - Correspondence received in August 2021 from the DEO General Counsel's office regarding the status of action against the District stated that "due to the ongoing bankruptcy, [the office] recommends taking no action at this time." Committee staff asked the following to DEO: "The Hospital corporation claims that it is a separate entity from the Hospital District, which is why it could file for bankruptcy without the Governor's consent. If that's accurate, what bearing does the bankruptcy case even have on the Hospital District?" Correspondence from DEO received in September 2021 stated that "it is in the best interest of the Department to not proceed with declaring the Campbellton-Graceville Hospital District inactive while the bankruptcy 	Continue to delay state action on prior year delinquent financial reports and delay state action on FY 2021-22 delinquent financial reports, and have staff monitor District's progress in complying with terms of Chapter 2018-188, Laws of Florida, to "wind down its affairs" now that the Hospital property has been sold.

List 5:

TAKE NO ACTION OR CONTINUE TO DELAY ACTION

	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Campbellton-Graceville Hospital District (continued)				<p>is ongoing.” Correspondence received in February 2019 from the DEO General Counsel’s office regarding the status of action against the District stated: (1) the Campbellton Graceville Hospital Corporation’s Chapter 11 Bankruptcy was still pending; and (2) the Jackson County Official Records indicated that the hospital property was sold on 8/1/2018, which appeared to further the legislation from the 2018 Legislative Session.</p> <p>- Legislation passed during the 2018 Legislative Session relating to the District (HB 1449, now Chapter 2018-188, Laws of Florida): (1) authorized the District to complete the sale of the Campbell-Graceville Hospital facility to Northwest Florida Healthcare, Inc.; (2) required that, upon completion of such sale, the District remain in full operation and possession of all powers to be exercised solely to wind down its affairs; and (3) stated that, on the date the District closes on the authorized sale, Sections 4 and 5 of the Districts enacting law (Chapter 69-2290, Laws of Florida) are repealed and the authority of the Board of County Commissioners of Jackson County to impose any ad valorem taxes for maintenance and operations of the District is terminated.</p> <p>-In August 2017, Committee staff were informed that the Campbellton Graceville Hospital Corporation had filed bankruptcy. The Hospital Corporation claimed that it was a separate entity from the Hospital District, which was why it could file for bankruptcy without the Governor’s consent. The Attorney General’s Office had some involvement regarding the bankruptcy proceedings.</p> <p>-On 7/27/2017 Committee staff received an email from DEO stating that Hospital had closed on June 30th, but the clinic remained open. Neither Committee staff nor the Governor’s Office were notified by the District of this, which is a condition of financial emergency, as required by Section 218.503(3), Florida Statutes.</p> <p>-The Committee, at its 11/2/2015 meeting, directed DEO to take action against the District for failure to file the AFR and audit report for the 2013-14 fiscal year. DEO filed a petition for enforcement in the Leon County Circuit Court in February 2016, and the Circuit Judge signed the Order of Final Judgment on 11/6/2016. The District failed to file the delinquent financial reports as ordered, so DEO published a “Proposed Notice of Inactive Status” in the local paper on 11/17/2016. The District objected and filed a “Petition for Formal Administrative Hearing” on 12/6/2016. A formal hearing with the Division of Administrative Hearings was scheduled for 2/24/2017.</p>	

List 5:

TAKE NO ACTION OR CONTINUE TO DELAY ACTION

	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
2	Santa Rosa Bay Bridge Authority (Santa Rosa County; Special Act)	1	2, 3	<p>AFR and Audit Report* for: FY 2021-22 FY 2020-21 FY 2019-20 FY 2018-19 FY 2017-18 FY 2016-17 FY 2015-16 FY 2014-15 FY 2013-14 FY 2012-13 FY 2011-12 FY 2010-11</p> <p>Audit Report for: FY 2009-10 FY 2008-09</p> <p>(*if audit threshold met)</p>	<p>During the 2023 Legislative Session, the Legislature repealed Part IV of Chapter 348, Florida Statutes [titled Santa Rosa Bay Bridge Authority], and transferred the governance and control of the Santa Rosa Bay Bridge Authority’s bridge system to the Department of Transportation (Chapter 2023-70, Laws of Florida).</p> <p>To date, this special district has not been dissolved and removed from the Official List of Special Districts maintained by the Department of Commerce, also known as FloridaCommerce (formerly the Department of Economic Opportunity). On 11/28/2023, Committee staff was provided correspondence from the FloridaCommerce regarding such, which stated “OGC [Office of the General Counsel] will revisit and let program [Special District Accountability Program] know if there is any reason to deviate from the previous recommendation to place on hold.” As of 12/6/2023, the Special District Accountability Program’s records have the District’s registered agent name and registered office address as "Not Yet Provided Unknown as of January 14, 2015" and “Not Yet Provided,” respectively.</p> <p>History: - In June 2022, the Department of Transportation (DOT) reached a settlement with the bondholders to pay \$134 million to transfer the ownership of the Garcon Point Bridge to the DOT. -From at least 2009-early 2023, the Committee had approved to delay action until a later date because the Authority only had restricted funds, which could not be used to pay for an audit. The DOT staffed the day-to-day operations of Authority, and until sometime in 2013 the DOT IG's Office compiled the financial statements and submitted the AFR for the Authority. -On 6/30/2011, the Authority was unable to make its \$5 million bond payment, and the trustee alerted the bondholders to the default. Since the bonds were not backed by the full faith and credit of the State, the State is not liable for the debt. DOT continues to operate and maintain the bridge. In January 2015, DEO forwarded an email from the Authority’s registered agent of record to Committee staff, which stated that he had resigned from the Authority's Board in December 2014, following other members' resignations by about two months. Mellon Bank had sent a directive for the Board to increase the Garcon Point Bridge toll from \$3.75 to \$5; if such action had not been taken within 30 days, they were going to circumvent the Board and</p>	No action is required by the Committee.

List 5:

TAKE NO ACTION OR CONTINUE TO DELAY ACTION

	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Santa Rosa Bay Bridge Authority (continued)				direct the State to raise the toll. He stated that he resigned because he had long said that he would not serve through another unwarranted toll increase and he meant it. DEO removed him as the registered agent in its records and requested, if he was aware or became aware of anyone else who was handling registered agent responsibilities for the Authority, that he let DEO know or ask the person to contact DEO. Since 2/12/2015, the Department of Economic Opportunity, Special District Accountability Program's records had shown the Authority's registered agent name and registered office address as "Unknown."	

From: GINA BAILEY
Sent: Wednesday, September 13, 2023 10:56 AM
To: Caruso, Mike <Mike.Caruso@myfloridahouse.gov>; Pizzo, Jason <Pizzo.Jason@flsenate.gov>
Subject: FY 2021-22 Section 11.45(7)(a) FS, Notification
Attachments: 2021-22 Section 11.45(7)(a) Notification for JLAC.xlsb

Pursuant to Section 11.45(7)(a), Florida Statutes, this e-mail is to notify you of the 336 local governmental entities listed on the attached document that, as of September 12, 2023, were either not in compliance (Attachment A), or may not have been in compliance (Attachment B), with the Section 218.39, Florida Statutes, audit report filing requirement for the 2021-22 fiscal year. A separate notification regarding district school boards, charter schools, and charter technical career centers that failed to provide for an audit for the 2021-22 fiscal year was made to you in our e-mail dated May 17, 2023.

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

Gina Bailey, CPA, CFE, CISA
Audit Supervisor
Auditor General, State of Florida
40 Sarasota Center Blvd., Suite 105
Sarasota, FL 34240
Tel.(813) 940 - 4172

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

**Local Governmental Entities
2021-22 Fiscal Year Audit Reports
Required - Not Received.**

Attachment A

COUNTIES		Entity ID	Note
1	Baker County	C00200	A
2	Bradford County	C00400	A
3	DeSoto County	C01400	B
4	Dixie County	C01500	A
5	Flagler County	C01700	B
6	Hardee County	C02400	B
7	Hendry County	C02500	B
8	Jefferson County	C03200	A
9	Liberty County	C03800	B

MUNICIPALITIES			
1	Town of Alford	M00200	B
2	Town of Altha	M00400	A
3	City of Apalachicola	M00600	B
4	Town of Bascom	M01900	B
5	Town of Bell	M02200	A
6	Town of Belleair	M02500	B
7	City of Blountstown	M03200	B
8	Town of Bronson	M04200	B
9	City of Bunnell	M04500	A
10	Town of Campbellton	M04900	B
11	City of Center Hill	M05700	B
12	Town of Century	M05800	A
13	City of Clermont	M06400	B
14	City of Crescent City	M07500	B
15	City of Dade City	M07900	B
16	City of DeFuniak Springs	M08700	B
17	Village of El Portal	M10000	B
18	Town of Esto	M10100	B
19	City of Fort Meade	M11000	A
20	Town of Fort Myers Beach	M11100	B
21	City of Frostproof	M11700	B
22	City of Fruitland Park	M11800	B
23	City of Green Cove Springs	M12700	A
24	Town of Greenville	M13000	B
25	City of Gretna	M13200	A
26	Town of Gulf Stream	M13500	B
27	Town of Havana	M14100	B
28	City of Hawthorne	M14300	B
29	City of Hialeah Gardens	M14400	A
30	City of High Springs	M14600	B
31	Village of Indiantown	M15950	B
32	Town of Inglis	M16500	A
33	City of Jacksonville	M16900	B
34	City of Jacob City	M17100	A

**Local Governmental Entities
2021-22 Fiscal Year Audit Reports
Required - Not Received.**

Attachment A

35	Town of Kenneth City	M17900	A
36	City of LaBelle	M18500	A
37	City of Lake Worth	M19900	B
38	City of Laurel Hill	M20600	A
39	Town of Loxahatchee Groves	M21550	A
40	Town of Manalapan	M22300	B
41	Town of Mangonia Park	M22400	A
42	City of Mexico Beach	M23600	B
43	Village of Miami Shores	M23900	B
44	City of Midway	M24200	A
45	City of Neptune Beach	M25200	A
46	City of New Port Richey	M25300	A
47	Town of Ocean Ridge	M27000	A
48	City of Opa-locka	M27400	A
49	Otter Creek, Town of	M28000	A
50	City of Pahokee	M28200	A
51	City of Panama City Beach	M29200	A
52	Town of Pembroke Park	M29600	A
53	Town of Pomona Park	M30700	B
54	Town of Ponce de Leon	M30900	B
55	City of Quincy	M31600	A
56	Redington Beach, Town of	M31900	A
57	City of Safety Harbor	M32400	A
58	City of Springfield	M34300	B
59	City of Starke	M35200	B
60	City of Sweetwater	M35600	B
61	City of Trenton	M36600	A
62	City of Vernon	M37000	A
63	Town of Welaka	M37800	A
64	Town of Westville	M38400	B
65	Town of White Springs	M38600	A
66	City of Winter Springs	M39400	A

INDEPENDENT SPECIAL DISTRICTS

1	Arborwood Community Development District	D02120	B
2	Arlington Ridge Community Development District	D02250	A
3	Asturia Community Development District	D02455	A
4	Avalon Groves Community Development District	D02810	B
5	Avelar Creek Community Development District	D02860	B
6	Avenir Community Development District	D02863	B
7	Balm Grove Community Development District	D03360	B
8	Bayshore Gardens Park and Recreation District	D04600	B
9	Belmond Reserve Community Development District	D05062	B
10	Berry Bay Community Development District	D05140	B
11	Blackburn Creek Community Development District	D05240	B
12	Carlton Lakes Community Development District	D10275	A

**Local Governmental Entities
2021-22 Fiscal Year Audit Reports
Required - Not Received.**

Attachment A

13	Central Broward Water Control District	D11300	B
14	Central Lake Community Development District	D11710	A
15	Champion's Reserve Community Development District	D11955	B
16	City Center Community Development District	D14005	A
17	Cobblestone Community Development District	D16745	B
18	Concorde Estates Community Development District	D18370	A
19	Connerton East Community Development District	D18379	B
20	Copperspring Community Development District	D18468	B
21	Corkscrew Farms Community Development District	D18870	B
22	Creek Preserve Community Development District	D19615	B
23	Cypress Preserve Community Development District	D20301	A
24	Cypress Shadows Community Development District	D20304	B
25	Del Webb Bexley Community Development District	D21800	B
26	Dorcas Fire District	D22900	A
27	Eagle Pointe Community Development District	D24125	B
28	Eastpoint Water and Sewer District	D25500	A
29	Eden Hills Community Development District	D25580	B
30	Encore Community Development District	D25685	B
31	Epperson North Community Development District	D25951	A
32	Epperson Ranch II Community Development District	D26351	A
33	Estancia at Wiregrass Community Development District	D26560	A
34	Flaghole Drainage District	D27300	A
35	Flagler Estates Road and Water Control District	D27400	B
36	Florida Green Finance Authority	D27685	B
37	Fort Myers Beach Mosquito Control District	D28300	A
38	Golden Lakes Community Development District	D31200	A
39	Grand Oaks Community Development District	D31470	B
40	Greater Lakes / Sawgrass Bay Community Development District	D31505	B
41	Green Corridor Property Assessment Clean Energy (PACE) District	D31785	B
42	Greyhawk Landing Community Development District	D31905	B
43	Grove Resort Community Development District	D31911	B
44	Hawkstone Community Development District	D33404	B
45	Heights Community Development District, The	D33475	A
46	Hendry-Hilliard Water Control District	D33800	A
47	Heritage Harbor Community Development District	D34100	A
48	Heritage Isles Community Development District	D34130	A
49	Hidden Creek Community Development District	D34740	A
50	Highland Meadows II Community Development District	D35055	B
51	Highland Trails Community Development District	D35090	A
52	Highlands Community Development District	D35150	A
53	Hillsborough Soil and Water Conservation District	D36400	A
54	Hilltop Point Community Development District	D36570	B
55	Holmes Creek Soil and Water Conservation District	D37100	A
56	K-Bar Ranch II Community Development District	D41611	B
57	La Collina Community Development District	D42005	B
58	Lake Ashton Community Development District	D42610	B

**Local Governmental Entities
2021-22 Fiscal Year Audit Reports
Required - Not Received.**

Attachment A

59	Lake Ashton II Community Development District	D42615	B
60	Lake Lucie Community Development District	D43600	A
61	Lake Shore Hospital Authority	D44000	A
62	Lakeland Downtown Development Authority	D44800	B
63	Lakeshore Ranch Community Development District	D44807	A
64	Lakeside Plantation Community Development District	D44810	A
65	Leomas Landing Community Development District	D46580	A
66	Liberty Fire District	D47160	A
67	Longleaf Community Development District	D47510	B
68	LTC Ranch West Residential Community Development District	D47824	B
69	Lynwood Community Development District	D47860	B
70	Madeira Community Development District	D47880	B
71	Magnolia Creek Community Development District	D48155	B
72	Meadow Pointe IV Community Development District	D50407	B
73	Meadow View at Twin Creeks Community Development District	D50409	B
74	Mira Lago West Community Development District	D52105	B
75	Mirabella Community Development District	D52108	B
76	Mirada Community Development District (Pasco)	D52106	A
77	Mirada II Community Development District	D52107	A
78	MTERC Community Development District	D53255	B
79	Municipal Services District of Ponte Verde Beach	D67000	A
80	Naturewalk Community Development District	D53630	B
81	New River Community Development District	D53880	A
82	New River Public Library Cooperative	D53900	A
83	North Park Isle Community Development District	D55574	A
84	Northwood Community Development District	D56900	B
85	Oaks at Shady Creek Community Development District	D57010	B
86	Palm River Community Development District (**)	D62070	A
87	Palms of Terra Ceia Bay Community Development District	D62200	B
88	Park East Community Development District	D62565	B
89	Parkway Center Community Development District	D62600	B
90	Parrish Plantation Community Development District	D62720	B
91	Pensacola-Escambia Promotion and Development Commission	D64300	A
92	Pier Park Community Development District	D64410	B
93	Pine Tree Water Control District (Broward County)	D64600	A
94	Portico Community Development District	D67810	B
95	Ranches at Lake McLeod Community Development District	D68940	B
96	Reserve at Pradera Community Development District	D69480	B
97	Ridgewood Trails Community Development District	D69750	B
98	River Glen Community Development District	D69806	B
99	Rivercrest Community Development District	D69910	B
100	Rolling Oaks Community Development District	D70190	B
101	Sampson Creek Community Development District	D70310	B
102	Sanibel Public Library District	D70770	B
103	Seven Oaks Community Development District	D73200	B
104	Shell Point Community Development District	D73325	B

(**) Committee staff note: District dissolved 9/14/2022

**Local Governmental Entities
2021-22 Fiscal Year Audit Reports
Required - Not Received.**

Attachment A

105	Sherwood Manor Community Development District	D73350	B
106	Simmons Village North Community Development District	D73473	B
107	Six Mile Creek Community Development District	D73475	A
108	Somerset Community Development District	D73603	B
109	Somerset Bay Community Development District	D73606	B
110	South Bay Community Development District (Hillsborough County)	D73605	A
111	South Creek Community Development District	D73970	B
112	South Fork III Community Development District	D74363	A
113	South Shore Corporate Park Industrial Community Development District	D74980	B
114	Southern Hills Plantation II Community Development District	D75480	B
115	Southshore Bay Community Development District	D75575	A
116	Stevens Plantation Community Development District	D78220	A
117	Stoneybrook Community Development District	D78250	A
118	Stoneybrook North Community Development District	D78257	A
119	Stoneybrook South at ChampionsGate Community Development District	D78259	A
120	Storey Creek Community Development District	D78270	A
121	Summit at Fern Hill Community Development District	D78555	B
122	Suncoast Community Development District	D78750	B
123	Sun'n Lake of Sebring Improvement District	D78800	A
124	Sunrise Lakes Phase IV Recreation District	D79400	A
125	Talavera Community Development District	D80570	B
126	Timber Creek Community Development District	D82360	B
127	Touchstone Community Development District	D82570	A
128	TSR Community Development District	D80350	A
129	Turnbull Creek Community Development District	D83750	B
130	Two Rivers East Community Development District	D84189	B
131	Two Rivers North Community Development District	D84190	B
132	Upper Captiva Fire Protection and Rescue Service District	D84600	B
133	V-Dana Community Development District	D84953	B
134	Venetian Community Development District	D84975	B
135	Ventana Community Development District	D84954	A
136	Veranda Community Development District II	D84986	B
137	Verandahs Community Development District, The	D84995	B
138	Viera East Community Development District	D85100	A
139	Villages of Glen Creek Community Development District	D85515	A
140	VillaMar Community Development District (New)	D85594	B
141	WaterGrass Community Development District I	D87305	B
142	Water's Edge Community Development District (Manatee County)	D87207	A
143	Waters Edge Community Development District (Pasco County)	D87330	B
144	Waterset North Community Development District	D87335	B
145	West Port Community Development District	D88360	A
146	Wyld Palms Community Development District (***)	D89840	A
147	Zephyr Lakes Community Development District	D90205	A
148	Zephyr Ridge Community Development District	D90210	A

(***) Committee staff note: District dissolved 6/7/2022

COMMUNITY REDEVELOPMENT AGENCIES

1	City of Fort Meade Community Redevelopment Agency	D14490	A
2	City of Minneola Community Redevelopment Agency	D15150	A
3	City of Trenton Community Redevelopment Agency	D16015	A
4	Dade City Community Redevelopment Agency	D20305	B
5	Downtown Clermont Redevelopment Agency	D23150	B
6	Downtown Investment Authority	D23378	B
7	Fort Lauderdale Community Redevelopment Agency	D28000	A
8	Fort Walton Beach Community Redevelopment Agency	D29000	A
9	Fruitland Park Community Redevelopment Agency	D29450	B
10	High Springs Community Redevelopment Agency	D34900	B
11	Jacksonville International Airport Area Redevelopment Agency	D40750	B
12	KingSoutel Crossing Community Redevelopment Agency	D41909	B
13	Lake Wales Community Redevelopment Agency	D44300	B
14	Lake Worth Beach Community Redevelopment Agency	D44400	A
15	Miami Gardens Community Redevelopment Agency	D51880	B
16	New Port Richey Community Redevelopment Agency	D53800	A
17	Opa-Locka Community Redevelopment Agency	D58570	A
18	Panama City Community Redevelopment Agency	D62245	B
19	Quincy Community Redevelopment Agency	D68750	A
20	Renew Arlington Community Redevelopment Agency	D69430	B
21	Safety Harbor Community Redevelopment Agency	D70300	A
22	Sebring Community Redevelopment Agency	D72600	A

DEPENDENT SPECIAL DISTRICTS

1	Millers Creek Special District (FYE June 30, 2022)	D52055	A
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246 Total Counties, Municipalities and Special Districts

NOTES

- A Based on previous audit reports or other financial reports filed by the entity, the entity was required to provide for an audit for the 2021-22 fiscal year. Although we mailed a letter to each entity requesting confirmation that an audit was performed or was in progress, these entities did not respond to our letter.
- B As of September 8, 2023, we had not received an audit report for the 2021-22 fiscal year; however, the entity confirmed that an audit was in progress.

**Local Governmental Entities
2021-22 Fiscal Year Audit Reports
May Have Been Required - Not Received.**

Attachment B

		Entity ID	Last Fiscal Year Audit Received
<u>MUNICIPALITIES</u>			
1	Lazy Lake, Village of	M20900	A
2	Noma, Town of	M25700	2019-20
3	Raiford, Town of	M31700	A
4	Worthington Springs, Town of	M39500	2019-20

<u>INDEPENDENT SPECIAL DISTRICTS</u>			
1	Abbott Square Community Development District (established 12/13/2021)	D00140	A
2	Alachua County Health Facilities Authority	D00400	A, B
3	Bradford County Development Authority [*dissolved 6/1/2023]	D06700	B
4	Brevard Soil and Water Conservation District	D07900	B
5	Bridgewater North Community Development District	D07908	B
6	Buckhead Trails Community Development District	D09010	B
7	Business Improvement District of Coral Gables (Dissolved 1/10/2023)	D09130	2020-21
8	Campbellton-Graceville Hospital District	D09400	A
9	Charlotte Soil and Water Conservation District	D12200	B
10	Coddington Community Development District (established 12/16/2021)	D16945	A
11	Coral Bay of Lee County Community Development District (established	D18710	A
12	Cow Slough Water Control District	D19600	2019-20
13	Cypress Reserve Community Development District (established 6/6/2022)	D20295	A
14	Duval Soil and Water Conservation District	D24000	B
15	Fieldstone Community Development District (dissolved 10/8/21)	D27160	2020-21
16	Four Seasons at Crystal Springs Community Development District	D29090	B
17	Freedom Walk Community Development District [*inactive 12/6/2022]	D29350	B
18	Greater Seminole Area Special Recreation District [*dissolved 6/21/2023]	D31700	B
19	Hamilton County Soil and Water Conservation District	D32900	B
20	Hyde Park Community Development District 1	D38230	B
21	Lake Flores Community Development District (established 1/13/2022)	D43439	A
22	Leela Reserve Community Development District (established 9/21/2022) [*dissolved 5/3/2023]	D46220	A
23	Leon Soil and Water Conservation District	D57500	B
24	Mangrove Point and Mangrove Manor Community Development District	D48732	B
25	Moore Haven Mosquito Control District	D52900	2019-20
26	Nature Coast Regional Water Authority	D53620	2020-21
27	North River Ranch Community Development District (dissolved 10/8/2021)	D55950	2020-21
28	Oak Stone East Community Development District	D57020	2020-21
29	Orange Hill Soil and Water Conservation District	D59400	A
30	Preserve at Savannah Lakes Community Development District (established	D67855	A
31	Radiance Community Development District (established 7/12/2022)	D68820	A
32	RiverPark Community Development District [*inactive 1/17/2023]	D69930	B
33	Santa Rosa Bay Bridge Authority	D70900	A
34	Seaton Creek Reserve Community Development District	D72225	B
35	Sedona Point Community Development District (established 9/11/2022)	D72670	A
36	Seminole Soil and Water Conservation District	D73000	B
37	Silver Oaks Community Development District (established 10/13/2021)	D73440	A
38	Silverlake Community Development District (established 9/22/2022)	D73468	A

Note: Dissolved or inactive dates shown as [* 'date'] added by Committee staff.

**Local Governmental Entities
2021-22 Fiscal Year Audit Reports**

Attachment B

May Have Been Required - Not Received.

39	South Dade Soil and Water Conservation District [*inactive 12/20/2022]	D74000	2018-19
40	Southbay Community Development District (Manatee County)[*dissolved 5/9/2022]	D73608	B
41	St. Lucie Soil and Water Conservation District	D77600	B
42	Sugarland Drainage District	D78400	2020-21
43	Sugarloaf Community Development District (established 9/20/2022)	D78430	A
44	Sumter Soil and Water Conservation District	D78700	B
45	Taylor Soil and Water Conservation District [*dissolved 8/9/2023]	D81900	B
46	Tuckers Pointe Community Development District	D83890	B
47	Verona Community Development District (dissolved 8/8/2022)	D85040	A
48	Wakulla Soil and Water Conservation District	D86800	B
49	Wildcat Preserve Community Development District (dissolved 5/9/2022)	D89380	B

COMMUNITY REDEVELOPMENT AGENCIES

1	Blountstown Community Redevelopment Agency	D05600	B
2	Bunnell Community Redevelopment Agency	D09075	B
3	Century Community Redevelopment Agency	D11905	B
4	City of Crescent City Community Redevelopment Agency	D14300	2020-21
5	City of Midway Community Redevelopment Agency	D15050	B
6	Community Redevelopment Agency of the Town of Havana	D18353	2020-21
7	DeFuniak Springs Community Redevelopment Agency	D21795	2020-21
8	Hawthorne Community Redevelopment Agency	D33405	2020-21
9	Springfield Community Redevelopment Agency	D76030	B
10	Town of Lake Placid Community Redevelopment Agency	D82640	2020-21

DEPENDENT SPECIAL DISTRICTS

1	Ali-Baba Neighborhood Improvement Distirct (Dissolved 1/12/2022)	D00800	B
2	Arlington Special Dependent District	D02300	B
3	Bradford County Health Facilities Authority [*dissolved 12/6/2022]	D06800	B
4	Brandon Groves North Service District (Dissolved 10/12/2021)	D07100	
5	Carrabelle Hospital Tax District	D10400	B
6	Carrollwood North Special Dependent Tax District	D10700	B
7	City of Palm Bay Business Improvement District (Dissolved 12/16/2021)	D15380	B
8	Connected City Stewardship District	D18378	B
9	Duval County Research and Development Authority	D23900	B
10	East Hendry County Drainage District	D24600	2020-21
11	East Lake Park Special Dependent District	D24605	B
12	East-West Neighborhood Improvement District (Dissolved 1/12/2022)	D25300	B
13	Gadsden County Industrial Development Authority	D29600	B
14	Gretna Neighborhood Improvement District	D31900	A
15	Hammock Woods Special Dependent Tax District	D33000	B
16	Jacksonville Health Facilities Authority	D40700	B
17	Jacksonville Housing Finance Authority	D23800	2020-21
18	Jacksonville Public Library	D40460	2020-21
19	Leon County Energy Improvement District [*dissolved 12/13/2022]	D46630	B
20	Loxahatchee Groves Water Control District (Dependent)	D47701	2020-21
21	Niles Garden Neighborhood Improvement District (Dissolved 1/12/2022)	D54200	B
22	South Pointe Special Dependent Tax District	D74800	B

**Local Governmental Entities
2021-22 Fiscal Year Audit Reports**

Attachment B

May Have Been Required - Not Received.

23	Sugarwood Groves Special District	D78500	B
24	Union Soil and Water Conservation District	D84400	B
25	Valrico Manor Special Dependent Tax District	D84900	B
26	West Atlantic Avenue Neighborhood Improvement District	D87400	B

89 Total Municipalities and Special Districts

NOTE

- A No reports received for the 2016-17 through 2020-21 fiscal years.
- B The 2019, 2020, and 2021 annual financial reports of the primary government filed with the Department of Financial Services show revenues and expenditures below the thresholds in Section 218.39, Florida Statutes, that require a financial audit.

From: LaPonzina, Victoria <Victoria.LaPonzina@myfloridacfo.com>
Sent: Monday, September 18, 2023 1:21 PM
To: White, Deborah
Cc: Dubose, Kathy; localgov; Merry, Mark A; Eastman, Tammy
Subject: RE: [EXT] FW: Compliant and Non-Compliant Reports for AFR Reporting FY 2021-2022
Attachments: Master Non-Compliant Report.xlsx

Good Afternoon Debbie,

Attached is the update report formatted as requested.

Thank you,

Victoria LaPonzina, FCCM

Financial Administrator
Florida Department of Financial Services
Division of Accounting & Auditing
Bureau of Financial Reporting
(850) 413-5501



[Download](#) CFO Patronis' Hurricane Financial Preparedness Toolkit



From: White, Deborah <WHITE.DEBORAH@leg.state.fl.us>
Sent: Monday, September 18, 2023 8:40 AM
To: LaPonzina, Victoria <Victoria.LaPonzina@myfloridacfo.com>
Cc: Dubose, Kathy <DUBOSE.KATHY@leg.state.fl.us>; localgov <localgov@myfloridacfo.com>; Merry, Mark A <Mark.Merry@myfloridacfo.com>; Eastman, Tammy <Tammy.Eastman@myfloridacfo.com>
Subject: [EXT] FW: Compliant and Non-Compliant Reports for AFR Reporting FY 2021-2022

External Email

Good morning, Victoria.

The attached Master Non-Compliant Report includes entities that have submitted the FY 2022 AFR. The Report provided to the Committee for consideration of state action should only include the LGEs that have not submitted a FY 2022 AFR as of the date of the Report.

Would you please provide an official DFS Non-Compliant Report (Report) for FY 2022 in a similar format as provided last year ([see 3rd attachment](#))?

If you have any questions or want to discuss this request further, please call me at (850) 717-0323.

Regards,

*Debbie White, CPA, Chief Legislative Analyst
Joint Legislative Auditing Committee
Telephone #: (850) 487-4110
Fax #: (850) 922-5667
white.deborah@leg.state.fl.us*

*111 West Madison Street, Room 876
Tallahassee, Florida 32399-1400*

From: LaPonzina, Victoria <Victoria.LaPonzina@myfloridacfo.com>
Sent: Friday, September 15, 2023 8:10 AM
To: White, Deborah <WHITE.DEBORAH@leg.state.fl.us>
Cc: Dubose, Kathy <DUBOSE.KATHY@leg.state.fl.us>; localgov <localgov@myfloridacfo.com>; Merry, Mark A <Mark.Merry@myfloridacfo.com>; Eastman, Tammy <Tammy.Eastman@myfloridacfo.com>
Subject: Compliant and Non-Compliant Reports for AFR Reporting FY 2021-2022

Good Morning Debbie,

In accordance with 218.32(1)(f), F.S., the attached Master Non-Compliant Report lists entities who did not file their AFR within the required reporting period. Additionally, per your request, the Master Compliant Report has been attached.

Please let me know if you have any questions.

Thank you,

Victoria LaPonzina, FCCM

Financial Administrator
Florida Department of Financial Services
Division of Accounting & Auditing
Bureau of Financial Reporting
(850) 413-5501



[Download](#) CFO Patronis' Hurricane Financial Preparedness Toolkit



External Email: Please do not click on links or attachments unless you know the content is safe.

Master Non-Compliant report for Fiscal Year 2022, as of Friday, September 8, 2023

EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
100002	Baker	9/30			
100004	Bradford	9/30			
100014	Desoto	9/30			
100015	Dixie	9/30			
100018	Flagler	9/30			
100020	Gadsden	9/30			
100025	Hardee	9/30			
100026	Hendry	6/30			
100039	Liberty	9/30			
200002	Alford	9/30			
200004	Altha	9/30			
200006	Apalachicola	9/30			
200009	Archer	9/30			
200019	Bascom	9/30			
200022	Bell	9/30			
200025	Belleair	9/30			
200032	Blountstown	9/30			
200039	Branford	9/30			
200042	Bronson	9/30			09/06/2023
200044	Brooksville	9/30			09/06/2023
200045	Bunnell	6/30			06/26/2023
200048	Callaway	9/30			05/15/2023
200049	Campbellton	9/30			05/10/2023
200057	Center Hill	9/30			
200058	Century	9/30			
200064	Clermont	9/30			
200075	Crescent City	9/30			
200079	Dade City	9/30			
200086	DeFuniak Springs	9/30			
200096	Eatonville	9/30			
200100	El Portal	9/30			
200101	Esto	9/30			
200104	Fanning Springs	9/30			
200109	Fort Lauderdale	9/30			
200110	Fort Meade	9/30			
200112	Fort Myers Beach	9/30			
200115	Fort White	9/30			06/27/2023
200117	Frostproof	9/30			
200118	Fruitland Park	9/30			
200130	Greenville	9/30			
200132	Gretna	9/30			
200135	Gulf Stream	9/30			

Master Non-Compliant report for Fiscal Year 2022, as of Friday, September 8, 2023

EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
200141	Havana	9/30			
200143	Hawthorne	9/30			
200145	Hialeah Gardens	9/30			
200146	High Springs	9/30			
200165	Inglis	9/30			
200167	Inverness	9/30			05/26/2023
200170	Jacksonville	9/30			
200172	Jacob City	9/30			
200180	Kenneth City	9/30			
200186	LaBelle	9/30			
200188	Lady Lake	9/30			04/19/2023
200200	Lake Worth Beach	9/30			
200207	Laurel Hill	9/30			
200208	Lawtey	9/30			08/14/2023
200210	Lazy Lake Village	9/30			
200224	Manalapan	9/30			
200225	Mangonia Park	9/30			
200238	Mexico Beach	9/30			
200241	Miami Shores Village	9/30			
200244	Midway	9/30			
200250	Moore Haven	9/30			
200254	Neptune Beach	9/30			
200255	New Port Richey	9/30			
200259	Noma	9/30			
200272	Ocean Ridge	9/30			
200276	Opa-locka	9/30			
200282	Otter Creek	9/30			
200284	Pahokee	9/30			
200293	Panama City	9/30			
200298	Pembroke Park	9/30			
200302	Perry	9/30			
200308	Pomona Park	9/30			
200317	Quincy	9/30			
200318	Raiford	9/30			
200320	Redington Beach	9/30			
200325	Safety Harbor	9/30			
200341	Sebring	9/30			
200350	South Palm Beach	9/30			06/01/2023
200352	Springfield	9/30			
200353	Starke	9/30			04/26/2023
200357	Surfside	9/30			
200358	Sweetwater	9/30			

Master Non-Compliant report for Fiscal Year 2022, as of Friday, September 8, 2023

EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
200372	Vernon	9/30			
200381	Welaka	9/30			
200387	Westville	9/30			
200388	Wewahitchka	9/30			07/27/2023
200389	White Springs	9/30			
200397	Winter Springs	9/30			
200398	Worthington Springs	9/30			
200408	Miami Gardens	9/30			07/05/2023
200413	Loxahatchee Groves	9/30			
200416	Indiantown	9/30			
300001	Aucilla Area Solid Waste Administration	9/30			06/30/2023
300007	Cow Slough Water Control District	9/30			
300015	Flaghole Drainage District	9/30			
300016	Flagler Estates Road and Water Control District	9/30			
300026	New River Public Library Cooperative	9/30			
300044	Sugarland Drainage District	9/30			
300055	West Coast Inland Navigation District	9/30			
300056	Wilderness Coast Public Libraries	9/30			06/30/2023
300064	Baker Soil and Water Conservation District	9/30	06/15/2022		
300070	Bradford County Development Authority	9/30	[*6/1/2023]		
300074	Brevard Soil and Water Conservation District	9/30			
(#) 300082	Port of St. John Dependent Special District	9/30	12/15/2022		
300084	Viera East Community Development District	9/30			
300090	Central Broward Water Control District	9/30			
300096	Hillsboro Inlet District	9/30			07/06/2023
300104	Pine Tree Water Control District (Broward County)	9/30			
300105	Plantation Acres Improvement District	9/30			07/06/2023
300108	South Broward Drainage District	9/30			07/27/2023
300110	Sunrise Lakes Phase IV Recreation District	9/30			
300136	Collier Soil and Water Conservation District	9/30			06/29/2023
300152	Lake Shore Hospital Authority	9/30			
300157	South Dade Soil and Water Conservation District	9/30	12/20/2022 [inactive]		
300162	Duval Soil and Water Conservation District	6/30			
300163	Jacksonville Transportation Authority	9/30			
300176	Eastpoint Water and Sewer District	9/30			
300186	City-County Public Works Authority	9/30			
300188	Moore Haven Mosquito Control District	9/30			
300193	Hamilton County Soil and Water Conservation District	9/30			
300203	Hendry-Hilliard Water Control District	9/30			
300204	Hendry-La Belle Recreation Board	9/30			
300210	Sun'n Lake of Sebring Improvement District	9/30			
300219	Heritage Harbor Community Development District	9/30			

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EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
300220	Heritage Isles Community Development District	9/30			
300223	Hillsborough Soil and Water Conservation District	9/30			
300228	Parkway Center Community Development District	9/30			
300237	Doctors Memorial Hospital	9/30			
300238	Holmes Creek Soil and Water Conservation District	9/30			
300249	Campbellton-Graceville Hospital District	9/30			
300257	Lake Soil and Water Conservation District	9/30			06/23/2023
300269	Captiva Erosion Prevention District	9/30			05/02/2023
300275	Fort Myers Beach Mosquito Control District	9/30			
300287	Matlacha / Pine Island Fire Control District	9/30			
300295	Upper Captiva Fire Protection and Rescue Service District	9/30			
300297	Leon Soil and Water Conservation District	6/30			
300305	Bayshore Gardens Park and Recreation District	9/30			
300315	Palms of Terra Ceia Bay Community Development District	9/30			
300318	Trailer Estates Fire Control District	9/30	09/30/2022		
300325	Marion County Law Library	9/30			
300327	Ocala Downtown Development District	9/30			
300330	Martin Soil and Water Conservation District	12/31	06/15/2022		
300346	Dorcas Fire District	9/30			
300414	Northwood Community Development District	9/30			
300423	Greater Seminole Area Special Recreation District	9/30	06/21/2023		
300430	Golden Lakes Community Development District	9/30			
300434	Lakeland Downtown Development Authority	9/30			
300450	Lake Lucie Community Development District	9/30			
300456	St. Lucie Soil and Water Conservation District	9/30			
300461	Santa Rosa Bay Bridge Authority	9/30			
300472	Seminole Soil and Water Conservation District	9/30			
300473	Sumter Soil and Water Conservation District	9/30			
300479	Taylor County Development Authority	9/30			
300480	Taylor Soil and Water Conservation District	9/30	08/09/2023		
300483	Union Soil and Water Conservation District	9/30			
300486	Indigo Community Development District	9/30			
300491	Wakulla Soil and Water Conservation District	9/30			
300499	Orange Hill Soil and Water Conservation District	6/30			
300500	Alachua County Health Facilities Authority	12/31			
300504	Bradford County Health Facilities Authority	9/30	12/06/2022		
300533	Charlotte Soil and Water Conservation District	9/30			
300552	Jacksonville Housing Finance Authority	9/30			
300553	Duval County Research and Development Authority	9/30			
300561	Gadsden County Hospital	9/30			
300562	Gadsden County Industrial Development Authority	9/30			
300570	East Hendry County Drainage District	9/30			

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EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
	300572 Hendry Soil and Water Conservation District	9/30			06/29/2023
(#)	300586 Northwest Highlands Park Estates Special Benefit District	9/30	12/15/2022		
	300587 Arlington Special Dependent District	9/30			
	300593 Brandon Groves North Special Dependent Tax District	9/30	10/12/2021		
	300596 Carrollwood North Special Dependent Tax District	9/30			
	300602 Hammock Woods Special Dependent Tax District	9/30			
	300619 South Pointe Special Dependent Tax District	9/30			
	300620 Sugarwood Groves Special District	9/30			
	300623 Valrico Manor Special Dependent Tax District	9/30			
(#)	300635 North Lake County Ambulance Taxing District (Lake)	9/30	12/15/2022		
	300636 Housing Finance Authority of Lee County, Florida	9/30			07/27/2023
(#)	300651 Myakka Fire Control District	9/30	10/01/2024		
	300730 Suwannee County Development Authority	9/30			06/26/2023
	300755 High Springs Community Redevelopment Agency	9/30			
	300757 Panama City Downtown Improvement Board	9/30			
	300759 Panama City Port Authority	9/30			
	300782 Sunrise Key Neighborhood Improvement District	9/30			
	300802 Blountstown Community Redevelopment Agency	9/30			
	300808 Crystal River Redevelopment Agency	9/30			
	300809 City of Inverness Community Redevelopment Agency	9/30			05/26/2023
	300813 City of Naples Airport Authority	9/30			05/08/2023
	300835 Ali-Baba Neighborhood Improvement District	9/30	01/12/2022		
	300836 East-West Neighborhood Improvement District	9/30	01/12/2022		
	300837 Niles Garden Neighborhood Improvement District	9/30	01/12/2022		
(#)	300839 Jacksonville Economic Development Commission	9/30	12/15/2022		
	300840 Jacksonville Health Facilities Authority	9/30			
(#)	300842 Jax Port Authority	9/30	12/15/2022		
	300843 Jacksonville Public Library	9/30			
	300855 Gretna Neighborhood Improvement District	9/30			
	300856 City of Moore Haven Affordable Housing Finance Authority	9/30			
	300857 Moore Haven Capital Projects Finance Authority	9/30			
	300862 Sebring Community Redevelopment Agency	9/30			
	300921 Lake Worth Beach Community Redevelopment Agency	9/30			
	300930 New Port Richey Community Redevelopment Agency	9/30			
	300941 Safety Harbor Community Redevelopment Agency	9/30			
(#)	300960 City of Lakeland Historic Preservation Board	9/30	12/21/2022		
	300983 Sanford Airport Authority	9/30			
(#)	301013 Ft Lauderdale Downtown Development District	9/30	12/15/2022		
(#)	301026 Goodland Water District	9/30	12/15/2022		
	301126 Lakeside Plantation Community Development District	9/30			
	301127 Longleaf Community Development District	9/30			
	301131 Stoneybrook Community Development District	9/30			

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EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
301149	Quincy Community Redevelopment Agency	9/30			
301150	City of Brooksville Community Redevelopment Agency	9/30			
301173	Dade City Community Redevelopment Agency	9/30			
301179	Pier Park Community Development District	9/30			
301184	Rivercrest Community Development District	9/30			
301188	Greyhawk Landing Community Development District	9/30			
301193	Sampson Creek Community Development District	9/30			
301219	East Lake Park Special Dependent District	9/30			
301232	Central Lake Community Development District	9/30			
301244	Fruitland Park Community Redevelopment Agency	9/30			
301251	Jacksonville Port Authority	9/30			
301254	Lake Ashton Community Development District	9/30			
301272	Seven Oaks Community Development District	9/30			
301279	Venetian Community Development District	9/30			
301300	City Center Community Development District	9/30			
301320	Meadow Pointe IV Community Development District	9/30			
301337	Town of Eatonville Community Redevelopment Agency	9/30			
301354	Arborwood Community Development District	9/30			
301360	Concorde Estates Community Development District	9/30			
(#) 301367	Fourteenth Street West Community Redevelopment Agency	9/30	12/15/2022		
301376	Highlands Community Development District	9/30			
301402	South Bay Community Development District (Hillsborough County)	9/30			
301408	Southern Hills Plantation II Community Development District	9/30			
301411	Stevens Plantation Community Development District	9/30			
301415	Suncoast Community Development District	9/30			
301423	Turnbull Creek Community Development District	9/30			
301439	Liberty Fire District	9/30			
301457	Captain's Key Dependent District	9/30			
301477	Lake Ashton II Community Development District	9/30			
301485	Mira Lago West Community Development District	9/30			
301496	Naturewalk Community Development District	9/30			
301512	Somerset Community Development District	9/30			
301520	Water's Edge Community Development District (Manatee County)	9/30			
301521	WaterGrass Community Development District I	9/30			
301522	Waters Edge Community Development District (Pasco County)	9/30			
301528	Arlington Ridge Community Development District	9/30			
301532	City of Crescent City Community Redevelopment Agency	9/30			
301537	Downtown Clermont Redevelopment Agency	9/30			
301541	Hawthorne Community Redevelopment Agency	9/30			
301552	Avelar Creek Community Development District	9/30			
301574	Greater Lakes / Sawgrass Bay Community Development District	9/30			
301577	Heights Community Development District, The	9/30			

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EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
301586	Mirabella Community Development District	9/30			
301588	New River Community Development District	9/30			
301596	Portico Community Development District	9/30			
301598	Ridgewood Trails Community Development District	9/30			
301599	River Glen Community Development District	9/30			
301602	Sanibel Public Library District	9/30			
301604	Space Florida	9/30			
301625	Zephyr Ridge Community Development District	9/30			
301628	Madeira Community Development District	9/30			
301636	Verona Community Development District	9/30	08/08/2022		
301637	Panama City Community Redevelopment Agency	9/30			
301666	Cypress Shadows Community Development District	9/30			
301672	Eagle Pointe Community Development District	9/30			
301701	Magnolia Creek Community Development District	9/30			
301715	Palm River Community Development District	9/30	09/14/2022		
301725	RiverPark Community Development District	9/30	01/17/2023 [inactive]		
301730	Six Mile Creek Community Development District	9/30			
301731	Southbay Community Development District (Manatee County)	9/30	05/09/2022		
301734	Springfield Community Redevelopment Agency	9/30			
301738	Talavera Community Development District	9/30			
301750	Verandahs Community Development District, The	9/30			
301752	Villages of Glen Creek Community Development District	9/30			
301755	Waterset North Community Development District	9/30			
301768	Wyld Palms Community Development District	9/30	06/07/2022		
301793	Hardee County Economic Development Authority	9/30			
301798	Bunnell Community Redevelopment Agency	9/30			
301800	City of Moore Haven Redevelopment Agency	9/30			
301802	Community Redevelopment Agency of the Town of Havana	9/30			
301808	Four Seasons at Crystal Springs Community Development District	9/30			
301831	South Shore Corporate Park Industrial Community Development District	9/30			
301841	Freedom Walk Community Development District	9/30	12/06/2022 [inactive]		
301852	Callaway Community Redevelopment Agency	9/30			05/15/2023
301867	Nature Coast Regional Water Authority	9/30			
301883	Encore Community Development District	9/30			
(#) 301887	Miromar Lakes South Community Development District	9/30	12/15/2022		
301896	Hardee County Industrial Development Authority	9/30			
301916	City of Fort Meade Community Redevelopment Agency	9/30			
301924	Leon County Energy Improvement District	9/30	[*12/13/2022]		
301929	City of Perry Community Redevelopment Agency	9/30			
301939	Florida Green Finance Authority	9/30			
301945	Business Improvement District of Coral Gables	9/30	[*1/10/2023]		
301955	Downtown Investment Authority	9/30			

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EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
(#) 301956	Consolidated Dispatch Agency (Leon)	9/30	12/15/2022		
301974	Estancia at Wiregrass Community Development District	9/30			
301978	Hidden Creek Community Development District	9/30			
301982	TSR Community Development District	9/30			
301987	Zephyr Lakes Community Development District	9/30			
301997	Asturia Community Development District	9/30			
301998	Rolling Oaks Community Development District	9/30			
302003	Stoneybrook North Community Development District	9/30			
302004	Storey Park Community Development District	9/30			
302009	La Collina Community Development District	9/30			
302013	Highland Meadows II Community Development District	9/30			
302014	Carlton Lakes Community Development District	9/30			
302017	Oaks at Shady Creek Community Development District	9/30			
302018	Summit at Fern Hill Community Development District	9/30			
302023	Buckhead Trails Community Development District	9/30			
302025	Fieldstone Community Development District	9/30	02/28/2023	*10/8/2021	
302026	Wildcat Preserve Community Development District	9/30	05/09/2022		
302034	Reserve at Pradera Community Development District	9/30			
302038	Millers Creek Special District	6/30			
302047	Meadow View at Twin Creeks Community Development District	9/30			
302048	Green Corridor Property Assessment Clean Energy (PACE) District	9/30			
302049	Avalon Groves Community Development District	9/30			
302060	Stoneybrook South at ChampionsGate Community Development District	9/30			
302066	Armstrong Community Development District	9/30			
302067	Mirada Community Development District (Pasco)	9/30			
302074	Avenir Community Development District	9/30			
302075	Corkscrew Farms Community Development District	9/30			
302076	Jacksonville International Airport Area Redevelopment Agency	9/30	*9/30/2023		
302078	Renew Arlington Community Redevelopment Agency	9/30			
302079	South Fork III Community Development District	9/30			
302081	Opa-Locka Community Redevelopment Agency	9/30			
302084	Champion's Reserve Community Development District	9/30			
302085	Cypress Preserve Community Development District	9/30			
302096	City of Midway Community Redevelopment Agency	9/30			
302101	K-Bar Ranch II Community Development District	9/30			
302105	Touchstone Community Development District	9/30			
302106	Lincoln Road Business Improvement District	9/30			
302109	Ventana Community Development District	9/30			
302114	Southshore Bay Community Development District	9/30			
302116	Epperson Ranch II Community Development District	9/30			
302120	Sherwood Manor Community Development District	9/30			
302121	Timber Creek Community Development District	9/30			

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EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
302122	KingSoutel Crossing Community Redevelopment Agency	9/30			
302126	Del Webb Bexley Community Development District	9/30			
302134	Epperson North Community Development District	9/30			
302141	Loxahatchee Groves Water Control District	9/30			
302142	Mirada II Community Development District	9/30			
302143	Veranda Community Development District II	9/30			
302146	Century Community Redevelopment Agency	9/30			
302149	Creek Preserve Community Development District	9/30			
302154	DeFuniak Springs Community Redevelopment Agency	9/30			
302156	Shell Point Community Development District	9/30			
302162	VillaMar Community Development District	9/30			
302166	Hawthorne Mill North Community Development District	9/30	10/04/2021		
302168	Oak Stone East Community Development District	9/30			
302172	MTERC Community Development District	9/30			
302179	Grand Oaks Community Development District	9/30			
302185	Copperspring Community Development District	9/30			
302187	Lynwood Community Development District	9/30			
302190	Hawkstone Community Development District	9/30			
302193	North River Ranch Community Development District	9/30	02/28/2023 ←	*10/8/2021	
302194	City of Palm Bay Business Improvement District	9/30	12/16/2021		
302197	Storey Creek Community Development District	9/30			
302206	Eden Hills Community Development District	9/30			
302211	West Port Community Development District	9/30			
302212	Belmond Reserve Community Development District	9/30			
302218	Parrish Plantation Community Development District	9/30			
302248	Berry Bay Community Development District	9/30			
302253	V-Dana Community Development District	9/30			
302262	Leomas Landing Community Development District	9/30			
302265	South Creek Community Development District	9/30			
(#) 302267	Premium Pointe Community Development District	9/30	10/07/2021		
302273	Hyde Park Community Development District 1	9/30			
302286	Bridgewater North Community Development District	9/30			
302290	LTC Ranch West Residential Community Development District	9/30			
302300	Park East Community Development District	9/30			
302303	Simmons Village North Community Development District	9/30			
302309	Tuckers Pointe Community Development District	9/30			
302311	Connerton East Community Development District	9/30			
302319	Mangrove Point and Mangrove Manor Community Development District	9/30			
302328	Silver Oaks Community Development District	9/30			
302329	Somerset Bay Community Development District	9/30			
302332	Two Rivers North Community Development District	9/30			
302333	Two Rivers West Community Development District	9/30			08/24/2023

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EntityID	Name	FYE	Dissolved Date	AFR Received Date	Audit Received Date
302334	Abbott Square Community Development District	9/30			
302335	Cobblestone Community Development District	9/30			
302336	Coddington Community Development District	9/30			
302338	Hilltop Point Community Development District	9/30			
302341	Preserve at Savannah Lakes Community Development District	9/30			
302344	Seaton Creek Reserve Community Development District	9/30			
302345	Balm Grove Community Development District	9/30			
302347	Belle Haven Community Development District	9/30	11/22/2022		
*** 302358	St. Augustine Lakes Community Development District	9/30	09/01/2022	***8/2/2023	
302360	Coral Bay of Lee County Community Development District	9/30			
302363	Lake Flores Community Development District	9/30			
302387	Miami Gardens Community Redevelopment Agency	9/30			
302389	Cypress Reserve Community Development District	9/30			
302393	Radiance Community Development District	9/30			
302409	Two Rivers East Community Development District	9/30	09/23/2022		
302422	Silverlake Community Development District	9/30			
302423	Sugarloaf Community Development District	9/30			
302431	Sedona Point Community Development District	9/30			
302440	Leela Reserve Community Development District	9/30	[*5/3/2023]		
302447	Ham Brown Reserve Community Development District	9/30			
*** 302457	Waterside Community Development District	9/30		***6/30/2023	

Committee staff notes:

(#) = Entity included in error - either not a special district per records of FloridaCommerce, Special District Accountability Program; a duplicate; or special district merged with another special district and no longer exists

*** = Entity had submitted AFR and was compliant; reported to Committee in error due to duplicate entity ID numbers in DFS LOGERx system

Also, dissolved or inactive dates shown as [* 'date'] added by Committee staff.

Florida Statutes (2023) related to Local Government Financial Reporting

11.40 Legislative Auditing Committee.—

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

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

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

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

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

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

11.45(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

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

218.32 Annual financial reports; local governmental entities.—

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

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

(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)1. 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.

2. The annual financial report filed by a dependent special district or an independent special district shall specify separately:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.

3. The annual financial report of a dependent special district or an independent special district amending a final adopted budget under s. 189.016(6) must include a budget variance report based on the budget adopted under s. 189.016(4) before the beginning of the fiscal year being reported.

4. The annual financial report of an independent special district that imposes ad valorem taxes shall include the millage rate or rates imposed by the district, the total amount of ad valorem taxes collected by or on behalf of the district, and the total amount of outstanding bonds issued by the district and the terms of such bonds.

5. The annual financial report of an independent special district that imposes non-ad valorem special assessments shall include the rate or rates of such assessments imposed by the district, the total amount of special assessments collected by or on behalf of the district, and the total amount of outstanding bonds issued by the district and the terms of such bonds.

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

218.39 Annual financial audit reports.—

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

- (a) Each county.
- (b) Any municipality with revenues or the total of expenditures and expenses in excess of \$250,000, as reported on the fund financial statements.
- (c) Any special district with revenues or the total of expenditures and expenses in excess of \$100,000, as reported on the fund financial statements.
- (d) Each district school board.
- (e) Each charter school established under s. 1002.33.
- (f) Each charter technical center established under s. 1002.34.
- (g) Each municipality with revenues or the total of expenditures and expenses between \$100,000 and \$250,000, as reported on the fund financial statements, which has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.
- (h) As required by s. 163.387(8)(a), each community redevelopment agency with revenues or a total of expenditures and expenses in excess of \$100,000, as reported on the trust fund financial statements.
- (i) 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.

(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.

189.062 Special procedures for inactive districts.—

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

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

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

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

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

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

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

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

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

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

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

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

State Constitution to authorize the Legislature to repeal any special laws so reported. Each special act creating or amending the charter of a special district declared to be inactive under this section may be repealed by general law.

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

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

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

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

(a) Withdrawn or revoked by the department; or

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

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

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

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

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

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

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

189.067 Failure of district to disclose financial reports.—

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

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

1. If the written response refers to the reports required under s. 218.32 or s. 218.39, to the Legislative Auditing Committee for its consideration in determining whether the special district should be subject to further state action in accordance with s. 11.40(2)(b).
2. If the written response refers to the reports or information requirements listed in s. 189.066(1), to the local general-purpose government or governments for their consideration in determining whether the oversight review process set forth in s. 189.068 should be undertaken.
3. If the written response refers to the reports or information required under s. 112.63, to the Department of Management Services for its consideration in determining whether the special district should be subject to further state action in accordance with s. 112.63(4)(d)2.

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

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

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

**4 Liberty Fire District
OPPAGA Report**

OPPAGA Walton County Fire District Reviews

Presentation to the Joint Legislative Auditing Committee

Emily Leventhal, Ph.D.
Staff Director



OPPAGA
Office of Program Policy Analysis and Government Accountability

DECEMBER 11, 2023

Presentation Overview

- 1 Statutory Requirements and Research Objectives
- 2 Findings Summary
- 3 Recommendations Summary
- 4 Findings for Individual Districts

Special District Performance Reviews: Section 189.0695, *F.S.* Requirements

Reviews to be conducted by OPPAGA

- ❖ **3** independent special fire control districts located in rural areas of opportunity by June 30, 2023 and every five years thereafter
 - Walton County: Liberty and Argyle
 - Collier County: Immokalee

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Special District Performance Reviews: Statutory Research Objectives

The performance reviews include three previous fiscal years and the current fiscal year's information on several district characteristics.

- Governance and responsibilities
- Service delivery and potential for duplication
- Performance
- Resource management and planning

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Special Fire District Performance Reviews: Findings Summary

Liberty

- Not complying with statutory requirements for special district administration
- Volunteers provide limited support because staff are not certified
- Multiple allegations of misrepresentation of district data
- Expenditures exceeded revenues during the review period

Argyle

- Not complying with statutory requirements for special district administration
- Volunteers provide limited support because staff are not certified
- Persistently low revenues

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Special Fire District Performance Reviews: Recommendations Summary

Recommendations to the Boards of Argyle and Liberty Fire Districts

- Achieve statutory compliance or accountability
- Improve the extent to which goals are achieved
- Improve efficiency or effectiveness of district operations

Recommendation to the Legislature

- Consider dissolving the districts

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Liberty Fire District

Background

Location	Walton County, in a rural area of opportunity
Service Area	89 square miles, 9% of county land area
Revenue Sources	Non-ad valorem assessment on residences and businesses within the district Impact fees Grants
FY 2022-23 Budget	\$478,050 (tentative)
Staffing	District reported 28 personnel: 27 volunteers and 1 part-time paid staff member
Facilities and Equipment	2 facilities and 18 apparatus

Governance

Issue

The district is not in compliance with several statutory requirements related to special district administration.

During the review period, the district did not:

- Adopt a budget by resolution or a five-year spending plan
- File a schedule of its meetings and make meeting records publicly available
- Maintain a website and post required information
- Submit a surety bond for each commissioner and the treasurer
- Verify compliance with ethics, nepotism, and voting conflicts statutes
- Submit its most recent audit

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Governance

Issue

The district is not addressing administrative matters that impact operations.

During the review period, the district did not:

- Maintain records of how many and which volunteers are certified to respond to incidents
 - Limited documentation that current volunteers meet basic qualifications
 - A few active volunteers should have been prohibited from volunteering based on physical exams
 - Incomplete data on personnel certifications
- Adopt policies to guide purchasing and contracting
- Update district operating procedures

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Governance

Issue

There have been multiple allegations of misrepresentation of district data and staffing issues.

- OPPAGA received multiple allegations of the chief and assistant chief misrepresenting apparatus condition and reimbursement data to national entities.
- Lack of a board chair affects the board's ability to manage the district, including
 - proper certification of the fire chief
 - voting impasses

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Service Delivery

Issue

District volunteers primarily responded to rescue and EMS incidents.

- Incident calls increased to 897 for Fiscal Year 2020-21
- District mostly supports Walton County Emergency Services on calls
- District has not received a \$125,000 grant from the county because it has not followed through on a coordination agreement
- Walton County and the district have not considered consolidation to address inefficiencies

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Performance

Issue

District goals and objectives are neither board approved nor consistently implemented.

- District uses national standards to measure performance
 - Did not provide evidence it meets national standards for timeliness
 - May not meet national standards for number of qualified personnel responding
 - Insurance rating improved during the review period
- County stakeholders report that the district's performance could improve
- District could not document steps taken to address performance

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Resource Management

Issue

District expenditures exceeded revenues in every year of the review period.

- Revenues decreased \$180,957 (28%) during the review period
 - Largest revenue source was the non-ad valorem assessment, which was the only revenue category that increased (2%)
 - Impact fees declined 47%
- Expenditures decreased \$409,205 (46%) during the review period
- Board was not aware, that on average, the ratio of expenditures to revenues was 121%
- District reported that administrative costs increased, but did not provide detailed salary or FEMA reimbursement costs

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Resource Management

Issue

The district reported that the condition of apparatus and facilities does not meet district needs.

- District reported that staffing is sufficient, but did not provide supporting documentation on qualified volunteers or paid employees
- District revenues may not be sufficient to fund spending goals
 - Apparatus: acquire a mini-pumper for the short term
 - Facilities: replace one station and build a third station

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Recommendations

Board

1) Achieve statutory compliance and financial accountability

- Increase board oversight to comply with statute
- Seek opinion from Commission on Ethics regarding stipends for board
- Recruit administrative volunteers or fund administrative staff

2) Improve the extent to which goals are achieved

- Adopt goals for operations
- Measure and track performance

3) Improve efficiency and effectiveness of district operations

- Develop more strategies to obtain funding
- Support volunteers' achievement of volunteer firefighter certification

Legislature

Consider dissolving the district

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Argyle Fire District

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Background

Location	Walton County, in a rural area of opportunity
Service Area	95 square miles, 9% of county land area
Revenue Sources	Non-ad valorem assessment Impact fees Grants
FY 2022-23 Budget	\$342,000
Staffing	District reported 32 personnel: 29 volunteers and 3 paid staff
Facilities and Equipment	3 facilities and 11 apparatus

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Governance

Issue

The district is not in compliance with several statutory requirements related to special district administration.

During the review period, the district did not:

- Adopt a budget
- Adopt a five-year spending plan
- Maintain a website and post required information
- Verify compliance with ethics, nepotism, and voting conflicts statutes
- Submit an annual audit

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Governance

Issue

The district is not addressing administrative matters that impact operations.

During the review period, the district did not:

- Update operating guidelines
- Maintain records of how many and which volunteers are certified to respond to incidents
- Develop policies to guide purchasing and contracting

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Service Delivery

Issue

Volunteer staff primarily respond to mutual aid and service calls but can only provide limited support due to a lack of certified personnel.

- Incident calls increased to 1,017 for Fiscal Year 2021-22; the number of reported volunteers declined
- During the review period, most calls district volunteers attended were recorded as mutual aid
 - Many volunteers without a firefighter certification, none with EMS certification
 - Emergency Services must always be present if Argyle responds to fire or medical incidents
- District has not received the full amount of a \$125,000 grant from the county because it has not followed through on a coordination agreement
- Walton County and the district have not considered consolidation to address inefficiencies

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Performance

Issue

District goals and objectives are neither board approved nor consistently implemented.

- District uses national standards and insurance ratings to measure performance
 - Meets national standards for timeliness
 - May not meet national standards for number of qualified personnel responding
 - Did not provide documentation of final insurance rating
- County stakeholders reported the district's performance could improve
- District has not taken steps to address stakeholder feedback or assess performance

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Resource Management

Issue

District revenues grew during the review period, as did expenditures; expenditures never exceeded revenues.

- Revenues increased \$212,129 (114%) during the review period, mostly attributable to assessments
 - Impact fee revenue was reported, but not utilized
 - FEMA grant revenue was reported but amounts, number, and type not documented
- Expenditures increased 84% during the review period, but no documentation was provided to support the stated expenses
- Administrative costs increased 19%; primarily for software for incident reporting and personnel

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Resource Management

Issue

The district reported that staffing and facilities do not meet community needs.

- District reported that the number of volunteers decreased and that the current level of volunteers is too low, but did not provide documentation to support this claim
- District revenues may not be sufficient to fund spending goals
 - Apparatus: acquire two engines or trucks, two additional vehicles, more lifesaving equipment, ladders
 - Facilities: additional property for two existing stations and a rebuild of a third station

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Recommendations

Board

1) Achieve statutory compliance and financial accountability

- Increase board oversight to comply with statute
- Seek opinion from Commission on Ethics regarding stipends for board
- Recruit administrative volunteers or fund administrative staff

2) Improve the extent to which goals are achieved

- Adopt goals for operations
- Measure and track performance

3) Improve efficiency and effectiveness of district operations

- Develop more strategies to obtain funding
- Support volunteers' achievement of volunteer firefighter certification

Legislature

Consider dissolving the district

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FLORIDA LEGISLATURE OFFICE OF PROGRAM POLICY ANALYSIS AND
GOVERNMENT ACCOUNTABILITY

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

Liberty Fire District

Report 23-06

June 2023



OPPAGA

Office of Program Policy Analysis and Government Accountability

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Liberty Fire District

EXECUTIVE SUMMARY

The Liberty Fire District is not in compliance with several statutory requirements related to special district administration. Specifically, the district board has not routinely adopted a five-year plan, appropriately adopted budget resolutions, or submitted its most recent statutorily required audit. The board also has not regularly filed meeting schedules, made meeting records available for public inspection, or maintained a public website. Additionally, reported misrepresentation of district data and ongoing issues with staffing may negatively affect district processes and operations.

District incident volume increased over the review period, with volunteer staff primarily responding to rescue and emergency medical service incidents. Division of State Fire Marshal data shows that fewer than half of the district volunteers met minimum certification requirements to be a volunteer firefighter in Florida and can enter the area close to a fire. Consequently, Walton County automatically dispatches county units to all medical and fire incidents within the district. The county and the district have not considered consolidation to address inefficiencies, and the district has not taken steps to improve coordination. The district does not have specific objectives to direct district programs and activities. The district does not measure its effectiveness, though it meets one national standard for timeliness, and its insurance ratings improved over the review period. Additionally, the district does not collect feedback on its performance, and internal and external stakeholders reported that district performance could improve.

During the review period, the district's annual revenues did not cover expenditures, with both revenues and expenses decreasing; the district used surplus funds to cover the difference. Moreover, district staffing decreased over the review period, and staffing may not meet district needs. District representatives reported that the condition of some apparatus and vehicles does not meet district needs. The district's ability to fund future plans is uncertain.

OPPAGA recommends the district board take a number of steps to improve performance and make operations statutorily compliant. OPPAGA also recommends that the district board and the Legislature consider additional steps to support effective and accountable fire and rescue operations in Walton County.

SCOPE

Section 189.0695, *Florida Statutes*, directs OPPAGA to conduct performance reviews of Independent Special Fire Control Districts located in Rural Areas of Opportunity. The review evaluates the district's programs, activities, and functions, including

- evaluating the district board's governance function;
- assessing service delivery and comparing similar services provided by municipal or county governments located within the district's boundaries
- describing district purpose, goals, objectives, performance measures, and performance standards and evaluating the extent to which they are achieved;
- analyzing resources, revenues, and costs of programs and activities; and
- providing recommendations for statutory or budgetary changes to improve the special district's program operations, reduce costs, or reduce duplication.

This review period covers local Fiscal Years 2019-20 through 2022-23.

BACKGROUND

District Service Area

The Liberty Fire District (district) is located in Walton County in Northwest Florida. (See Exhibit 1). The district is one of seven fire control agencies in the county. The district covers a service area of 89 square miles, or 9% of the county's land area.

Twelve percent of Walton County's population (9,800 residents) lives in the district. The population within the district has increased 6% since 2019. From 2020 to 2021, Walton County ranked as the seventh fastest growing county in Florida. The Florida Office of Economic and Demographic Research projects that the Walton County population will grow by approximately 20% by 2030.

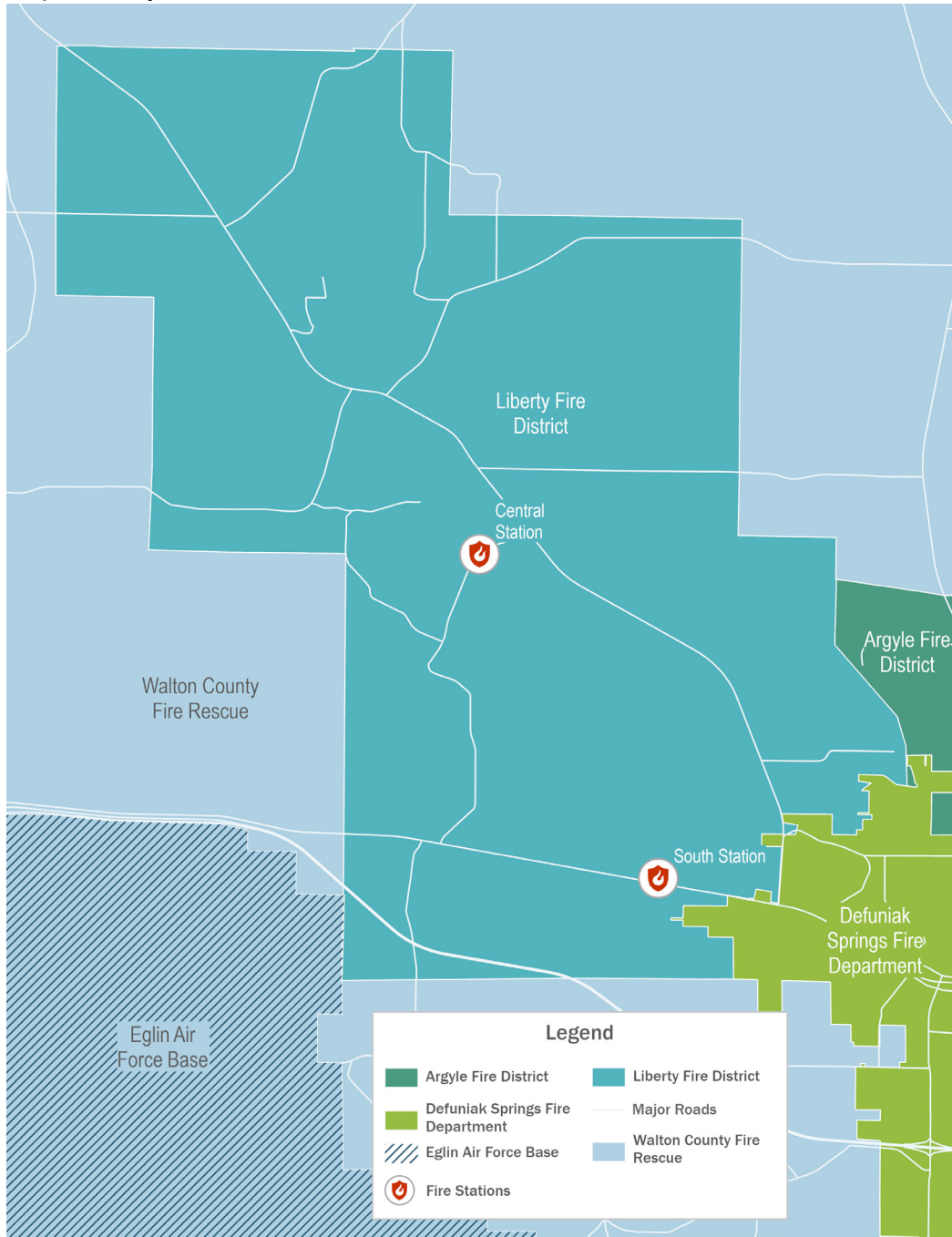
The district receives revenues through an annual non-ad valorem assessment on district residences and businesses, impact fees, and grants. Just over half (53%) of Walton County housing units are occupied. In 2020, the county had 56,197 housing units with a median value of \$245,400; of these, 29,981 were occupied and 26,216 were unoccupied.

The portion of Walton County containing the district has been designated a Rural Area of Opportunity (RAO). RAOs are rural communities, or a region composed of rural communities, that have been adversely affected by extraordinary economic events or natural disasters. The district is one of two RAO fire districts in Walton County.¹ Under National Fire Protection Association (NFPA) standards, Liberty is classified as a combination of Remote and Rural Demand Zones for staffing and response times; less dense populations have lower recommended minimum staffing levels and higher recommended minimum response times as opposed to classifications such as urban or suburban.²

¹ The second RAO district is Argyle Fire District.

² NFPA 1720. The NFPA publishes more than 300 consensus codes and standards intended to minimize the possibility and effects of fire and other risks. These standards are adopted and used throughout the world.

**Exhibit 1
Map of Liberty Fire District**



Source: OPPAGA analysis of Walton County data.

District Governance

Created in 2003 by Ch. 2003-384, *Laws of Florida*, the district’s purpose is to ensure adequate fire protection resources (manpower, apparatus, and protection) for district citizens and visitors in a cost-effective manner.

Special fire control districts are governed primarily by Chs. 189 and 191, *Florida Statutes*. Special districts are separate units of local government and are overseen by the special district's board of commissioners (board). The law specifies oversight of special fire control districts by five qualified

commissioners who reside in the district and are elected to four-year terms.³ Four of five seats are currently filled with expiration dates in 2024 (1) and 2026 (3); one of these seats is filled by a volunteer who also acts as the assistant fire chief. The district's board of commissioners (board) appoints the fire chief. The board chairperson (whose position was up for reelection in 2026) resigned in December 2022, and the empty position has not been filled. OPPAGA requested, but the district did not provide, information on historical vacancies.

Each commissioner is responsible for ensuring that the special district complies with all applicable laws and conducts its business as authorized by its charter and adopted budget. The district charter governs areas such as district boundaries, purpose, revenue-raising capabilities, and recordkeeping requirements. The charter also governs the powers and authority of the board, including the ability to adopt rules and regulations, use district funds, and appoint a fire chief.

Florida statutes do not specify meeting frequency for special independent fire control district boards, but district representatives reported that board meetings are normally held on the first Monday of every month.⁴

Several state entities collect data on and have limited involvement with certain aspects of special fire control districts. The Department of Financial Services' Division of State Fire Marshal provides the district guidance but not oversight. Specifically, the division provides firefighter standards and training, conducts safety compliance checks, oversees certifications, and makes complaint determinations.⁵ Additionally, the Department of Economic Opportunity's Special District Accountability Program provides technical advisory assistance as it relates to the provisions of the Uniform Special District Accountability Act (Ch. 189, *Florida Statutes*). The department's duties include maintaining the official list of special districts, declaring special districts inactive, providing technical advisory assistance to special districts, helping ensure the accountability of special districts to state and local governments, and collecting an annual state fee for administering the act.

District Resources

The district receives revenues through an annual non-ad valorem assessment on district residences and businesses, impact fees, and grants. For local Fiscal Year 2022-23, the district had a tentative budget of \$478,050.⁶ District representatives reported that the district has an assigned treasurer and bookkeeper but did not specify whether this individual manages the budget.

During Fiscal Year 2022-23, the district was comprised of 28 personnel, including 27 volunteers and 1 part-time paid staff member. District representatives reported that volunteers assist with fire and emergency services, while paid personnel provides administrative support.

In addition to its staff resources, the district maintains two stations and 18 primary pieces of apparatus.⁷ These apparatus include brush trucks, pumpers, tankers, and utility and rescue units. (See Appendix A for images of several district facilities.)

³ Chapter [2003-384](#), *Laws of Florida*.

⁴ Independent special district board meetings are governed by Chs. [189](#), [191](#), and [286](#), *F.S.*

⁵ Rule [69A-62.032\(10\)\(a\)](#), *F.A.C.*: The Division of State Fire Marshal shall consider a complaint from any person who alleges a violation of the act or a division rule. The complainant may elect to remain anonymous. The complainant must identify the location of the workplace that gives rise to the complaint and allege known particular facts that constitute a violation. A complaint may be oral or written.

⁶ The local government fiscal year runs from October 1 through September 30.

⁷ Fire apparatus refers to vehicles designed to be used under emergency conditions to transport personnel and equipment or to support the suppression of fires or mitigation of other hazardous situations.

FINDINGS

Governance

The District Is Not in Compliance With Several Statutory Requirements Related to Special District Administration

The Liberty Fire District must meet certain minimum standards of accountability established by Florida statutes designed to inform the public and appropriate local general-purpose governments of the status and activities of special districts. District representatives reported being aware that the district does not meet several statutory requirements. The district is not in compliance with the following provisions.

- **Adopt a five-year plan to identify the facilities, equipment, personnel, and revenue needed by the district during that five-year period.**⁸ OPPAGA requested, but the district did not provide, the board meeting minutes showing the approval date and indication of board approval for the district's current written 5- and 10-year plans.
- **Maintain a public website and on it post the district charter, taxes, and fees collected by the district, financial audits, budgets, district boundaries, scheduled board meetings, contact information, and other district information.**⁹ The district is required to provide relevant information on the district website to promote transparency and to inform the public and appropriate local governments of the status and activities of the district. This website must include the district's purpose, code of ethics, budget, listings of fees, most recent financial audit, and a link to the Department of Financial Services' website. The district has not filed an official website with the Department of Economic Opportunity as required by statute. Meeting minutes from December 2022 indicate that district commissioners discussed the need for a website but took no action to fulfill the statutory requirement.
- **Adopt a budget by resolution each fiscal year.**¹⁰ OPPAGA requested, but the district did not provide, approved and adopted district budgets for Fiscal Years 2019-20 and 2021-22. Per the district charter, the board must file an annual report and an annual estimated budget with the office of the Clerk of the Circuit Court of Walton County to maintain the documents as public records. The board of county commissioners' office for Walton County stated that the clerk has not received any reports or budgets from the district in the past four years. District representatives confirmed that they have not submitted budgets to the county since 2016. Some district commissioners reported that the district does not regularly set a budget, and one commissioner reported that the assistant chief filed a budget with the county clerk that the board did not approve.
- **File quarterly, semiannually, or annually a schedule of its regular meetings.**¹¹ OPPAGA requested, but the district did not provide, records of scheduled public meetings or agendas.

⁸ Section [191.013](#), F.S.

⁹ Section [189.069](#), F.S.

¹⁰ Section [189.016](#), F.S.

¹¹ Section [189.015](#), F.S.

- **Make meeting records available for public inspection.**¹² OPPAGA requested records of approved board meeting minutes for the current and previous three fiscal years. The district provided records of meeting minutes for only five board meetings.¹³ In addition to the statutory requirements, the district charter also requires records to be kept of all board meetings.
- **Submit a surety bond in the sum of \$5,000 for each district commissioner, conditioned on the member’s faithful performance of his or her duties of office, and a \$10,000 bond for the treasurer.**^{14,15} The district provided records of \$5,000 surety bonds posted for each of the district commissioners. However, one commissioner is acting as treasurer of the district, and is not bonded for \$10,000, as specified in the district charter statute.

Compliance with these statutory requirements and the district charter are essential to ensure that the district operates in an efficient, transparent, and fiscally accountable manner. Failure to comply with the minimum disclosure requirements in statute could result in action against the special district, including a public hearing on noncompliance.¹⁴

The district’s lack of documentation raises ethics concerns. OPPAGA requested, but the district did not provide, detailed grant funding information, minutes for all board meetings during the review period, and statements of conflict. Consequently, OPPAGA could not assess district compliance with ethics and voting conflicts statutes.

Employees and board members of special districts are subject to the Code of Ethics for Public Employees in Ch. 112, *Florida Statutes*. If special district volunteers receive “remuneration for services rendered,” they may be considered district employees and are therefore subject to the Code of Ethics as well as its prohibitions against employees holding office.¹⁶ For example, a volunteer fire fighter who is not a salaried or hourly employee but receives a stipend funded via grants may be considered an employee and therefore prohibited from also serving on the special district board.¹⁷ OPPAGA’s review of district grant reimbursements found that two board members received a combined \$1,416 for September, October, and November 2022.¹⁸ If these board members/volunteers are considered employees because of this stipend, they may be prohibited from serving on the board. Without more detailed information about the use of grant funds throughout the review period, OPPAGA cannot determine if additional board members received remuneration during the review period.

Voting conflicts may also arise within the district because of family relationships, a volunteer’s possible “employee” status, and any benefits received as a board member/volunteer. The Code of Ethics prohibits public officers from voting on any matter that may be of benefit or harm to them or a relative and must abstain from the vote and publically disclose the nature of the conflict prior to a vote. Public officers must file a memorandum disclosing the conflict with the person responsible for the meeting minutes. For example, board members/volunteers who receive stipends may be prohibited from voting on their own suspensions or stipends as the vote would impart a benefit or harm to themselves. District representatives reported that a board member may recuse themselves from a vote or abstain from a vote periodically. However, OPPAGA requested but the district did not provide documentation of any recusals during the review period.

¹² Sections [191.005](#) and [286.011](#), *F.S.*

¹³ The meetings were held in August 2022, November 2022, December 2022, February 2023, and April 2023.

¹⁴ [Section 191.005](#), *F.S.*

¹⁵ Chapter [2003-384](#), *Laws of Florida*

¹⁴ Sections [189.011](#) and [189.0651](#), *F.S.*

¹⁶ Section [112.313\(10\)\(a\)](#), *F.S.*

¹⁷ During the review period, district representatives reported that the district was awarded two Federal Emergency Management Agency (FEMA) grants that can be used to fund personnel.

¹⁸ The district utilizes a FEMA Staffing for Adequate Fire and Emergency Response (SAFER) grant to reimburse volunteers that respond to incidents and attend trainings.

While the District Has Addressed a Prior Audit Finding, It Has Not Submitted Its Most Recent Statutorily Required Audit

In compliance with s. 189.016(9), *Florida Statutes*, the district submitted financial audits to the Florida Auditor General in Fiscal Years 2019-20 and 2020-21. The district’s most recent audits were prepared on May 10, 2021, and June 6, 2022; the Fiscal Year 2021-22 audit was not made available for analysis during OPPAGA’s review. The Auditor General reported the district had not yet submitted the audit as of June 8, 2023. The district is required to submit its audit by June 30, 2023.¹⁹ Audits showed a decrease in total net assets and cash over two years of the review period. (See Exhibit 2.)

Exhibit 2

District’s Total Net Assets and Cash Balance Decreased From Fiscal Year 2019-20 Through Fiscal Year 2020-21

	Fiscal Year		Change ¹	
	2019-20	2020-21	Amount	Percent
Total Net Assets	\$2,519,907	\$2,321,805	-\$198,102	-8%
Cash Balance	\$70,977	\$25,043	-\$45,934	-65%
Cash Balance (Unrestricted)	\$48,668	\$21,900	-\$26,768	-55%

¹ OPPAGA requested, but did not receive, an explanation from the district describing why total net assets, cash balance, and unrestricted cash balance decreased from Fiscal Year 2019-20 to Fiscal Year 2020-21.

Source: OPPAGA analysis of Liberty Fire District data submitted to the Florida Auditor General.

The district addressed one Fiscal Year 2019-20 financial audit finding; no findings remained open in the Fiscal Year 2020-21 financial audit. The Fiscal Year 2019-20 financial audit found that the district could not provide evidence that the Public Depositor Annual Report had been filed by the November 30, 2020, due date and that the district could not provide evidence that the Public Deposit Identification and Acknowledgement Forms were maintained on file. In the Fiscal Year 2020-21 financial audit, the auditor closed the finding because they obtained evidence that the district filed the appropriate forms and retained on file the required documentation.

The District Is Not Addressing Administrative Matters That Impact Operations

District personnel records and training documentation are not complete, therefore the district cannot determine how many or which volunteers are certified to respond to incidents.²⁰ Few of the district’s personnel files are digital; as a result, the district could only estimate the number of active, certified volunteers during the review period.

In addition, the district did not have documentation that all current volunteers met state certification requirements at the time of OPPAGA’s review. According to s. 633.412, *Florida Statutes*, a person applying for certification as a firefighter must be a high school graduate or equivalent; not have been convicted of a misdemeanor or a felony; submit a set of fingerprints; have a good moral character; be in good physical condition; and be a nonuser of tobacco or tobacco products.^{21,22} OPPAGA’s review of district data found that the district provided evidence that some of the sampled volunteers met these

¹⁹ Section 218.39, *F.S.*

²⁰ The National Fire Protection Association defines an incident as an event to which the reporting agency responds or should have responded.

²¹ A person applying for certification as a firefighter must not have been convicted of a misdemeanor relating to the certification or to perjury false statements, or a felony or crime punishable by imprisonment of one year or more under the law of the United States or of any state thereof or under the law of another country, or dishonorably discharged from any of the Armed Forces of the United States.

²² A person applying for certification as a firefighter must be a nonuser of tobacco or tobacco products for at least one year immediately preceding application, as evidenced by the sworn affidavit of the applicant.

requirements.²³ OPPAGA's examination of records for 16 volunteers found that 86% were high school graduates or equivalent, 64% had completed a criminal background check, 50% had submitted a set of fingerprints, 43% were nonusers of tobacco or tobacco products, and 57% had completed a medical examination. However, OPPAGA found that two volunteers who respond to incidents had documentation in their files exempting them from essential duties based on a physical exam, and no documentation (e.g., employment references) was available to show that volunteers had a good moral character.

Further, the district did not have complete information on which of its personnel are certified to provide volunteer firefighting services. Section 633.102, *Florida Statutes*, states that a volunteer firefighter is an individual who holds a current and valid Volunteer Firefighter Certificate of Completion (VFCC) issued by the Department of Financial Services' Division of State Fire Marshal. To obtain a VFCC, an individual must satisfactorily complete the required courses and course examinations.²⁴ A VFCC is important because it allows volunteer firefighters to enter a hot zone, the area immediately around an incident where serious threat of harm exists.²⁵ If a volunteer firefighter does not obtain a VFCC, they may only engage in support services outside of the hot zone.²⁶ According to division data, all nine active volunteers classified as Volunteer Firefighter 1 or Firefighter 2 are certified at the volunteer firefighter level or above.

However, district estimates of certified staff conflict with Division of State Fire Marshal records that OPPAGA examined. OPPAGA reviewed district data and found that the district could not provide evidence that the sampled volunteers hold a current and valid VFCC. OPPAGA requested, but the district did not provide, a reason for the discrepancy between fire marshal and district counts of certified personnel. This discrepancy suggests that the district is not maintaining volunteer records in a rigorous manner and possibly indicates that the district is not routinely updating the Division of State Fire Marshal database.

The district uses state procurement guidelines, but there is no evidence that the board has approved the district's procurement policy. Independent special districts are not required to follow all state procurement laws but may develop district procurement policies.²⁷ The district has a procurement policy that uses the Florida State Department of Management Services *Guidebook to Public Procurement* in accordance with Ch. 287, *Florida Statutes*. The procurement policy specifies procedures for competitive bidding, sole source purchases, emergency purchases, receipt of goods or services, conflict of interest, and prohibited practices. District representatives report that the policy was adopted in 2013. However, the district's procurement policy is undated, and district representatives could not provide evidence that the board had approved the policy.

The board does not routinely update district operating procedures. The district was able to document 25 Standard Operating Procedures (SOP) that provide direction for daily activities such as

²³ OPPAGA conducted a file review of district personnel documentation to analyze the characteristics of district volunteers and review their qualifications and training. All individuals were purported by fire district representatives to have worked during the review period. Approximately 60 files were provided, and the OPPAGA team randomly selected and analyzed 28% (17 files) of the total files. Two of the files reviewed were for the same volunteer, resulting in a review of 16 volunteers' files. OPPAGA has no way of verifying whether all district firefighter records are compliant because personnel files were not reviewed for all staff.

²⁴ The VFCC expires four years after the date of issuance unless renewed. To renew the certificate, an individual must be active as a volunteer firefighter or complete a refresher course consisting of a minimum of 40 hours of training.

²⁵ The hot zone also includes the collapse zone for a structure fire.

²⁶ Support services include pulling hoses, opening and closing fire hydrants, driving and operating apparatus, carrying tools or moving equipment, directing traffic, manning a resource pool, or similar activities.

²⁷ Section 189.053, *F.S.*, provides that independent special districts may have district procurement policies. The Florida Special District Handbook specifies sections of procurement law that apply to special districts, including those regarding bidding for construction; professional architectural, engineering, landscape architectural, and survey and mapping services; and personal property purchases.

dress code, driver training, hose testing, and the use of protective equipment. The SOP provide written directives that establish specific, routine operational and administrative methods to be followed, but the procedures do not reference or establish operational goals or performance measures.

The NFPA suggests that standards be reviewed annually to ensure that they are current, and the review should be documented in writing. As of March 2023, the district had not reviewed or revised in writing the 25 SOP since 2004. SOP need to remain current to be useful, and annual reviews help ensure that policies and procedures remain up to date and are aligned with the most current national standards and practices.

Multiple Allegations of Misrepresentation of District Data and Issues With Staffing May Negatively Affect District Processes and Operations

Current and former district representatives reported misrepresentation of district data and significant concerns about district staffing; these issues may negatively impact district accountability processes and operations. During the review period, the board chairperson resigned and has not been replaced. Moreover, district commissioners have recently debated whether the district fire chief is properly certified for the position.

District representatives and a former district volunteer reported multiple allegations of district personnel misrepresenting data. These stakeholders alleged to OPPAGA that to receive improved ratings during Insurance Services Office (ISO) evaluations, the chief and assistant chief were maintaining inaccurate equipment testing records and staff rosters and reporting that the district's inoperative trucks were functioning vehicles. ISO is an independent company that collects and evaluates information on a community's structure fire suppression capabilities to help insurance companies establish premiums for homeowners. The ISO establishes ratings based on its evaluation of municipal fire-protection efforts in communities throughout the United States and serves as a reference for insurance companies in setting property insurance rates. Typically, a better classification resulting from enhanced fire protection leads to lower insurance premiums.

District representatives also reported that the chief and assistant chief misrepresented volunteer training and incident response data for grant reimbursements. OPPAGA requested data related to this issue, but the district did not provide additional FEMA grant information. According to the Walton County Sheriff and Division of State Fire Marshal officials, the Walton County Sheriff's Office has referred a complaint to the First Judicial Circuit state attorney's office for possible investigation.²⁸ However, as of June 14, 2023, the state attorney's office in Walton County reported they have no record of any active investigation of Liberty Fire District, including those related to specific staff or board members.

The lack of a chairperson affects the board's ability to manage district operations, including ensuring proper certification of the fire chief. Interviews with district representatives and a review of board meeting minutes confirmed unresolved internal conflicts at the district, which have negatively affected the district's operational efficiency. Both the board chairperson and a recently hired volunteer coordinator resigned in December 2022, attributing their departures to district personnel conflicts.²⁹ Per statute, if an elected commissioner's position becomes vacant, remaining board members shall appoint an eligible person within 45 days of the vacancy occurring.³⁰ District commissioners stated

²⁸ The First Circuit serves Escambia, Okaloosa, Santa Rosa, and Walton counties.

²⁹ The district reported in May 2023 that a new volunteer coordinator had been hired.

³⁰ Section [189.041](#), F.S.

that they have tried to fill the board chairperson vacancy, but none of the nominees met board criteria. District representatives reported that the board will likely wait until the next local election to fill the vacancy; the next general election in Walton County for local district seats such as fire districts is November 5, 2024.

Because the district charter requires a majority vote from the board to exercise its powers, this vacancy has reduced the number of current board members from five to four, resulting in at least two tied votes with no majority. These tied votes have led to the board taking no action regarding motions made by commissioners. Because the board cannot exercise its power by majority vote, board members cannot fulfill their governance duties.

For example, during the February 2023 board meeting, commissioners noted that the fire chief does not have a basic Fire Fighter I certification and made a motion to establish a six-month deadline for the chief to become certified.³¹ The motion did not receive a majority vote, so no deadline was established. The Division of State Fire Marshal had an open investigation regarding this certification issue but confirmed that the chief is now certified. The division also verified that the chief's existing training is equivalent to the Florida Firefighter I program but does not certify the chief as a Firefighter I. OPPAGA requested, but district representatives did not provide, evidence that the Division of State Fire Marshal authorized the district fire chief to continue serving as the administrative and command head of a fire service provider.³²

In addition, district commissioners made a motion in February 2023 to suspend the fire chief and assistant fire chief until current investigations are completed. Per district bylaws, the board appoints the fire chief. The board vote on suspending the chief and assistant chief was tied with the assistant fire chief voting against suspending himself; as a result, the board took no additional action.^{33,34}

Service Delivery

Overall, the Liberty Fire District experienced increasing average incident volumes per month, primarily for rescue and emergency medical service (EMS) incidents, during the review period. The terms incident and call have different meanings across different fire departments; this report uses the term "incident" to refer to an event to which the district responds, which is consistent with the definition provided by the National Fire Incident Reporting System. The term "calls" will refer to dispatch calls, which may or may not result in an incident response by the fire district.

The district has a limited number of certified personnel to fight fires and independently manage EMS incidents. County staff also responds to every fire and medical incident in the district. Further, the district provided mutual aid to an increasing average number of incidents per month during the review period. Walton County and the district have not considered consolidation to address inefficiencies, and the district has not taken steps to improve coordination.

³¹ Per the district charter, the fire chief must be a person experienced in all types of firefighting and fire prevention.

³² Per s. [633.408](#), *F.S.*, an individual employed as a fire chief, fire coordinator, fire director, or fire administrator must obtain a Special Certificate of Compliance within one year of employment.

³³ The Code of Ethics prohibits public officers from voting on any matter that may be of benefit or harm to them or a relative and must abstain from the vote and publically disclose the nature of the conflict prior to a vote. In addition, they must file a memorandum disclosing the conflict with the person responsible for the meeting minutes. If the assistant fire chief received any economic benefit in his position as assistant chief, he may have been prohibited from voting on the suspension issue.

³⁴ Section [112.313\(10\)\(a\)](#), *F.S.*

During the Review Period, the Number of Incidents Initially Increased, but Fiscal Year 2021-22 Data Are Incomplete

Average incident calls per month for the district increased during the review period. Total incidents increased from 754 in Fiscal Year 2019-20 to 897 in Fiscal Year 2020-21. (See Exhibit 3.) The district only reported eight months (October through May) of incident data for Fiscal Year 2021-22, totaling 652 incidents. According to the Division of State Fire Marshal, the district stopped reporting data as of May 2022. District representatives indicated that they were unaware of the problem but are now investigating the issue.

The Walton County Sheriff's Office provided a call log from the Public Safety Call Center for the remainder of Fiscal Year 2021-22. These records are based on calls received rather than incident responses in the field and are not an exact match with existing district records; however, the county records indicate that call volumes remained consistent over the unreported months.

Exhibit 3

During the Review Period, the Number of Incidents Initially Increased, but Fiscal Year 2021-22 Data Are Incomplete

	Fiscal Year			Total
	2019-20	2020-21	2021-22 ¹	
District Incidents	687	797	560	2,044
Mutual Aid Given Incidents	67	100	92	259
Total Incidents	754	897	652	2,303

¹The district only reported eight months (October through May) of incident data for this fiscal year.

Sources: OPPAGA analysis of Division of State Fire Marshal data.

The district reported that population growth and local residential development increased call volumes over the review period. The district expects growth and development to continue, which could result in a further increased workload and a need for additional personnel over time.

From September 2019 through May 2022, the district provided mutual aid for an increasing number of average incidents per month. A mutual aid or automatic aid agreement is an arranged agreement between two or more entities to share resources in response to an incident.³⁵ The district has a signed local automatic aid agreement with the Argyle Fire District. District representatives reported also having aid agreements with the DeFuniak Springs Fire Department and Walton County Fire Districts and reported responding to incidents in adjacent fire districts in Holmes and Okaloosa counties. In addition to these Florida counties, the district also responds to incidents in Covington County, Alabama when needed. OPPAGA requested, but the district did not provide, written aid agreements with these districts.³⁶ The Walton County Fire District confirmed that the previous mutual aid agreement with the district had expired, but the two districts operate as if the agreement is still in effect.³⁷

In addition to the 2,044 district incidents, the district responded to 259 local mutual aid incidents during the review period. The district provided mutual aid for 11.2% of total incidents, which is significantly higher than the countywide average of 6.4% and the national average of 5.1%. Walton

³⁵ NFPA recommends that these agreements be in writing, reviewed by legal counsel, signed by a responsible official, define liability, and detail funding and cost arrangements.

³⁶ An agreement with the City of DeFuniak Springs Fire Department was provided but was not signed or dated by the city.

³⁷ Nationally, ISO recognizes unwritten mutual aid agreements that are honored in practice through demonstrated performance.

County Fire Rescue representatives reported that the countywide dispatch plan includes requesting tanker support from the district for all structural fire incidents in case the incident is in an area that does not have access to hydrants. District representatives confirmed that district personnel provide tanker support to all adjacent fire districts in the county. County representatives reported that the dispatch center sends county response units to all medical and fire incidents within the district. Because the district is providing an increasing amount of mutual aid, it is important to note that these activities do not relieve the district from the obligation of simultaneously providing adequate fire protection within district boundaries.

District Staff Primarily Responded to Rescue and EMS Incidents but Provided Limited Support Due to Certification Issues

The district primarily responded to rescue and EMS incidents. The largest percentage of incidents during the review period was for rescue and EMS incidents, comprising 74.4% of all incidents. This percentage is slightly higher than countywide averages and 2020 state and national averages. (See Exhibit 4.) The rescue and EMS incident category includes all EMS incidents, including motor vehicle accidents, and EMS standby incidents for hazardous conditions. This category also includes incidents where medical assistance is provided to another group/agency that has primary EMS responsibility.³⁸

Exhibit 4

From 2019-20 Through 2021-22, Most District Incidents Were for Rescue and EMS Services

Description	Incidents	Percent of All District Incidents	Countywide Average	2020 Statewide Average	2020 National Average ¹
Rescue and EMS Incidents	1,521	74.4%	69.0%	71.6%	64.2%
Fire Incidents	249	12.2%	3.3%	1.7%	3.9%
Service Call	241	11.8%	9.2%	7.4%	7.6%
False Alarm and False Call	7	0.3%	6.5%	6.3%	8.0%
Good Intent Call	3	0.1%	9.0%	11.0%	11.7%
Other ²	23	1.1%	2.9%	2.0%	4.5%
District Incidents	2,044	88.8%			
Mutual Aid (provided) Incidents	259	11.2%			
Total Incidents	2,303				

¹ This column does not sum to 100% due to rounding.

² Special Incident Type; Severe Weather and Natural Disaster; Hazardous Condition (No Fire); and Overpressure, Rupture, Explosion, Overheat (No Fire).

Source: OPPAGA analysis of Division of State Fire Marshal and U.S. Fire Administration data.

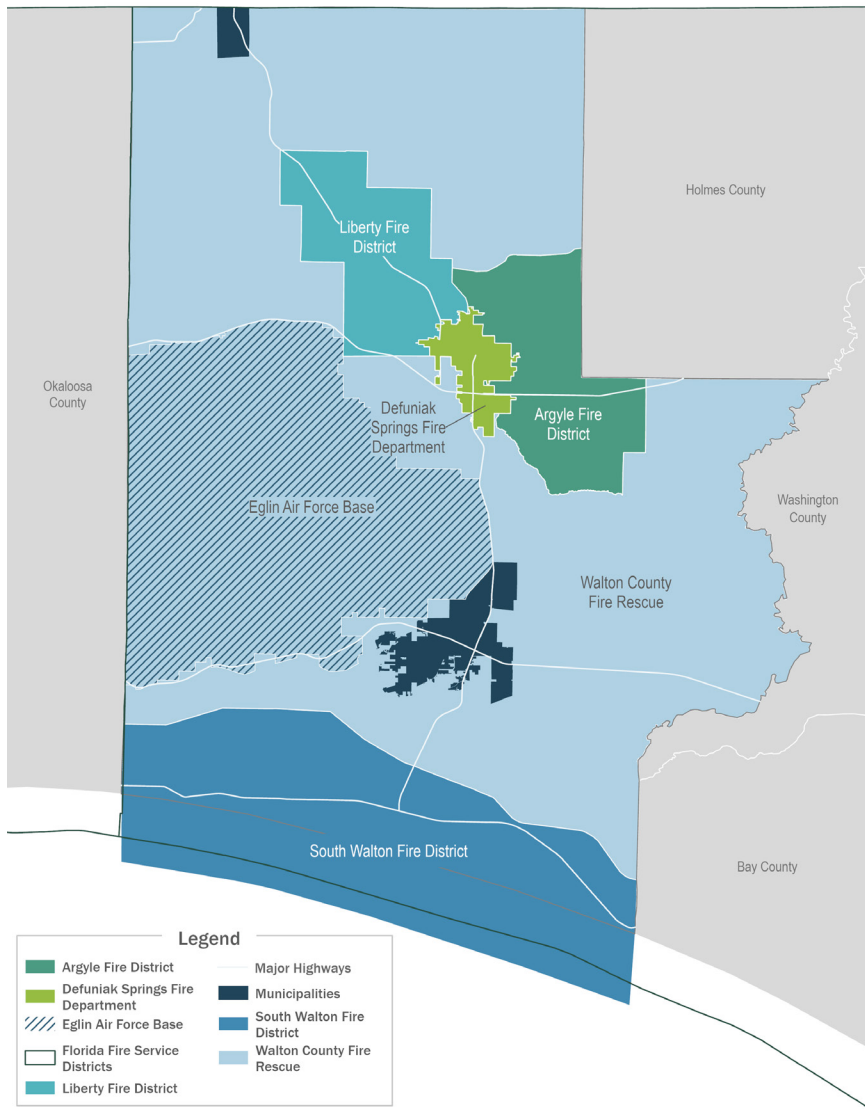
The district can provide limited EMS support without county personnel. Florida has two levels of certification for prehospital providers: emergency medical technician (EMT) and paramedic. District representatives reported having no more than three members who responded at these levels at any given time during the review period. Consequently, when the district responds to emergency medical incidents, it is often assisting Walton County paramedics because district personnel cannot provide a higher level of medical assistance. This is significant because 74.4% of all district incidents and 69.0% of all countywide incidents were for rescue and EMS incidents during the review period. However, as

³⁸ The rescue component of this category includes searches for lost people, opening locked vehicles and gaining entry to locked areas, extrication of victims from structures, vehicles, elevators, machinery, etc., rescue from water and ice areas, and rescue from electrocution or trapped by power lines.

first responders, district personnel are often the first to arrive at many emergencies and may still be able to provide immediate lifesaving interventions while awaiting county EMS resources.³⁹

The district supports the Emergency Services Division of the Walton County Sheriff’s Office on incident responses within the district. In Walton County, the Emergency Services Division of the Walton County Sheriff’s Office operates the Public Safety Call Center (911 center) that answers and monitors over 150,000 emergency and non-emergency calls per year for the entire county. The division provides EMS to north Walton County, which includes Liberty Fire District. (See Exhibit 5.) The division also operates an Emergency Services Bureau (i.e., Walton County Fire Rescue) that employs over 100 fire rescue professionals. This bureau is responsible for providing fire suppression and prevention services to adjacent fire districts in north Walton County.

**Exhibit 5
Walton County Fire Rescue Service Area Includes the District and Several Other Fire Departments**



Source: OPPAGA analysis of Walton County and Florida Forest Service data.

³⁹ The district reports that it provides emergency medical responder services, the primary responsibilities of whom center on safety and early medical care. Their major responsibilities include ensuring safety for any bystanders, gaining safe access to the patient, checking for immediate life-threatening conditions, summoning more advanced medical personnel as needed, remaining with the patient, and providing whatever care is possible until more advanced medical personnel take over.

In north Walton County, the closest available fire or EMS units, regardless of whether the units are county or district units, are dispatched to every call. The number and type of units that dispatchers assign to a particular incident depends on the availability of units at the time the incident occurs, but because county firefighters operate in fire districts adjacent to the district, the county often responds to incidents that the district receives. Walton County Fire Rescue representatives reported providing significant support for structure fires within district boundaries, and Division of State Fire Marshal data shows that 61% of district operational personnel are only certified to provide support services.⁴⁰ Additionally, the district is not involved in any code enforcement activities, so the Walton County Code Compliance Department provides these services within the district, including investigating code violation complaints.

Walton County and the District Have Not Considered Consolidation to Address Inefficiencies; the District Is Not Taking Steps to Improve Coordination

Walton County Fire Rescue representatives presented a mixed review of the value of district services. County representatives reported that the district provides extra apparatus and water supplies to structure fires in the county. However, county representatives also noted that a disadvantage is that district staff have different training levels—only some staff are certified to enter burning structures—and county personnel do not know which district personnel will arrive on scene to assist.

Neither Walton County Fire Rescue representatives nor district representatives reported having conducted analyses related to consolidation of any fire operations. Walton County Fire Rescue representatives reported concerns with local independent special fire districts regarding a lack of overall accountability, firefighter safety and training standards, and delivery of service. However, these representatives reported they were not interested in merging with the remaining independent special fire districts in the county. District representatives noted that while an advantage of consolidation may be additional employment opportunities for fire fighters and other staff, disadvantages claimed by the district include a higher cost of operations, diminished service to citizens, and fewer funding opportunities via additional grants.

District and Walton County Fire Rescue staff reported concerns about communication and coordination; the district has not followed through on an agreement to improve either issue. Both parties have taken a step that could have facilitated communication and coordination improvements. Specifically, the district established a contractual agreement with the Walton County Board of Commissioners on November 22, 2022, to codify certain elements of cooperation between the district and the county.

Under the agreement, county obligations include coordinating facility standardization, equipment, and personnel within each independent fire district, providing 911 dispatch service, conducting countywide training, and hosting the county fire chiefs' association meetings. District responsibilities include following all applicable rules, statutes, and county dispatch procedures; using closest unit response; responding to at least 80% of all fire and EMS calls; annually reviewing protocols and procedures; and participating in the county fire chiefs' association.

⁴⁰ Support services include pulling hoses, opening and closing fire hydrants, driving and operating apparatus, carrying tools, carrying or moving equipment, directing traffic, manning a resource pool, or similar activities.

Through the agreement, the district will receive a total of \$125,000 from the county by September 30, 2023, if the district abides by agreement terms. According to the agreement, the county will make quarterly payments of \$31,250 upon request to cover expenses for programs and administrative supplies from October 1, 2022, through September 30, 2023. The county's \$125,000 anticipated contribution constituted 27% of the district's total budget in the most current fiscal year. The agreement also requires the district to submit quarterly financial reports within 60 days after the first quarterly payment.

As of March 30, 2023, county representatives reported that the district had not yet requested funding and no funds have been dispersed by the county. Board meeting minutes from November 2022 indicate that the district is not satisfied with the requirements in the agreement but decided to delay taking action until a later date. Board meeting minutes from December 2022 indicate that the board still disagreed with how to utilize the county funding and again decided to delay action. Board minutes from February 2023 indicate that the board was aware that they had not yet received any funds from the county. The county reported that there has been no discussion about renewing this agreement for Fiscal Year 2023-24.

Because the mutual aid agreement between the county and the district has lapsed, the November 2022 contractual agreement provides the only written expectations for the scope of services to be provided by both parties. The agreement addresses needed training, dispatch, and communication outcomes identified by both the district and the county. Ultimately, the effect of this agreement cannot be evaluated at this time because the district is not complying with terms. Improved coordination between the agencies will depend on the successful implementation of the agreement as intended. Considering the degree of involvement that county personnel have with dispatch, EMS, fire service, and code enforcement in north Walton County, communication and collaboration with county personnel at all levels should be a priority for the district to continue to provide adequate fire protection service to district residents.

Performance

OPPAGA assessed the Liberty Fire District's progress toward achieving goals and measuring performance against national standards. The district's performance is consistent with national standards for timeliness, but the district does not systematically assess performance and local stakeholders noted areas where the district could improve. During the review period, the district's ISO rating, the one available partial performance measure to determine the district's overall effectiveness, improved to slightly above average on the rating scale.

The District's Framework for Measuring Performance Is Limited and Relies Upon National Best Practices and Insurance Ratings

The district uses national standards as measures of overall performance but has no board-approved performance standards. No national or state entity mandates performance measures for fire departments. However, accepted national best practices have been established that could be utilized as performance measures that facilitate the ongoing evaluation of a fire department's emergency response availability, capability, and operational performance. Specifically, National Fire Protection Association Standard 1720 sets minimum standards considered necessary for the provision

of public fire protection by volunteer fire departments.⁴¹ District representatives stated that they are aware of NFPA standards and reported following them when applicable, such as when defining a Class A Engine or reviewing pre-fire plans and operations, but did not specifically identify NFPA Standard 1720 recommended practices as applying to the district.⁴²

The district has no board-approved performance standards. Without performance measures and standards for each activity, the district is unable to determine if goals and objectives are being achieved. The district should adopt specific performance standards and measures, particularly related to training, administrative, and operational standards, to determine if its goals and objectives have been achieved.

While not recognized by the district as a performance measure, the district informally utilizes recurring onsite evaluations from ISO to measure changes to overall performance on fire suppression. Districts across Florida also use this program to evaluate overall performance.⁴³ The evaluation determines the theoretical amount of water necessary for fire suppression purposes, then examines emergency communications (emergency reporting, telecommunications, and dispatching systems), the fire department (equipment, staffing, training, geographic distribution, operational considerations, and community risk reduction), and the water supply (hydrants, alternative water supply operations, and the amount of available water). This program evaluates and classifies U.S. fire protection areas according to a uniform set of criteria; Class 1 represents an exemplary fire suppression program, and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria. According to ISO, statistical data on insurance losses bears out the relationship between excellent fire protection and low fire losses, as measured by the PPC program.

However, the ISO rating is a limited performance metric. Insurers use the rating for underwriting and calculating premiums, but the ISO PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program, including staffing, mobile resources deployment, or service delivery. The rating is not for determining compliance with state or local laws, nor is it for making loss prevention or life safety recommendations. Moreover, although a primary focus of the ISO rating, fire suppression may be only a small part of a fire district's overall responsibility. Emergency medical services is not currently a component of the ratings yet may represent the majority of a fire department's incidents. Industry stakeholders reported that while they believe ISO rating is one good measure of a district's performance, additional measures that may reflect the performance of a fire district include fire prevention activities, staffing levels, and response times.

The District Appears to Meet National Standards for Timeliness; Reported ISO Ratings Improved Slightly Over the Review Period

The district appears to meet national standards for response times. While the district has no board-approved performance standards, district representatives reported that they determine if the district is providing adequate service based on response times and the number of district members responding

⁴¹ NFPA standards are recommended practices and guides developed through a consensus standards development process that brings together volunteers representing varied viewpoints and interests to achieve consensus on fire and other safety issues. The NFPA does not enforce compliance with the contents of NFPA standards.

⁴² The local adoption of NFPA standards is flexible based on the individual needs of the community and the resources available. Individual fire districts have the ability to decide which to use and how to use them. Similarly, the state fire marshal reported that it does not require any specific measures. As every community has different resources and needs, fire districts utilize national standards to identify what is needed at a local level to meet their needs and capacity.

⁴³ ISO establishes ratings based on its evaluation of municipal fire-protection efforts in communities throughout the United States. The ISO rating serves as a reference for insurance companies in setting property insurance rates. Typically, a better classification resulting from enhanced fire protection leads to lower insurance premiums.

to incidents. The NFPA Standard for response times for structural firefighting in rural areas for volunteer fire departments is 14 minutes, with a minimum staff of six for at least 80% of incidents. For suburban areas, the NFPA Standard for response times is 10 minutes with a minimum staff of 10. OPPAGA's analysis of reported district response times shows that the district is within the recommended response time. However, data were not available to determine if the district meets the minimum number of staff to respond within the required timeframe.

The district's average response times improved from 9.40 minutes in Fiscal Year 2019-20 to 8.01 minutes in Fiscal Year 2021-22. The district had not reported incident data since May of 2022. The district stated that response time efficiency is due to the strategy of distributing five small district trucks to volunteers' houses located throughout the district. This allows district members to respond to both fires and medical emergencies directly from their homes, which can improve response times.

However, this performance should be cautiously interpreted as response times alone are not an indication of the service provided. For example, OPPAGA's review of employee training certifications found that fewer than half of the district's members are certified to enter the hot zone. This limitation reduces the district's response capacity when arriving on scene.

District representatives reported the district's overall effectiveness, as assessed by its ISO rating, improved during the review period. Effective June 2023, the district will receive a Public Protection Classification of 4/4x. (See Exhibit 6.) This rating is an improvement from the district's previous rating of 5/5x issued in April 2018. It is an average rating in Florida and above average nationwide.

Exhibit 6
District's 2023 ISO Rating of 4 is the 4th Most Common in Florida



Note: Class 1 represents an exemplary fire suppression program and Class 10 represents that the area's fire suppression program does not meet ISO's minimum criteria.

Source: ISO mitigation data.

Improvements from the district's previous ISO evaluation include increased credit for emergency reporting, reserve pumpers, company personnel, training, water supply system, hydrants, and inspection/flow testing. Areas with decreased credit from the previous analysis include telecommunications, dispatch circuits, ladder service, and deployment analysis. It is important to note that the district does not provide services for several subsections of these categories. For example, the district does not oversee 911 dispatch services nor is it responsible for constructing or operating hydrant water systems within the district. The district received the lowest credit for the fire department category, which measures the district's structure fire suppression system. (See Exhibit 7.)

Areas within this category for which the district received the least credit included the number and adequacy of existing engine and ladder service companies to cover built-upon areas of the district and the average number of existing firefighters and company officers available to respond to reported first alarm structure fires in the city. (See Appendix B for more information regarding the district's fire department evaluation from ISO.)

Exhibit 7

District's Fire Department Category Received the Lowest Credit From the Most Recent ISO Evaluation

Fire Suppression Rating Schedule Item	Earned Credit	Credit Available	Percent
Emergency Communications	9.36	10	93.6%
Water Supply	30.90	40	77.3%
Community Risk Reduction	3.89	5.50	70.1%
Fire Department	23.03	50	46.1%
Final Community Classification	04/4X		

Source: ISO data.

Industry standards for volunteer fire districts are different from professional (paid) fire districts, which can lead to different levels of service when compared to adjacent paid fire districts. However, ISO evaluations of districts in north Walton County indicate a similar level of fire protection services between the districts. The district and the adjacent fire districts operated by the Walton County Fire District each received a PPC of 4/4x. The other two districts in north Walton County, Argyle Fire District and the City of DeFuniak Springs Fire Department, each received a PPC of 5/5x.

The District Does Not Collect Performance Feedback; District Representatives and External Stakeholders Reported That Performance Could Be Improved, but the District Has Not Taken Steps to Do So

The district has not implemented a mechanism to survey or collect feedback from community members and service recipients. District representatives stated that rather than using a formal method to gather such information, they informally learn of citizen concerns via business meetings or county commissioners.

OPPAGA interviewed district and Walton County Fire Rescue representatives to assess their perceptions of district performance. These stakeholders identified opportunities for district performance improvements. These included areas for which the district has not developed related goals or performance standards.

- **Interagency coordination and collaboration on training, dispatch, and planning needs.** Communication and planning are often a challenge as the district and the county often respond to the same incidents but have different reporting and oversight structures.
- **Accountability.** Representatives from the district and Walton County Fire Rescue were concerned that the district has limited oversight to verify compliance with operational and administrative requirements. As noted above, the board is the primary entity responsible for overseeing the district, and several of these stakeholders expressed concerns that the district is not being held accountable for its operations.
- **Training requirements.** District personnel who respond to incidents may not be adequately trained and certified.

- **Transparency.** District representatives acknowledged the need to create and maintain a district website.
- **Community feedback.** District representatives expressed a need to collect community feedback, as no system is currently in place to receive comments from the public.

The district was unable to document steps taken to improve performance. District representatives reported conducting annual needs analyses but did not provide documentation of these assessments to OPPAGA as requested. The district has had no internal or external performance reviews completed other than the ISO evaluation.

Resource Management

Over the past four fiscal years, Liberty Fire District revenues totaled \$1.7 million and expenditures totaled \$2.0 million. During this period, the district received additional grant and county funds, which accounted for 60% of the Fiscal Year 2022-23 budget. Overall, revenues decreased during the review period, as did expenditures; expenditures exceeded revenues in all the fiscal years reviewed. The district's current revenue streams may not be sufficient to fund future spending needs. OPPAGA requested, but did not receive, district budgets for Fiscal Years 2019-20 and 2021-22. Consequently, the analyses below rely on data from audits released to the Florida Auditor General and district self-reported data, which OPPAGA could not verify.⁴⁴

During the Review Period, District Expenditures Totaled \$2.0 Million, Exceeding Revenues That Totaled \$1.7 Million

District revenues decreased during the review period, as did expenditures; expenditures exceeded revenues in all the fiscal years reviewed. The district's current revenue sources are district taxes, impact fees, and grants. The district imposes an annual Municipal Service Benefit non-ad valorem fire assessment on district residences and businesses. The Walton County Tax Collector includes the fire fee for the district on the annual property tax billing, which is remitted directly to the fire district by the tax collector's office. Since 2015, the district's annual non-ad valorem fire assessments range from \$75 for residential properties to \$163 for commercial properties.

The district also charges an impact fee on new properties to offset costs of residents moving into the district's service area. The impact fee is \$75 for residential properties and \$163 for commercial properties. Fire impact fees are included in the Walton County Building Department permit checklist, and technicians processing permit applications in areas of fire impact verify that receipts for these fees are included.

In addition, district representatives reported that they apply for grants each year based on the needs determined by the board. According to district representatives, grant funding is primarily from the FEMA Assistance to Firefighters Grants (AFG) and State Division of Forestry 50-50 matching grants. District representatives reported that the district recently completed a COVID Personal Protective Equipment Supplies Grant and an Automated External Defibrillator (AED) Grant. District representatives also reported that they are currently working on a FEMA Staffing for Adequate Fire and Emergency Response Grant valued at approximately \$450,000 over four years.

⁴⁴ For this review, OPPAGA utilized district data submitted to the Florida Auditor General for the analysis of Fiscal Years 2019-20 and 2020-21. OPPAGA used district self-reported data for Fiscal Year 2021-22 analysis and the district's budget for Fiscal Year 2022-23 analysis.

During the review period, the district's largest revenue source was taxes, which increased by 2% over the review period. (See Exhibit 8.) However, the district's overall revenues decreased by 28% (\$180,957). This decrease is largely due to changes in grant funding within the past four fiscal years.

Exhibit 8

District's Total Revenues Decreased by 28% From Fiscal Years 2019-20 Through 2022-23

Receipt Type	Fiscal Year				Review Period Total	Change	
	2019-20	2020-21	2021-22	2022-23		Amount	Percent
Taxes	\$172,481	\$179,110	\$179,110	\$176,000	\$706,701	\$3,519	2%
Grants	456,832	37,581	37,581	150,000	681,994	-306,832	-67%
County Funds	-	-	-	125,000	125,000	125,000	-
Impact Fees	7,500	6,825	6,825	4,000	25,150	-3,500	-47%
Sale of Fire Truck	-	-	-	1,000	1,000	1,000	-
Donations	185	12,165	12,165	50	24,565	-135	-73%
Insurance Claims and Refunds	-	68,500	-	-	68,500	0	-
Reimbursement	-	-	20,000	-	20,000	0	-
Interest	9	9	9	-	27	-9	-100%
Miscellaneous	-	64	-	-	64	0	-
Total	\$637,007	\$304,254	\$255,690	\$456,050	\$1,653,001	-\$180,957	-28%

Source: OPPAGA analysis of Liberty Fire District audits, budgets, and self-reported data.

District expenditures generally decreased during the review period. (See Exhibit 9.) From Fiscal Year 2019-20 to Fiscal Year 2022-23, district expenses decreased by 46% (\$409,205). On average, the district's biggest expenses throughout the four fiscal years included capital outlay equipment costs, payments for a pumper truck, and insurance and bonds. From Fiscal Years 2019-20 to 2022-23, the district's capital outlay equipment expenses decreased by 93%.

Exhibit 9

District's Total Expenditures Decreased by 46% From Fiscal Years 2019-20 Through 2022-23

Expenditures	Fiscal Year				Review Period Total	Change	
	2019-20	2020-21	2021-22	2022-23		Amount	Percent
Administrative Costs	\$25,624	\$22,171	\$24,052	\$26,500	\$98,347	\$876	3%
Direct Program Costs	122,613	108,432	-	173,500	404,545	50,887	42%
Capital Outlay	739,018	202,543	-	278,050	1,219,611	-460,968	-62%
Total	\$887,255	\$333,146	\$333,146	\$478,050	\$2,031,597	-\$409,205	-46%

Source: OPPAGA analysis of Liberty Fire District audits, budgets, and self-reported data.

Despite expenditure decreases, overall, district expenditures exceeded revenues during the review period. The district relied on beginning surplus to cover the difference.⁴⁵ The district's average ratio of expenses to revenues was 121%, which means that, on average, 121% of revenues were used for expenses each year. The district did not have any years within the review period in which revenues exceeded expenditures. However, some board members reported that they believe revenues have met expenditures and that the district has always been solvent. This implies that several members of the board do not closely attend to the district's fiscal condition.

District administrative costs increased while direct costs decreased over the review period; the magnitude of the administrative cost increase is uncertain. District administrative costs totaled \$98,347 during the review period. These costs include, but are not limited to, costs associated with

⁴⁵ According to district budgets, the district had a beginning surplus of \$82,000 in Fiscal Year 2020-21 and \$22,000 in Fiscal Year 2022-23.

computer equipment, data processing, fees, forms, personnel, postage, programming, and supplies.⁴⁶ Nearly half of these costs (\$43,057) were for office and miscellaneous supplies. Administrative costs increased 3% overall during the review period.

Despite requests, the district did not provide OPPAGA detailed personnel or salary cost data; factoring in these expenditures may increase the district's administrative costs. While most district positions are volunteer, some district positions are paid. For example, the district's administrative assistant and volunteer coordinator are paid \$20 per hour. Finally, district representatives reported that instructors provide training to volunteers, a cost that is eventually reimbursed by the district's current FEMA Staffing for Adequate Fire and Emergency Response (SAFER) grant over a four-year period. District representatives report that, per the terms of the grant, instructors are paid \$25 per hour of training conducted. The district also utilizes a FEMA SAFER grant to reimburse volunteers who respond to incidents and attend trainings. According to district representatives, a total of \$5,000 is divided quarterly among district volunteers based on the number of incidents and trainings that each volunteer completed.⁴⁷ Volunteer reimbursements ranged from \$26 to \$1,122 for service from September to November 2022.

During the review period, the district's direct program costs totaled \$1.6 million and decreased by 48%. Direct program costs are expenses tied to implementing the district's services. The district categorized these costs into program expenses and capital outlay. Of these, capital outlay had the largest decrease during the review period. (See Appendix C for details on the district's administrative, direct, and contracting costs.)

The district employs a few mechanisms to manage costs. According to district representatives, the board meets monthly to review financials and planned expenditures. District representatives reported that the board manages capital outlay, fuel, insurance, maintenance, and utilities. The district also seeks and manages grants and partnership/cooperative programs.

District representatives reported that they limit the amount and number of district loans and plan to be debt free by the end of Fiscal Year 2022-23. District representatives reported that the district looks for cost-saving measures in operations. For example, these representatives noted that the district utilizes smaller trucks rather than larger apparatus to respond to incidents, which reduces costs and response times. In addition, district representatives reported that the district contracts for pump testing and breathing apparatus, some administrative and training services, and equipment repair to improve efficiency.

District representatives reported that when grants are awarded, the district spends a little more than planned to purchase extra/optional equipment and achieve economies of scale. For example, representatives reported that when the district received an AED Grant award for approximately \$47,000 with a 5% match, the district spent \$57,000 overall and was able to purchase an additional AED and an extended five-year maintenance and warranty, including battery replacement and charging system.

⁴⁶ Section [197.3632](#), F.S.

⁴⁷ According to district representatives, the reimbursement amount is variable and based on how many incidents to which an individual responds and whether they have attended 50% of the trainings offered. The reimbursement also varies based on how much is awarded via the SAFER grant and who is qualified to receive funds. District representatives report that the amount is approved by the board each quarter.

District Staffing Decreased During the Review Period, and District Representatives Report Some Equipment and Facilities Could Be Improved

The reported number of district volunteers increased during the review period while the reported number of paid staff members decreased; district representatives believe that staffing is sufficient to meet current needs. On average, operational volunteers was the district’s largest staffing category. (See Exhibit 10.) According to Division of State Fire Marshal data, the district had 23 active volunteers as of December 2022. Of these active volunteers, 14 (61%) were support volunteers and 9 (39%) were classified as Volunteer Firefighter 1 or Firefighter 2.

During the review period, the district reported contracting for a certified public accountant and a grant writer. On average, paid staff accounted for 5% of the district’s total staff for Fiscal Years 2019-20 through 2022-23. Over this time, the number of paid staff decreased by 50% (from two to one). However, OPPAGA was unable to verify the number of paid staff, as OPPAGA requested, but did not receive, detailed information on paid personnel positions or expenditures.

Exhibit 10

As of December 2022, 96% of District Staff Were Volunteers, but Counts Are Unverified Because the District Did Not Provide Detailed Staffing Information as Requested

Staff	Fiscal Year				Change	
	2019-20	2020-21	2021-22	2022-23	Amount	Percent
Part-Time	2	2	1	1	-1	-50%
<i>Operational</i>	1	1	0	0	-1	-100%
<i>Admin/Support</i>	1	1	1	1	0	0%
Volunteer¹	26	34	35	27²	1	4%
<i>Operational (Volunteer Firefighter 1 or Firefighter 2)</i>	14	18	19	12	-2	-14%
<i>Support</i>	12	16	16	15	3	25%
Reserve	2	2	0	0	-2	-100%
<i>Operational</i>	2	2	0	0	-2	-100%
Total	30	38	36	28	-2	-7%

¹ OPPAGA used Division of State Fire Marshal data to calculate the number of district volunteers per fiscal year, which may not be updated.

² The number of volunteers in Fiscal Year 2022-23 includes all volunteers who served in the district during the fiscal year, including volunteers that ended their service with the district before December 31, 2022.

Source: OPPAGA analysis of Liberty Fire District and Division of State Fire Marshal data.

Staffing is a constant need for all fire departments and maintaining adequate weekday staffing levels is a specific challenge for volunteer fire departments. The volunteer fire service in the United States is experiencing an overall decline in volunteerism, causing many volunteer fire departments to struggle to meet staffing needs as incident volumes increase. In addition, industry stakeholders reported that the two biggest challenges that rural, volunteer fire districts face is volunteer recruitment and retention and funding. Most often, volunteer fire departments serve rural communities with insufficient tax bases to fund career personnel. Despite these concerns, district representatives reported that the district meets its incident volume requirements with current staffing levels; the district did not provide information to substantiate this claim.

According to district representatives, the condition of some apparatus and vehicles does not meet district needs; in addition, one district fire station reportedly requires repairs. The district owns, finances, or leases 18 pieces of apparatus. (See Exhibit 11.) District representatives reported that the level and condition of some vehicles/major equipment does not meet the district’s needs. The

district reported that its two ATVs are being repaired and that one pumper has a fuel pump issue. District representatives noted that two other apparatus are over 20 years old and need to be replaced.

District representatives reported that the district recently sold two older apparatus and is in the process of replacing them. During the review period, district representatives reported that they purchased a tanker, pumper, and heavy rescue truck as well as two small mini-pumpers. District representatives reported that the district still owes approximately \$130,000 on a new pumper truck, which district representatives plan to pay off by the end of Fiscal Year 2022-23.

Exhibit 11

District Owned, Financed, or Leased 18 Pieces of Apparatus

Location	Apparatus	Ownership				Status		Notes
		Owned	Financed	Leased	Unknown	Operative	Inoperative	
Central Station	Pumper 7	-	1	-	-	1	-	
	Search and Rescue (SAR) 7	1	-	-	-	1	-	
	Matco Boat							
District "Fast Trucks"	Tanker 7	1	-	-	-	1	-	
	Brush 7	1	-	-	-	1	-	
	Rescue 7	1	-	-	-	1	-	
	Squad 7	1	-	-	-	1	-	
	Truck 7	1	-	-	-	1	-	
	Utility 7	1	-	-	-	1	-	Plan to replace
South Station	Engine 7	1	-	-	-	1	-	
	Heavy Rescue 7	1	-	-	-	1	-	
	Mobile Command Post (MCP) 7	1	-	-	-	1	-	
	Technical Recue 7 Trailer	1	-	-	-	1	-	
Other	ATVs	-	-	-	2	-	2	In the shop being repaired
	Old Attack Truck	-	-	-	1	-	1	
	Old Brush 7	-	-	1	-	1	-	From forestry
	Old Pumper 7	1	-	-	-	-	1	Fuel pump issue being replaced
	Tender 7	1	-	-	-	1	-	
Total		13	1	1	3	14	4	

Source: OPPAGA analysis of Liberty Fire District data.

The number of facilities owned or leased by the district remained the same during the review period. The district currently operates out of two stations. These facilities are located on US Highway 90 and Kings Lake Road.

District representatives reported that the facility on US Highway 90 West is in excellent condition and does not require any renovations. The district received an \$870,000 FEMA AFG grant to improve the station, and district representatives estimate that the district invested \$1.2 million in total.

However, the district reported that while the facility on Kings Lake Road is in good condition, it may need renovation or repair in the future, as it was initially built in 1982 and renovated in 1998. District

representatives reported they have plans to replace this station. Finally, district representatives reported that the district owns an approximately five-acre property for a North Station, which they believe is necessary to meet ISO standards that require all residents to be five miles from a fire station.

The district did not provide a board-approved 5-year plan but hopes to increase staffing levels, improve facilities, and purchase new equipment over the next five fiscal years. District representatives reported that they maintain 5- and 10-year planning documents. The 5-year planning document lays out district plans for facilities, apparatus, equipment, and staffing. However, the district did not provide evidence that the board had approved these plans. District representatives reported that they also use the budget process for planning purposes. However, as noted above, OPPAGA requested, but the district did not provide, budgets for Fiscal Year 2019-20 and Fiscal Year 2021-22.

To address population growth, the district wants to increase staffing levels, make infrastructure improvements, and purchase new equipment. District representatives reported that, to address future staffing needs, they will seek new volunteer firefighters via county events and informal advertising (e.g., a sign on a district station). District representatives also reported that they want to replace the central station on Kings Lake Road and hope to build a third station. District representatives also stated that they would also like to replace a mini pumper in the short-term.

The district's current revenue streams may not be sufficient to fund future spending needs. The district's revenue structure may affect its ability to provide services in a growing community and address infrastructure and apparatus needs. Specifically, the district's tax structure is tied to housing growth, not property values, and while housing growth in the area is steadier than property values, it may not grow as quickly. In addition, as noted above, the district has not followed through on obligations that would facilitate continued receipt of county funding.

To address these funding concerns, district representatives reported that they are trying to acquire grant funding. For example, district representatives reported that they are in the process of applying for a FEMA SAFER grant for recruitment and retention. The district also anticipates applying for a FEMA, Rural Development Infrastructure Grant, and/or a Triumph Gulf Coast Grant to fund desired facility improvements.

CONCLUSION AND RECOMMENDATIONS

Some of the challenges experienced by the Liberty Fire District are common across fire services, while some are unique. National studies show that incident volumes are increasing, volunteer firefighter numbers are decreasing, and many volunteer fire departments continue to struggle financially.⁴⁸ One study shows that expenses to maintain operations, recruit new members, train volunteers, provide equipment, and fulfill increased expectations of firefighter roles, such as providing EMS, pose significant obstacles for many volunteer fire departments. Moreover, the district is located in a Rural Area of Opportunity, which may present revenue generation challenges not experienced by other non-RAO fire districts in the state.

OPPAGA determined that the district has a number of issues related to accountability, including statutory compliance, operations and services, performance, and resource management. The district is not in compliance with several statutory requirements, which are essential to ensure that the district

⁴⁸ The NFPA, International Association of Fire Chiefs, U.S. Fire Administration, and the National Volunteer Fire Council have conducted recent studies.

operates in an efficient, transparent, and fiscally accountable manner. The district is not addressing administrative matters that impact operations, including a lack of documentation that raises ethics concerns. Further, the district was unable to document steps taken to improve performance or address inefficiencies.

Staffing issues at the district, including personnel certification issues and volunteer retention difficulties, will become more difficult to manage as incident volume in Walton County increases. Consequently, the district may have difficulty improving its services and will continue to need the Walton County Sheriff's Office's resources to manage most district incidents.

The District Board Should Take a Number of Steps to Improve Accountability, Statutory Compliance, and Performance

To address these issues, OPPAGA offers several recommendations. This performance review will recur in five years, at which time OPPAGA will consider district progress implementing the recommendations. In the interim, the district should periodically assess performance; to ensure usefulness, such assessments must be conducted consistently over a period of time and supported by the board.

Achieve statutory compliance and improve transparency and accountability of public funds.

1. The board should provide increased oversight of district activities to ensure the district complies with all requirements established in Florida Statutes and in the district charter, including the requirements for its website, budget development and approval, holding public meetings, meeting records, and 5-year plan development, and develop processes to avoid code of ethics and voting conflict issues.
2. The board should adjust expenditures to more closely match revenues to address the district's reliance on diminishing beginning surplus; the district's procurement policy should be updated to implement stricter purchasing controls, which should be approved by the district's board.
3. The board should recruit administrative volunteers or prioritize funding staff to address statutory and administrative issues.
4. The board should consider seeking an opinion from the Commission on Ethics to determine whether volunteer stipends create ethical conflicts for board members.

Improve the extent to which goals are achieved.

5. The board should adopt clear, measurable, and achievable goals and objectives for the district to prioritize critical activities and the use of funds.
6. The board should adopt specific performance standards and measures, particularly related to training, administrative, and operational standards, to determine if goals and objectives have been achieved.
7. The board should document plans to improve performance and track the district's improvements over time. This could include
 - a. tracking district performance and conducting routine self-assessments to monitor internal performance and support planning;

- b. compiling and tracking local stakeholder feedback to identify areas for improvement; and
- c. compiling, maintaining, and updating records, particularly staff certifications and incident data, preferably electronically.

Improve efficiency and effectiveness of operations.

- 8. The board should conduct analyses of community needs, determine the cost of increasing district service levels, and develop strategies to obtain funding.
- 9. The board should identify ways to support operational employees in receiving their Firefighter I certifications to increase the number of available firefighters who are able to engage in services in the hot zone.
- 10. The board or the Legislature may wish to consider dissolving the district to increase accountability and service delivery for the taxpayers of Walton County.⁴⁹ As an active independent special district created by special act, the district can only be dissolved by special act and referendum.^{50,51,52} The district may initiate dissolution voluntarily by vote and subsequently request a special act of the Legislature for dissolution, or the Legislature may begin dissolution by special act without district action.⁵³ To commence voluntary dissolution, the board must, by a majority vote plus one, voluntarily elect to dissolve the district. The legislative special act to dissolve the district, initiated by the district or by the Legislature, must then be approved by a majority of resident electors. The dissolution of the district would statutorily transfer the district's indebtedness and property to the county, as the local general-purpose government.⁵⁴

DISTRICT AND COUNTY RESPONSES

In accordance with the provisions of s. 11.51(2), *Florida Statutes*, a draft of OPPAGA's report was submitted to the Liberty Fire Control District and Walton County for review and response. The district's and county's written responses have been reproduced in Appendix D.

⁴⁹ Dissolution is unlikely to generate cost savings, as in the absence of the district's certified fire volunteers, the Walton County Sheriff's office may need additional personnel to meet national staffing standards for fire incidents or to be stationed in the district to timely address incidents.

⁵⁰ Inactive independent special districts may be dissolved by special act without a referendum. s. 189.072(3), *F.S.*

⁵¹ Chapter [2003-384](#), *Laws of Florida*.

⁵² Section [189.072\(2\)](#), *F.S.*

⁵³ Section [189.072](#), *F.S.*

⁵⁴ Section [189.076\(2\)](#), *F.S.*

APPENDIX A

Liberty Fire District Facilities

South Station
3278 US Hwy 90
DeFuniak Springs, FL
32433



Source: Image capture: May 2022 © 2023 Google.

Central Station
3910 Kings Lake Rd
DeFuniak Springs, FL
32433



Source: Image capture: May 2022 © 2023 Google.

APPENDIX B

ISO Evaluation of Liberty Fire District’s Structure Fire Suppression System

The four main components of the ISO rating are emergency communications, fire department, water supply, and community risk reduction. Fifty percent of a community's overall score is based upon the fire department's structure fire suppression system. (See Exhibit B-1.) This category, known as fire department, evaluates elements including engine and ladder/service vehicles, including reserve apparatus, equipment carried, response to reported structure fires, deployment analysis of companies, available and/or responding firefighters, and training. For this category, the district received a credit of 46.1% out of a possible 100% from the most recent ISO evaluation, the lowest credit from any category.

Exhibit B-1

District Received Less Than 50% of the Available Credit in Several Areas of Its Fire Department Operations

Criteria	Earned Credit	Credit Available	Percent
The number of engine companies, their pump capacity, hose testing, pump testing, and the equipment carried on the in-service pumpers.	6	6	100%
The total pump capacity available sufficient for the Basic Fire Flow of 1,000 gpm.	3	3	100%
The fire department’s standard operating procedures and incident management systems for emergency operations involving structure fires.	2	2	100%
The training hours that firefighters receive per year in accordance with NFPA standards.	6.11	9	67.9%
The number and adequacy of the pumpers and their equipment.	0.25	0.50	50%
The number and adequacy of existing engine and ladder-service companies to cover built-upon areas of the city.	2.61	10	26.1%
The average number of existing firefighters and company officers available to respond to reported first alarm structure fires in the city.	2.73	15	18.2%
The number of ladder or service companies, the height of the aerial ladder, aerial ladder testing, and the equipment carried on the in-service ladder trucks and service trucks.	0.33	4	8.3%
The adequacy of ladder and service apparatus when one (or more in larger communities) of these apparatus are out of service.	0	0.50	0%
Credit for Fire Department	23.03	50	46.1%

Source: ISO, as of June 1, 2023.

APPENDIX C

Liberty Fire District Administrative and Direct Costs

Office and miscellaneous supplies accounted for the majority of the Liberty Fire District administrative costs. The district's administrative costs include advertising, accounting and auditing services, grant writing services, and office and miscellaneous supplies. During the review period, accounting and auditing services was the district's second largest administrative expense. (See Exhibit C-1.) District representatives reported that they hire an independent CPA auditing firm to review and validate the district's yearly expenditures and provide a yearly management report.

Exhibit C-1

District's Administrative Costs Increased During Fiscal Years 2019-20 Through 2022-23

Administrative Costs	Fiscal Year				Review Period Total	Change	
	2019-20	2020-21	2021-22 ¹	2022-23		Amount	Percent
Office and Misc. Supplies	\$17,228	\$10,829	-	\$15,000	\$43,057	-\$2,228	-13%
Accounting and Auditing Services	8,200	11,050	-	7,000	26,250	-1,200	-15%
Grant Writer	-	-	-	4,500	4,500	4,500	-
Advertising	196	292	-	-	488	-196	-100%
Total	\$25,624	\$22,171	\$24,052	\$26,500	\$98,347	\$876	3%

¹ OPPAGA requested, but did not receive, detailed administrative cost information for Fiscal Year 2021-22.

Source: OPPAGA analysis of Liberty Fire District audits, budgets, and self-reported data.

Equipment purchases accounted for most of the district's direct costs. The district categorizes direct costs into program expenses and capital outlay. Program expenses include fuel, maintenance, utilities, insurance and bonds, and other costs. On average, for the entire review period, insurance and bonds was the largest program expense category, followed by repair and maintenance. During the review period, the district's capital outlay costs decreased by 62%. (See Exhibit C-2.)

Exhibit C-2

District's Direct Program Costs Decreased During Fiscal Years 2019-20 Through 2022-23

Direct Program Costs	Fiscal Year				Review Period Total	Change	
	2019-20	2020-21	2021-22 ¹	2022-23		Amount	Percent
Program Expenses							
Insurance and Bonds	\$47,722	\$31,778	-	\$52,000	\$131,500	\$4,278	9%
Repair and Maintenance	23,977	23,446	-	46,000	93,423	22,023	92%
Contracted Services	7,596	1,050	-	25,000	33,646	17,404	229%
Volunteer Reimbursement	10,989	8,003	-	25,000	43,992	14,011	128%
Fuel	11,962	12,133	-	12,500	36,595	538	4%
Utilities and Telephone	7,880	10,152	-	8,000	26,032	120	2%
Taxes, Licenses, and Fees	2,882	468	-	2,500	5,850	-382	-13%
Appreciation Meals and Awards	610	1,483	-	2,500	4,593	1,890	310%
Expendable Equipment	-	9,990	-	-	9,990	0	-
Interest	6,850	8,250	-	-	15,100	-6,850	-100%
Dues	270	835	-	-	1,105	-270	-100%
Travel	639	624	-	-	1,263	-639	-100%
Training and Fitness	1,236	220	-	-	1,456	-1,236	-100%
Subtotal	\$122,613	\$108,432	-	\$173,500	\$404,545	\$50,887	42%

Direct Program Costs	Fiscal Year				Review Period Total	Change	
	2019-20	2020-21	2021-22 ¹	2022-23		Amount	Percent
Capital Outlay							
Pumper 7-Truck Payments	-	-	-	130,000	130,000	130,000	-
Equipment	715,902	167,058	-	48,000	930,960	-667,902	-93%
North Station Reserves	-	-	-	47,850	47,850	47,850	-
Wildland 7 Rebuild	-	-	-	42,000	42,000	42,000	-
Cascade Maint/Repairs	-	-	-	6,200	6,200	6,200	-
Repairs to Old Pumper 7	-	-	-	4,000	4,000	4,000	-
Long-term debt principal paid down	23,116	35,485	-	-	58,601	-23,116	-100%
Subtotal	\$739,018	\$202,543	-	\$278,050	\$1,219,611	-\$460,968	-62%
Total	\$861,631	\$310,975	-	\$451,550	\$1,624,156	-\$410,081	-48%

¹ OPPAGA requested, but did not receive, detailed direct program cost information for Fiscal Year 2021-22.

Source: OPPAGA analysis of Liberty Fire District audits, budgets, and self-reported data.

APPENDIX D

District and County Responses

From: johnwhinson@gmail.com
To: [Jameson, PK](#); [Leventhal, Emily](#)
Subject: Liberty Fire District
Date: Saturday, June 24, 2023 12:47:36 PM

Good afternoon Emily and Ms.PK Jameson

Thank you for giving our fire department a thorough and accurate review with pertinent information to provide the recommended adjustments for our community to be serviced to the best of our ability. As we are entering the transition time period to update our resources as the review suggested we have encountered a few obstacles to our progress. A couple of our board members are not in agreement with the changes that are necessary to facilitate the required improvements, as they did not agree with another Liberty Fire District Board member Philip Canterbury and I regarding our request to hold a special board meeting.

Because of this, I am requesting an interim emergency management partnership with Walton County Fire Rescue. As per page 26 #10 note 47 dissolution is unlikely to generate savings and therefore is not in the best interest of our already rurally limited opportunities in our community. I have the absolute faith in our ability to bring our department up to the highest standard. Walton County Fire Rescue is a model agency that would enable us to achieve their high standards with their temporary assistance.

Kind Regards,

John W Hinson

Vice Chair

Ms. PK Jameson

27 June 2023

SUBJECT: Liberty Fire District Response

Liberty Fire District has had a long history of providing fire service to the community and Walton County. When Liberty Fire District was formed in 1982 there was no fire service in the Liberty community except for the Florida State Division of Forestry. We have always put the requirements to provide good fire service above all other District needs. Despite funding challenges over the years, we have always ensured that our primary response apparatus and equipment were ready to respond when called. Unfortunately, this did not leave funding for other District needs such as acquiring equipment and personnel necessary for administrative and record keeping purposes.

Liberty Fire District Board acknowledges the Findings and the need to make improvements to our operations, administrative reporting, and record keeping capabilities. Liberty Fire District Board will start work immediately to address the issues mentioned in this report. As with any District function, funding will be one of constraints to slow our progress.

Some of the issues mentioned in this report are being addressed at this time, such as our website, which was previously functional and then lapsed (losing the Go Daddy domain name). We are currently seeking quotes to re-establish this service from a company that specializes in this activity for Special Districts and is ADA Compliant and provides the necessary recurring security enhancements. We currently use the Firehouse Incident Reporting software that contains functions such as recording training functions and other record-keeping capabilities. The Board will continue to research new software and bookkeeping systems to better maintain, compile, and track the district's personnel, equipment and performance records. We also will investigate options of adding additional personnel to help maintain the needed records and documentation. Liberty Fire District also hopes to employ an Internal quality control/Safety coordinator/auditor to help us stay on track and complete our improvements. The Liberty Board of Commissioners will provide increased oversight of district activities to ensure the District is complying with all requirements set forth in Florida Statutes and District Charter by providing and making available to each commissioner copies of the District Charter and pertinent Florida Statutes.

We also plan to have workshops and special business meetings to discuss and formally establish and adopt required additions and changes needed for compliance. The Liberty Fire District Board fully expects the report which will be created 5 years from now to show great improvements in the areas in which are lacking in this report.

Liberty Fire District wishes to thank the OPPAGA Team for their professionalism and patience through this difficult and very extensive process. We also look forward to working with the OPPAGA Team in future endeavors.

TONY ROY
Tony Roy, Seat #1, Liberty District Commissioner

Digitally signed by TONY ROY
Date: 2023.06.27 15:29:28 -05'00'



MICHAEL A. ADKINSON, JR., SHERIFF
Office of the Sheriff, Walton County



Thursday, June 22, 2023

Ms. PK Jameson, Coordinator
Office of Program Policy Analysis and Government Accountability (OPPAGA)
111 West Madison Street, Room 312
Tallahassee, Florida 32399

Dear Ms. Jameson,

I have reviewed the preliminary analyses and recommendations of OPPAGA's reports on the Liberty and Argyle Fire Districts. No misrepresentations of fact or errors regarding the Walton County Sheriff's Office contributions to the report were discovered. As such, I offer no further corrections or recommendations for change.

We interpret these preliminary findings as significant and agree that substantive corrections are in order for both programs. We also share your concerns regarding the level of protection the citizens of both districts expect - but are not receiving. Even more concerning, we believe most are not even aware these problems exist. As the health, safety, and welfare of the citizens and visitors of Walton County is the principal mission of the Sheriff's Office, we stand ready to offer whatever assistance may be required to affect a promulgated remedy in the future. Our posture today, as has always been, is to ensure that the residents of each district are served and protected. We will continue to do that.

On behalf of Sheriff Adkinson, I want to express appreciation for OPPAGA's efforts to shed light on these issues, serious as they are. The staff and resources of the Walton County Sheriff's Office are at your service in this effort. Please feel free to reach out to me directly at 850-714-4485 if I can be helpful in any other way. TV

Sincerely,

Tracey D. Vause
Chief of Emergency Services
Office of the Sheriff, Walton County

CC: Michael A. Adkinson, Jr., Walton County Sheriff
Melinda Miguel, Chief Inspector General, Executive Office of the Governor
Tony Corman, Interim County Administrator, Walton County Board of County Commissioners

Emergency Services-Fire/Rescue

752 Triple G Road DeFuniak Springs, Florida 32433 Telephone: 850.892.8111

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OPPAGA

Office of Program Policy Analysis and Government Accountability

OPPAGA provides performance and accountability information about Florida government in several ways.

- Reports deliver program evaluation and policy analysis to assist the Legislature in overseeing government operations, developing policy choices, and making Florida government more efficient and effective.
- Government Program Summaries (GPS), an online encyclopedia, provides descriptive, evaluative, and performance information on more than 200 Florida state government programs.
- PolicyNotes, an electronic newsletter, delivers brief announcements of research reports, conferences, and other resources of interest for Florida's policy research and program evaluation community.
- Visit OPPAGA's website.

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).

Project supervised by Emily Leventhal (850/717-0525)
Project conducted by Tim MacGregor, Laurelin Haas, and Chris Hilliard
PK Jameson, Coordinator

See previous tab for the presentation on the Liberty and Argyle Fire Districts.

Argyle Fire District

Report 23-07

June 2023



OPPAGA

Office of Program Policy Analysis and Government Accountability

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Argyle Fire District

EXECUTIVE SUMMARY

The Argyle Fire District is not in compliance with several statutory requirements related to special district administration. Specifically, the district board has not routinely adopted a budget or developed a five-year plan, nor does it maintain a website with required information. In addition, the district has not submitted its most recent statutorily required audit. Further, during the review period, the district did not address critical administrative matters that affect the accountability of operations, including maintaining personnel records and a procurement policy.

District incident volume increased over the review period, and volunteer staff primarily responded to mutual aid incidents and service calls but provided limited support due to a lack of certified personnel. With increased population and incident volume, decreased staff levels, and no Emergency Medical Services-certified personnel, the district will continue to rely on county services to support operations. Walton County Fire Rescue and the district did not express interest in using consolidation to address inefficiencies but have taken an initial step to improve coordination.

District representatives reported having established goals and activities, but these were neither board approved nor consistently implemented by the district during the review period. While the district does meet a national standard for timeliness, it does not meet a standard for the number of personnel responding to incidents. Local stakeholders reported the district's performance could improve in several areas, including district training, communication, and accountability. However, the district has not taken steps to improve performance.

During the review period, the district had total revenues of \$1.3 million and total expenditures of \$984,695. Administrative costs and direct costs increased over the review period. The number and type of firefighter staff are not meeting requirements or perceived district needs, and district representatives reported that several pieces of apparatus are inoperative and stations need repair. While the district does not currently have a five-year plan to address these needs, the board has taken initial steps to plan for expanding operations in the future. The district's ability to fund future plans is uncertain.

OPPAGA recommends that the district board take a number of steps to improve performance and make operations statutorily compliant. OPPAGA also recommends that the district board and Legislature consider additional steps to support effective and accountable fire and rescue operations in Walton County.

SCOPE

Section 189.0695, *Florida Statutes*, directs OPPAGA to conduct performance reviews of Independent Special Fire Control Districts located in Rural Areas of Opportunity. The review evaluates the district's programs, activities, and functions, including

- evaluating the district board's governance function;
- assessing service delivery and comparing similar services provided by municipal or county governments located within the district's boundaries;
- describing district purpose, goals, objectives, performance measures, and performance standards and evaluating the extent to which they are achieved;
- analyzing resources, revenues, and costs of programs and activities; and
- providing recommendations for statutory or budgetary changes to improve the special district's program operations, reduce costs, or reduce duplication.

This review period covers local Fiscal Years 2019-20 to 2022-23.

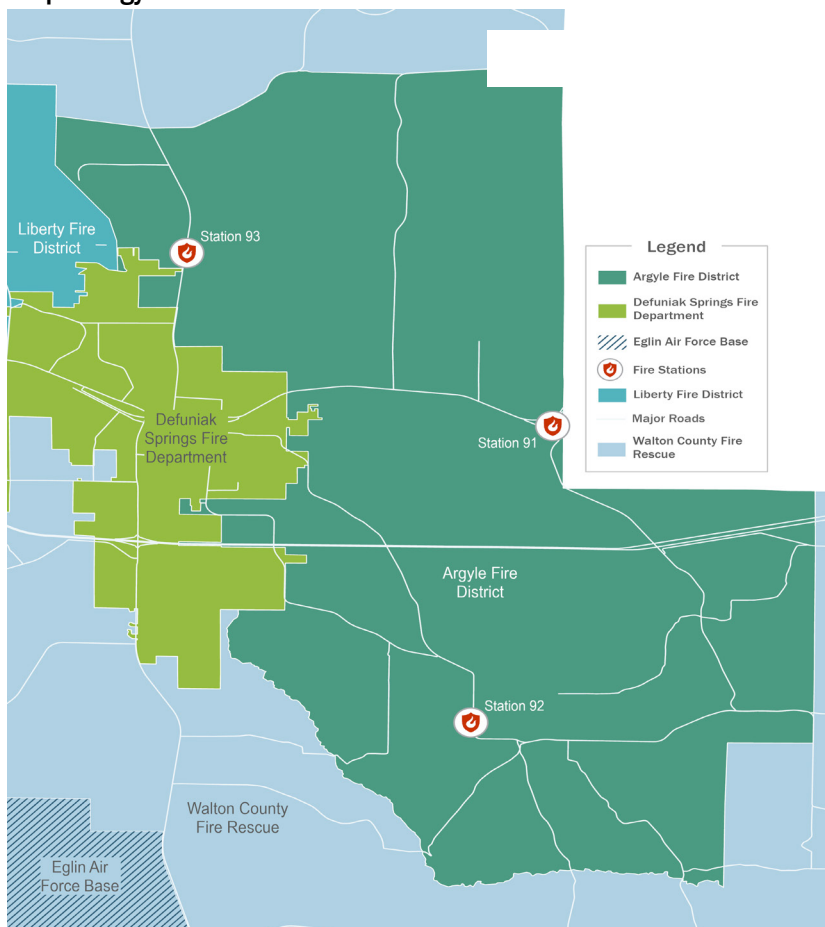
BACKGROUND

District Service Area

The Argyle Fire District (district) is located in Walton County, in Northwest Florida. (See Exhibit 1.) The district is one of seven fire control agencies in the county. The district covers a service area of 95 square miles, which is 9% of the county’s land area. Eight percent of Walton County’s population (6,016 residents) lives in the district. The population within the district has increased 73% since 2019. From 2020 to 2021, Walton County was ranked as the seventh fastest growing county in Florida; the Florida Office of Economic and Demographic Research projects that the county’s population will grow by approximately 20% by 2030. The district estimates that if current real estate and building trends continue, the population in the district will increase by 1,200 people within the next three to five years.

Occupied housing units are the basis of taxes and fees charged to support the district, but many Walton County housing units are unoccupied. In 2020, the county had 56,197 housing units with a median value of \$245,400; of these, 29,981 were occupied and 26,216 were unoccupied. District representatives reported that 588 new housing units and one retail store are currently being built in the district.¹

Exhibit 1
Map of Argyle Fire District



Source: OPPAGA analysis of Walton County data.

¹ District representatives refers to employees or volunteers with the district, including commissioners. The district provided information on full-time and part-time contractors; OPPAGA received information about the district volunteers from the Division of State Fire Marshal.

The portion of Walton County containing the district has been designated a Rural Area of Opportunity (RAO). RAOs are rural communities, or a region composed of rural communities, that have been adversely affected by extraordinary economic events or natural disasters. The district is one of two RAO fire districts in Walton County.² Under National Fire Protection Association (NFPA) standards, Argyle is classified as a combination of remote and rural demand zones for staffing and response times; less dense populations have lower recommended minimum staffing levels and higher recommended minimum response times as opposed to classifications such as urban or suburban.³

District Governance

Created in 2006 by Ch. 2006-354, *Laws of Florida*, the district's purpose is to promote the general health, welfare, and safety of Walton County citizens by providing fire protection services, facilities, and firefighting equipment and employing and training personnel to accomplish fire prevention and firefighting.⁴

Special fire control districts are governed primarily by Chs. 189 and 191, *Florida Statutes*. Special districts are separate units of local government and are overseen by the special district's board of commissioners (board). The law specifies oversight of special fire control districts by five qualified commissioners who reside in the district and are elected to four-year terms.⁵ All seats on the board are currently filled, with term expiration dates in 2024 (2) and 2026 (3).

Each commissioner is responsible for ensuring that the special district complies with all applicable laws and conducts its business as authorized by its charter and adopted budget. The district charter governs areas such as district boundaries, purpose, revenue-raising capabilities, and recordkeeping requirements. The charter also governs the powers and authority of the board, including the ability to adopt rules and regulations, use district funds, and appoint a fire chief.

Florida statutes do not specify meeting frequency for special independent fire control district boards, but one district representative reported that meetings are normally held on the second Monday of every month.⁶

Several state entities collect data on and have limited involvement with certain aspects of special fire control districts. The Department of Financial Services' Division of State Fire Marshal provides the district guidance but not oversight. Specifically, the division provides firefighter standards and training, conducts safety compliance checks, oversees certifications, and makes complaint determinations.⁷ Additionally, the Department of Economic Opportunity's Special District Accountability Program provides technical advisory assistance as it relates to the provisions of the Uniform Special District Accountability Act (Ch. 189, *Florida Statutes*). The department's duties include maintaining the official list of special districts, declaring special districts inactive, providing technical advisory assistance to special districts, helping ensure the accountability of special districts to state and local governments, and collecting an annual state fee for administering the act.

² The second RAO district is Liberty Fire District.

³ NFPA 1720. The NFPA publishes more than 300 consensus codes and standards intended to minimize the possibility and effects of fire and other risks. These standards are adopted and used throughout the world.

⁴ Chapter 2006-354, *Laws of Florida*.

⁵ *Ibid.*

⁶ Independent special district board meetings are governed by Chs. 189, 191, and 286, *F.S.*

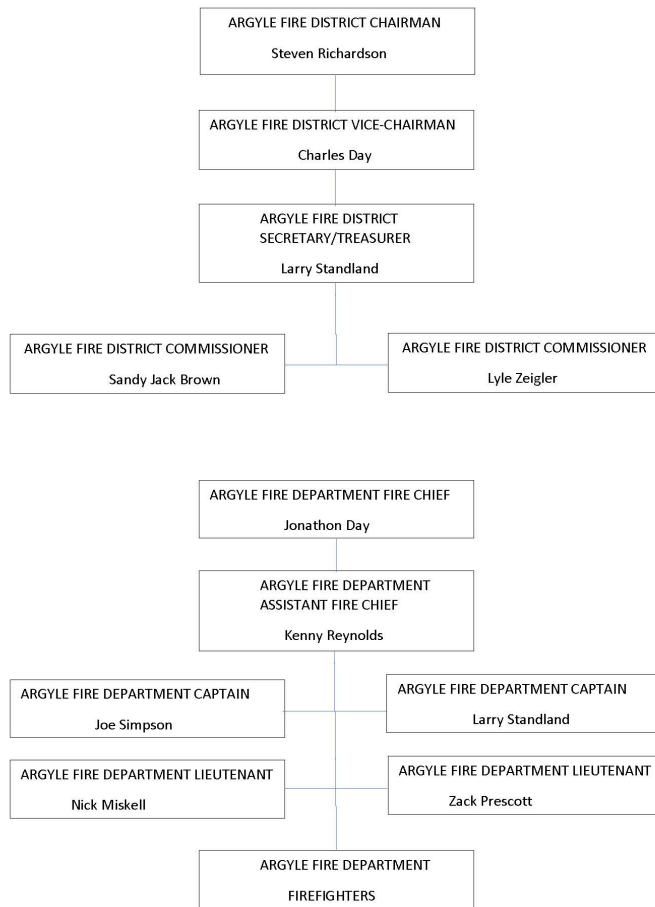
⁷ Per Rule 69A-62.032(10)(a), *F.A.C.*, the Division of State Fire Marshal shall consider a complaint from any person who alleges a violation of the Act or a division rule. The complainant may elect to remain anonymous. The complainant must identify the location of the workplace that gives rise to the complaint and allege known particular facts that constitute a violation. A complaint may be oral or written.

District Resources

The district receives revenue through an annual non-ad valorem assessment on residences and businesses within the district, impact fees, and grants. For local Fiscal Year 2022-23, the district had a tentative budget of \$342,000.⁸ The tentative budget was created by the board chairman and is managed by the treasurer.

During Fiscal Year 2022-23, district representatives reported that the district’s staff was comprised of 32 personnel—29 volunteers and 3 paid contractors. One volunteer, the fire chief, oversees all operational aspects of the district. OPPAGA requested, but did not receive, a roster of volunteers that have responded to calls during the most frequent fiscal year. As such, this total number of volunteers cannot be verified; however, the district did provide an organizational chart. (See Exhibit 2.) Volunteers assist with fire and emergency services, while paid personnel are contractors who provide services such as bookkeeping, grant writing, and volunteer coordination. In addition to its staff resources, the district maintains 3 stations and 11 primary pieces of apparatus.⁹ Apparatus include brush trucks, pumpers, a rescue unit, service vehicles, and tankers.

Exhibit 2 2023 District Organizational Chart



Source: Argyle Fire District.

⁸ The local government fiscal year runs from October 1 through September 30.

⁹ Fire apparatus refers to vehicles designed to be used under emergency conditions to transport personnel and equipment or to support the suppression of fires or mitigation of other hazardous situations.

FINDINGS

Governance

The District Is Not in Compliance With Several Statutory Requirements Related to Special District Administration

Argyle Fire District must meet the requirements for independent special fire control districts established by Florida statutes. District commissioners reported being unfamiliar with the statutory requirements for the fire district. The district is not in compliance with the following provisions.

- **Adopt a budget by resolution each fiscal year.**¹⁰ OPPAGA requested, but the district was unable to produce, a budget for two of the years included in the review period. District representatives reported that a budget was not created in Fiscal Year 2019-20 due to a key staff member's extenuating circumstances, and district representatives were unable to locate a copy of the Fiscal Year 2020-21 budget. However, district representatives did provide budgets for Fiscal Years 2021-22 and 2022-23.

In addition, per the district charter, the board must file the annual report and, separately, the district's adopted annual budget, with the office of the Clerk of the Circuit Court of Walton County. The clerk is required to receive the report and budget to maintain the documents as public records. Representatives of the Walton County Board of County Commissioners' office stated that the clerk had not received any budgets or annual reports from the district in the past four years. OPPAGA asked Argyle Fire District representatives about this lack of reporting, but the representatives did not comment.

- **Adopt a five-year plan to identify the facilities, equipment, personnel, and revenue needed by the district during that five-year period.**¹¹ The district did not develop nor maintain a five-year plan during the review period.
- **Maintain a public website and on it post the district charter, taxes and fees collected by the district, financial audits, budgets, district boundaries, scheduled board meetings, contact information, and other district information.**¹² The district is required to provide information on a website to promote transparency and to inform the public and appropriate local governments of the district's status and activities. While the district has filed an official website with the Department of Economic Opportunity as required by state law, the website does not contain all of the information required by statute. Specifically, the website does not include the district's purpose, budget, code of ethics, listings of fees, or a link to the Department of Financial Services' website; nor does the website include the district's current fiscal year. District representatives reported trying to recruit a volunteer to help meet this requirement.

The district's lack of documentation raises ethics concerns. OPPAGA requested, but the district did not provide, detailed grant funding information, meeting minutes related to Staffing for Adequate Fire and Emergency Response (SAFER) grant disbursements, and statements of conflict. Without this

¹⁰ Section. [189.016](#), F.S.

¹¹ Section [191.013](#), F.S.

¹² Section [189.069](#), F.S.

information, OPPAGA could not assess district compliance with ethics, nepotism, and voting conflicts statutes.

Employees and board members of special districts are subject to the Code of Ethics for Public Employees in Ch. 112, *Florida Statutes*.¹³ If special district volunteers receive remuneration for services rendered, the volunteers may be considered district employees and are therefore subject to the Code of Ethics as well as its prohibitions against employees holding office. For example, a volunteer firefighter who is not a salaried or hourly employee but receives a stipend funded via grant funds may be considered an employee and therefore prohibited from also serving on the special district board.¹⁴ Without more detailed information about the use of grant funds, OPPAGA cannot determine if volunteers received remuneration during the review period.

Nepotism is also a potential issue for the district, as some district personnel are relatives. Special district boards acting as a collegial body and commissioners acting individually as public officials are prohibited from appointing, employing, promoting, advancing, or recommending relatives of board members, or their own relatives, unless that relative is a volunteer providing volunteer emergency medical, firefighting, or police services. District representatives acknowledged that one board member has a conflict related to a family member. Without documentation regarding the board's actions, OPPAGA cannot verify how the district handled compliance with the nepotism law.

Voting conflicts may also arise within the district because of family relationships, a volunteer's possible employee status, and any benefit received as a board member/volunteer. The Code of Ethics prohibits public officers from voting on any matter that may be of benefit or harm to them or a relative and must abstain from the vote and publically disclose the nature of the conflict prior to a vote. In addition, they must file a memorandum disclosing the conflict with the person responsible for the meeting minutes. The district did not provide documentation of any recusals during the review period. District representatives report that the board member with a family-related conflict excuses himself when the board covers issues concerning his family member, although this is not logged in the board meeting minutes.

While the District Has Addressed Some Prior Financial Audit Findings, It Has Not Submitted the Most Recent Statutorily-Required Audit

District representatives reported that the district has never had a performance review or performance audit. However, in compliance with s. 189.016(9), *Florida Statutes*, the district submitted financial audits to the Florida Auditor General in Fiscal Years 2019-20 and 2020-21. The district's most recent audits were prepared in September 2021 and May 2022 by a private firm, but the most recent Fiscal Year 2021-22 audit was not made available for analysis during OPPAGA's review. Audits showed an increase in total net assets and cash over two years of the review period. (See Exhibit 3.)

¹³ Section [112.313](#), *F.S.*

¹⁴ During the review period, district representatives reported that the district was awarded two Federal Emergency Management Agency grants that can be used to fund personnel.

Exhibit 3

District Total Net Assets and Cash Balance Increased From Fiscal Year 2019-20 Through Fiscal Year 2020-21

	Fiscal Year		Change	
	2019-20	2020-21	Amount	Percent
Total Net Assets	\$232,066	\$438,386	\$206,320	89%
Restricted Cash ¹	\$39,808	\$95,095	\$55,287	139%
Cash	\$30,248	\$72,929	\$42,681	141%

¹Restricted cash is the amount of cash that is subject to externally enforceable legal restrictions.

Source: OPPAGA analysis of Argyle Fire District data submitted to the Florida Auditor General.

The district addressed three of the four Fiscal Year 2019-20 financial audit findings; however, one finding remained open in the Fiscal Year 2020-21 financial audit. (See Exhibit 4.) Findings relate to a lack of attention to financial accountability. For example, the district’s auditor found that the district did not file the Fiscal Year 2019-20 audit by the state deadline.

Exhibit 4

District Audit Findings Reflect the Board’s Lack of Attention to Financial Accountability

Fiscal Year	Finding	Status
2019-20	District could not provide evidence that it filed the Public Deposit Annual Report or that it had the Public Identification and Acknowledgement forms on file for each bank account.	Closed
	District did not formally adopt a budget for Fiscal Year 2020. ¹	Closed
	District did not file the Fiscal Year 2020 audit by the state deadline due to COVID-19 restrictions.	Closed
	District did not properly reconcile its Special Fund Bank Account.	Open
2020-21	District did not properly reconcile its Special Fund Bank Account.	Open

¹ A 2020 budget was never produced, but the district auditor closed the finding in the Fiscal Year 2020-21 financial audit because the district formally adopted a budget for Fiscal Year 2021.

Source: Argyle Fire District, Financial Statements Years Ending 2020 and 2021.

The District Is Not Addressing Administrative Matters That Impact Operations

In addition to issues of statutory noncompliance, the board is also not addressing some administrative matters that affect district operations and volunteer safety. These issues include outdated operating guidelines, incomplete personnel and training records, and lack of a formal procurement policy.

The board does not routinely update district operating guidelines. District guidelines state that the district strives to provide an adequate response to the community by utilizing Standard Operating Guidelines (SOG) based on National Fire Protection Association and Occupational Safety and Health Administration Regulations. These guidelines provide direction for routine operational and administrative methods and day-to-day activities such as physical fitness programs and the care and use of personal protective equipment. However, district guidelines are out of date and may not provide appropriate support to district operations or volunteers. The NFPA suggests that fire departments should review these guidelines annually to ensure accuracy, and the review should be documented in writing. As of March 2023, the district had not revised 20 of its 26 current SOG within the previous two years. Six of the SOG were undated, one SOG was last revised in 1989, and another was last revised in 1997.

District personnel records and training documentation are incomplete, so the district cannot determine how many or which volunteers are certified to respond to incidents. OPPAGA requested, but the district could not provide, a roster of current personnel. None of the district’s

personnel files are digital, and the files are not updated. Consequently, the district could only estimate the number of active volunteers during the review period.

The district also did not have documentation that current volunteers meet state certification requirements. According to s. 633.412, *Florida Statutes*, a person applying for certification as a firefighter must be a high school graduate or equivalent, not have been convicted of a misdemeanor or a felony, submit a set of fingerprints, have a good moral character, be in good physical condition, and be a nonuser of tobacco or tobacco products.^{15,16} OPPAGA requested, but the district did not provide, documentation that any district volunteers meet these requirements.

Further, the district did not have complete information on which district personnel are certified to provide volunteer firefighting services. Section 633.102, *Florida Statutes*, states that a volunteer firefighter is an individual who holds a current and valid Volunteer Firefighter Certificate of Completion (VFCC) issued by the Division of State Fire Marshal. To obtain a VFCC, an individual must satisfactorily complete the required courses and course examinations.¹⁷ A VFCC is important because it allows volunteer firefighters to enter a hot zone, the area immediately around an incident where serious threat of harm exists.¹⁸ If a volunteer firefighter does not obtain a VFCC, they may only engage in support services outside of the hot zone.¹⁹ According to Division of State Fire Marshal data, four district members cannot provide service to the district as volunteer firefighters because they only have basic or no certification.

In addition to not being able to verify the numbers of volunteers that have either certification, district estimates of certified staff conflict with state records. According to Division of State Fire Marshal data, at least 21 district volunteers (84%) are certified at the volunteer firefighter level or above. (See Exhibit 5.) However, the district only provided evidence that 10 district volunteers have achieved a VFCC.

Exhibit 5

According to State Records, Most District Volunteers Met or Exceeded Minimum Certification Requirements

	Level of Certification Achieved	Volunteer Firefighters	
		Number	Percent
Below Minimum Requirements	No Certifications	2	8%
	Only Volunteer Basic Certified	2	8%
Minimum Requirements	Volunteer Firefighter Certified or Above Certified	21	84%
Total		25	

Source: OPPAGA analysis of Division of State Fire Marshal data.

To explain the data discrepancies with the Division of State Fire Marshal database, district representatives reported that some personnel have not provided copies of training records to substantiate their claims of completed training certificates. District representatives were also unaware of what records the state fire marshal has but reported that the district sent OPPAGA personnel

¹⁵ A person applying for certification as a firefighter must not have been convicted of a misdemeanor relating to the certification or to perjury false statements, or a felony or crime punishable by imprisonment of one year or more under the law of the United States or of any state thereof or under the law of another country, or dishonorably discharged from any of the Armed Forces of the United States.

¹⁶ A person applying for certification as a firefighter must be a nonuser of tobacco or tobacco products for at least one year immediately preceding application, as evidenced by the sworn affidavit of the applicant.

¹⁷ The VFCC expires four years after the date of issuance unless renewed. To renew the certificate, an individual must be active as a volunteer firefighter or complete a refresher course consisting of a minimum of 40 hours of training.

¹⁸ The hot zone also includes the collapse zone for a structure fire.

¹⁹ Support services include pulling hoses, opening and closing fire hydrants, driving and operating apparatus, carrying tools or moving equipment, directing traffic, manning a resource pool, or similar activities.

information for which the district had documentation and evidence. The differences between Division of State Fire Marshal and district data suggests that the district is not maintaining volunteer records in a rigorous manner and possibly indicates that the district is not routinely submitting the data necessary to update the Division of State Fire Marshal database. Without accurate training and certification records, the district cannot determine which volunteers are certified to respond to incidents and the level of assistance they are able to provide.

The district did not have a procurement policy in place during the review period, instead relying on the fire chief's discretion. Independent special districts are not required to follow all state procurement laws but may develop policies to guide purchasing and contracting.²⁰ During most of the review period, the board had no purchasing or bidding criteria in place to guide when multiple quotes should be obtained. Instead, during this period, when the district's fire chief presented a status update on facilities and equipment at the monthly board meetings, he presented multiple quotes when he determined price comparisons were needed. For example, the district's fire chief obtained quotes from two vendors for a gas monitor, one priced at \$915 and the other at \$1,995. Without a procurement policy in place, the district did not have a formal mechanism to help ensure the accountability of their spending.

The board established a procurement policy on February 13, 2023. Under this new policy, any purchases worth \$20,000 or more require competitive bidding. However, in an emergency, the district may purchase goods and services immediately if a delay would threaten the life, health, safety, and/or welfare of district residents or firefighters. Under the policy, the fire chief now has the authority as designated by the board to declare an emergency within the district for such expenditures.

Service Delivery

Overall, Argyle Fire District faced an increasing workload over the review period, with district volunteer firefighters mostly supporting Walton County and other fire districts on mutual aid incidents. The terms "incident" and "call" have different meanings across different fire departments; this report uses the term "incident" to refer to an event to which the district responds, which is consistent with the definition provided by the National Fire Incident Reporting System. The term "calls" will refer to dispatch calls, which may or may not result in an incident response by the fire district.

The district has a limited number of certified operational personnel and no personnel that are certified to provide prehospital emergency medical care. Consequently, the county also responds to every fire and medical incident in the district. Walton County Fire Rescue and the district did not express interest in consolidation to address these inefficiencies but have taken an initial step to improve coordination.

District Incident Volume Increased Over the Review Period; Volunteer Staff Primarily Respond to Mutual Aid and Service Calls but Provide Limited Support Due to a Lack of Certified Personnel

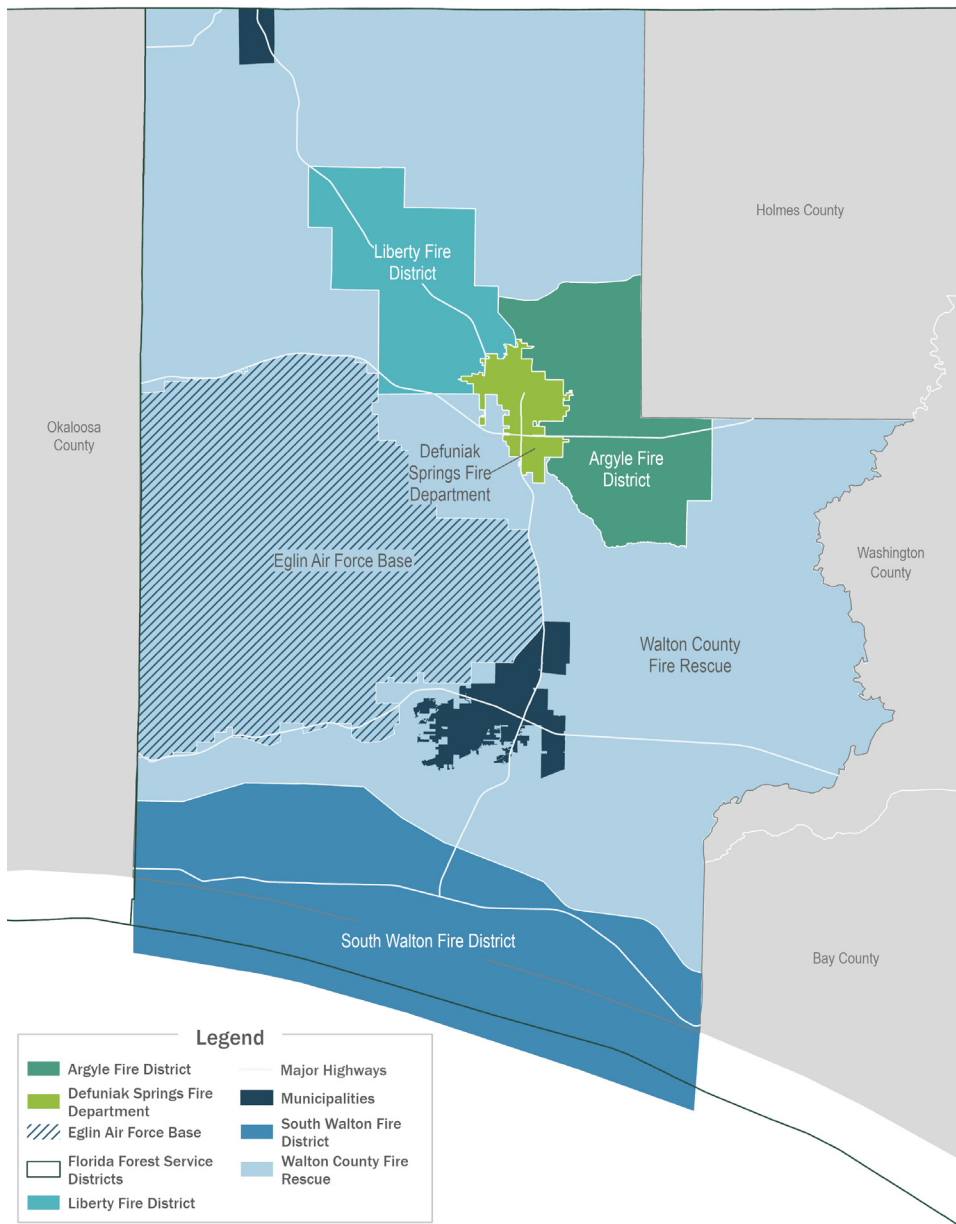
The district supports the Emergency Services Division of the Walton County Sheriff's Office on incident responses within the district. Fire departments fight fires, provide Emergency Medical

²⁰ According to s. [189.053](#), F.S., independent special districts may have their own procurement policies. The Florida Special District Handbook specifies sections of procurement law that apply to special districts, including sections regarding bidding for construction; professional architectural, engineering, landscape architectural, and survey and mapping services; and personal property purchases.

Services (EMS), help people in a wide variety of dangerous situations, and mitigate incidents involving hazardous materials. Fire departments also prepare to perform rescue work and provide care for those injured in connection with incidents such as car accidents and natural disasters. Nationally, the most common category of incidents to which all fire departments respond is rescue and EMS.

In Walton County, the Emergency Services Division of the Walton County Sheriff’s Office operates the Public Safety Answering Center (911 center) that answers and monitors over 150,000 emergency and non-emergency calls per year for the entire county. The division provides EMS to north Walton County, which includes the district. (See Exhibit 6.) In addition, the division operates an Emergency Services Bureau (i.e., Walton County Fire Rescue) that employs over 100 fire rescue professionals. This bureau is responsible for providing fire suppression and prevention services to adjacent fire districts in north Walton County.

Exhibit 6
Walton County Fire Rescue’s Service Area Includes the District and Several Other Fire Departments



Source: OPPAGA analysis of Walton County and Florida Forest Service data.

In north Walton County, the closest available fire or EMS units, regardless of whether the units are county or district units, are dispatched to every incident. The number and type of units that dispatchers assign to a particular incident depends on the availability of units at the time the incident occurs, but because paid county firefighters operate in fire districts adjacent to the district, the county often responds to calls that the district receives. District representatives reported needing to double the number of available Argyle Fire District operational personnel to respond adequately to all areas of their district. Additionally, the district is not involved in any code enforcement activities, so the Walton County Code Compliance Department provides these services within the district, including investigating complaints.

During the review period, most district incidents were classified as mutual aid because district volunteers were not certified to provide more advanced emergency medical support. From Fiscal Years 2019-20 through 2021-22, the district primarily responded to two types of incidents: service calls and mutual aid incidents. Service calls conducted within the district comprised 41.5% of all district incidents, which is much higher than the countywide average (9.2%), the statewide average (7.4%), and the national average (7.6%) for such incidents. (See Exhibit 7.) Service calls include people in distress, water problems, smoke/odor problems, animal problems/rescues, public service assistance, and unauthorized burning. Emergency medical incidents accounted for 14.8% of the district’s responses, and fire extinguishment incidents accounted for 12.9%.

Exhibit 7

From Fiscal Year 2019-20 Through 2021-22, the District Primarily Responded to Mutual Aid and Service Incidents

Description	District Incidents	Percent	Countywide Average	2020 Statewide Average	2020 National Average ¹
Service Call	369	41.5%	9.2%	7.4%	7.6%
Rescue and EMS Incidents	132	14.8%	69.0%	71.6%	64.2%
Fire Incidents	115	12.9%	3.3%	1.7%	3.9%
Good Intent Call	80	9.0%	9.0%	11.0%	11.7%
False Alarm and False Call	24	2.7%	6.5%	6.3%	8.0%
Other ²	170	19.1%	2.9%	2.0%	4.5%
District Incidents	890	34.4%			
Mutual Aid (provided) Incidents	1,695	65.6%			
Total Incidents	2,585				

¹ This column does not total 100% due to rounding.

² Severe Weather and Natural Disaster; Special Incident Type; Hazardous Condition (No Fire); and Overpressure, Rupture, Explosion, Overheat (No Fire).

Source: OPPAGA analysis of Division of State Fire Marshal and U.S. Fire Administration data.

However, in evaluating district service incidents, OPPAGA determined that the majority were to provide mutual aid. District representatives reported providing mutual aid during 65.6% of total incidents, which is significantly higher than the national average of 5.1% and the countywide average of 6.4%. Mutual aid incidents are typically conducted under agreements between two or more jurisdictions.²¹ The district provided documentation of a mutual aid agreement with Liberty Fire District and reported providing mutual aid to DeFuniak Springs Fire Department, Walton County Fire

²¹ A mutual aid or automatic aid agreement is a prearranged agreement between two or more entities to share resources in response to an incident. NFPA recommends that these agreements be in writing, reviewed by legal counsel, signed by a responsible official, define liability, and detail funding and cost arrangements. It is a common practice for fire departments nationwide to utilize mutual aid agreements to facilitate access to potentially needed resources. As owning and maintaining all of the resources needed to respond to extreme or high-demand incidents is cost-prohibitive for most communities, entering into mutual aid agreements provides economic and logistical efficiencies to support any gaps in resources and capability. Financial compensation for services rendered under these agreements is not required as the mutual advantages and protection afforded by the agreements are considered adequate compensation.

Rescue, South Walton Fire District, Florida Division of Forestry, and adjacent districts in Holmes County. However, the district did not have written aid agreements with these agencies within the review period. Walton County Fire Rescue confirmed that a previous mutual aid agreement with the district expired, but the two districts operate as if the agreement is still in effect.²²

District representatives reported that a reason their level of mutual aid provided is significantly higher than national and countywide averages is due to the district recording all EMS incidents within district boundaries as mutual aid incidents. This occurs because the district lacks certified staff to address these EMS calls, so it must play a supporting role only. Firefighters in the United States receive medical training as part of normal training, and many firefighters are classified as firefighter/emergency medical technician (EMT) or firefighter/paramedic. Florida has two levels of certification for prehospital providers: EMT and paramedic. However, district representatives reported having no personnel who can respond at the EMT or paramedic level. This means these personnel are not certified to provide prehospital emergency medical care on their own; county EMS personnel must always be present. This is significant because 71.6% of all incidents statewide in 2020 were for rescue and EMS incidents, as were 69.0% of countywide incidents. However, if district personnel are the first to arrive at any emergency, they may be able to provide immediate lifesaving interventions, such as performing cardiopulmonary resuscitation (CPR) or using an automated external defibrillator, while awaiting EMS resources to arrive.²³ Moreover, the district's active participation in mutual aid agreements with these jurisdictions creates the capability for a unified regional response.

District incidents have increased over the previous three fiscal years, but the number of district operational personnel has decreased. District representatives reported that population increases and residential development resulted in increased call volumes over the review period. Total incidents increased from 606 in Fiscal Year 2019-20 to 1,017 in Fiscal Year 2021-22, with an average response time of 7.08 minutes per incident. The district had slightly slower average response times in Fiscal Year 2021-22 compared to Fiscal Year 2019-20 and fewer operational personnel. (See Exhibit 8.) The district expects growth and development to continue, which may result in a further increased workload over time if the district does not recruit additional personnel. District representatives reported that while utilizing all volunteer firefighters reduces taxpayer costs, high volunteer turnover rates affect the ability to manage workload and improve service delivery.

Exhibit 8

District Incidents and Average Response Times Increased From Fiscal Year 2019-20 Through Fiscal Year 2021-22

	Fiscal Year			Percent Change Across the Review Period
	2019-20	2020-21	2021-22	
Average Incident Response Time in Minutes	7.35	6.46	7.43	1%
Number of Reported Incidents	217	342	331	53%
Number of Mutual Aid Given Incidents	389	620	686	76%
Average Number of Total Incidents per Day	1.66	2.64	2.79	68%
Number of Operational Personnel	28	29	26	-7%

Note: Fiscal Year 2022-23 totals were not yet available.

Source: OPPAGA analysis of Division of State Fire Marshal data.

²² Nationally, ISO recognizes unwritten mutual aid agreements that are honored in practice through demonstrated performance.

²³ The district reports that 22 members have Emergency Medical Responder (EMR) training. EMR responsibilities center on safety and early emergency care, which includes ensuring safety for any bystanders, gaining safe access to the patient, checking for immediate life-threatening conditions, summoning more advanced medical personnel as needed, remaining with the patient, and providing whatever care is possible until more advanced medical personnel take over.

Walton County Fire Rescue and the District Did Not Express Interest in Using Consolidation to Address Inefficiencies; the District Is Not Taking Steps to Improve Coordination

Walton County Fire Rescue representatives presented a mixed review of the value of district services. Walton County Fire Rescue representatives reported that the district's service is helpful because it provides extra apparatus and water supplies and coordinates well on the scene. However, these representatives also noted that district staff has different certification levels—only some may be certified to enter burning structures—and county personnel do not know which district personnel will arrive on scene to assist.

The Argyle Fire District has not conducted analyses related to efficiency or dissolution of any fire operations. Walton County Fire Rescue representatives reported concerns with local independent special fire districts regarding overall accountability, firefighter safety and training standards, and delivery of service. However, when asked if consolidation had been discussed, Walton County Fire Rescue representatives expressed that they were not interested in a merger with independent fire districts. Moreover, as volunteer firefighters reduce municipal government expenses by eliminating the need to pay for career firefighter wages, district representatives were concerned that consolidation would increase operating costs. Because Walton County Fire Rescue employs professional firefighters who are held to higher training standards and are full-time staff, not all district volunteer firefighters would qualify.

The district and Walton County Fire Rescue staff also reported concerns about communication and coordination, and the district has not followed through on an agreement that would improve either issue. Both parties have taken a step that could have facilitated improvements. Specifically, the district established a contractual agreement with the Walton County Board of Commissioners on January 10, 2023, to codify certain elements of their cooperation. Under the agreement, county obligations will include providing dispatch of all 911 calls, coordinating countywide fire district training, and hosting the county fire chiefs' association meetings. District responsibilities include following all applicable rules, statutes, and county procedures; using closest unit response; and participating in the county fire chiefs' association.

Through the agreement, the district will receive \$125,000 from the county by September 30, 2023, if the district abides by its terms; however, as of March 2023, the district was not complying. According to the agreement, the county will make quarterly payments of \$31,250 to cover expenses for programs and administrative supplies until September 30, 2023. The county's total anticipated contribution of \$125,000 constituted 31% of the district's total budget in the most current fiscal year. The agreement also requires the district to submit quarterly financial reports within 60 days after the first quarterly payment. According to a Walton County representative, the district was paid the first installment at the end of January 2023; however, the district had not submitted its required financial report as of March 30, 2023. District representatives reported that they did not receive their first drawdown of county funds until February 2023, and that the district used the last of the funds in May 2023. District representatives stated in May 2023 that they were in the process of completing the report, which they will send to the county. The county reported that there has been no discussion about renewing this agreement for Fiscal Year 2023-24.

Due to the expiration of the mutual aid agreement between the county and the district, the January 2023 contractual agreement provides the only written expectations for the scope of services to be

provided by both parties. The agreement addresses needed training, dispatch, and communication outcomes identified by both the district and the county. However, while the agreement indicates increased interagency coordination, its impact cannot be evaluated at this time because the district is not complying with terms. Improved coordination between the agencies will depend on the successful implementation of the agreement as intended. Considering the degree of involvement that county personnel have with dispatch, EMS, fire service, and code enforcement in north Walton County, communication and collaboration with county personnel at all levels should be a priority for the district to continue to provide adequate fire protection service to district residents.

Performance

Argyle Fire District representatives presented goals and activities but did not verify whether these are board approved, nor has the district consistently implemented the goals and activities. OPPAGA assessed district performance against some national standards. The district may meet national guidance for response timeliness but not for the number of personnel on the ground. During the review period, the district’s overall effectiveness rating, as assessed by a national insurance analytics provider, was steady and average relative to the nation. The district does not systematically assess performance, and external stakeholders were ambivalent about the district’s performance.

During the Review Period, District Representatives Reported Having Goals and Activities, but These Are Neither Board Approved nor Consistently Implemented

District representatives presented several goals and activities relevant to meeting the primary purpose of providing fire protection services and promoting community health, welfare, and safety. (See Exhibit 9.) These goals include ensuring that all homes within the district have working smoke detectors, training employees in local businesses to properly use fire extinguishers, and introducing children to fire safety.

Exhibit 9

District Representatives Reported Establishing Several Goals and Related Activities

Reported District Goals	Reported District Activities
<ul style="list-style-type: none"> Prevent and/or reduce the loss of life and property 	<ul style="list-style-type: none"> Provide all types of fire suppression
<ul style="list-style-type: none"> Have all the homes within the district have working smoke detectors 	<ul style="list-style-type: none"> Install, clean, and replace batteries of smoke detectors in all homes
<ul style="list-style-type: none"> Have firefighters be able to quickly locate emergency call locations day or night 	<ul style="list-style-type: none"> Install roadside address number signs
<ul style="list-style-type: none"> Have all employees in district businesses be able to properly use a common fire extinguisher 	<ul style="list-style-type: none"> Provide fire extinguisher training for local businesses
<ul style="list-style-type: none"> Introduce fire safety and the fire service to early school-aged children 	<ul style="list-style-type: none"> Visit preschools
<ul style="list-style-type: none"> Educate all ages of the community about fire prevention 	<ul style="list-style-type: none"> Distribute fire prevention and home safety materials through yearly local fair booths and other public venues
<ul style="list-style-type: none"> Be able to provide advanced First Aid, CPR, etc. prior to the arrival of local ambulance units from Walton County Fire Rescue 	<ul style="list-style-type: none"> Provide emergency medical responder level of response
<ul style="list-style-type: none"> Upon the arrival of Walton County Fire Rescue units, assist them with stabilizing, packaging, and the loading of patients for transport 	<ul style="list-style-type: none"> Assist Walton County Fire Rescue advanced life support and basic life support transport units

Source: OPPAGA summary of Argyle Fire District information.

Several aspects of these goals and activities are problematic. OPPAGA requested, but the district did not provide, documentation that the board has approved or adopted the goals and activities. Further, district representatives reported that the district does not often conduct the activities, and does not and cannot do so within the adopted budget. Without direction from the board about which goals to prioritize given limited resources, district representatives reported that volunteers focus on providing all types of fire suppression, such as maintaining and improving fire stations and equipment and recruiting volunteers. District representatives reported that they infrequently pursued other activities, such as visits to preschools or installing smoke detectors but did not provide documentation whether these activities occurred.

Not all of the district's goals will be achievable. For example, it may be unrealistic to expect that the district will be solely responsible for, track, and implement smoke detector installation in every home. Moreover, the district has not established specific measures or standards to determine progress towards achieving those goals. In addition, although many activities have countable outputs, the district did not provide documentation that it is tracking most of its activities. For example, the district collects data on the number and type of incidents to which it responds but did not provide documentation that the district is tracking activities related to fire prevention or community outreach.

The District's Framework for Measuring Overall Performance Is Limited and Relies Upon National Standards and Insurance Ratings

The district uses some national standards as measures of overall performance. No national or state entity mandates performance measures or standards for fire departments. However, accepted national standards have been established that allow for the ongoing evaluation of a fire department's emergency response availability, capability, and operational performance. District representatives reported that two of these sets of standards—National Fire Protection Association 1720 recommended practices and Insurance Services Office (ISO) evaluations—could be used to evaluate performance, but the district only informally uses these to do so.

NFPA 1720 specifies the minimum criteria considered necessary for the provision of public fire protection by volunteer fire departments.²⁴ NFPA 1720 standards for volunteer fire department response times for structural firefighting in rural areas is 14 minutes with a minimum staff of six for at least 80% of incidents. District representatives reported that these standards can be used to evaluate district response time, but the district does not often use them for this purpose.²⁵

The district also utilizes an onsite evaluation from ISO, an independent national company that supplies data and analytics for the insurance industry, to measure changes to district overall performance on fire suppression. Districts across Florida also use this program to evaluate overall performance.²⁶ The evaluation determines the theoretical amount of water necessary for fire suppression purposes, then examines emergency communications (emergency reporting, telecommunications, and dispatching systems), the fire department (equipment, staffing, training, geographic distribution, operational

²⁴ NFPA standards are recommended practices and guides developed through a consensus standards development process that brings together volunteers representing varied viewpoints and interests to achieve consensus on fire and other safety issues. The NFPA does not enforce compliance with the contents of NFPA Standards.

²⁵ The local adoption of NFPA standards are flexible based on the individual needs of the community and the resources available. Individual fire districts have the ability to decide which to use and how to use them. Similarly, Division of State Fire Marshal reported that they do not require any specific measures. As every community has different resources and needs, fire districts utilize national benchmarks to identify what is needed at a local level to meet their needs and capacity.

²⁶ ISO establishes ratings based on its evaluation of "municipal fire protection efforts in communities throughout the United States." The ISO rating serves as a reference for insurance companies in setting property insurance rates. The ratings are based on a 1 to 10 scale where 1 is best and 10 is worst. Typically, a better classification resulting from enhanced fire protection leads to lower insurance premiums.

considerations, and community-risk reduction), and the water supply (hydrants, alternative water supply operations, and the amount of available water). ISO's Public Protection Classification (PPC) program evaluates and classifies U.S. fire protection areas according to a uniform set of criteria. Class 1 represents an exemplary fire suppression program, and Class 10 represents a fire suppression program that does not meet ISO's minimum criteria. According to ISO, statistical data on insurance losses bears out the relationship between excellent fire protection and low fire losses.

However, the ISO rating is a limited performance metric. Insurers use the rating for underwriting and calculating premiums. The ISO PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program, including staffing, mobile resources deployment, or service delivery. The rating is not for purposes of determining compliance with state or local laws, nor is it for making loss prevention or life safety recommendations. Moreover, although a primary focus of the ISO rating, fire suppression may be only a small part of a fire district's overall responsibility. Emergency medical services are not currently a component of the ratings yet may represent the majority of a fire department's incidents. Industry stakeholders reported that while they believe ISO rating is one good measure of a district's performance, additional measures that may reflect the performance of a fire district include fire prevention activities, staffing levels, and response times.

The District May Meet National Standards for Timeliness, but It Does Not Meet Standards for the Number of Personnel Responding to Incidents; Reported Insurance Ratings Improved Slightly During the Review Period

The district may generally meet the NFPA timeliness recommendations but not the recommendation for the number of personnel who need to be present for incidents. OPPAGA's analysis of reported district response times shows that the district is within the recommended 14-minute response time. However, district representatives reported challenges to obtaining accurate dispatch times from Walton County.²⁷ District representatives noted that a 20-minute average response time would be cause for concern, but that in general, the district does not consider the NFPA standards frequently enough. Moreover, district representatives reported sometimes being low on staff, inconsistently tracking volunteer hours, and having times when they do not have enough crew to go on a call.

In addition, district representatives reported overall effectiveness, as assessed by its ISO rating, slightly improved during the review period. However, the district has never reviewed an ISO report, and representatives said they typically rely on information relayed by the ISO representative during onsite visits. Notably, some aspects of the ISO evaluation, such as dispatch services and hydrant maintenance, are outside of the district's control. In January 2023, the district provided documentation of receiving a Public Protection Classification of 5/5x. This is a reported improvement from the district's previous rating of 6/X, but the district did not provide documentation to verify the previous rating.

The district's Class 5 ISO rating is the most common rating achieved nationwide and the second most common rating in Florida. (See Exhibit 10.) Industry standards for volunteer fire districts are different from professional (paid) fire districts, which can lead to different levels of service when compared to adjacent paid fire districts. However, ISO evaluations of districts in north Walton County indicate a similar level of fire protection services between the districts. For example, the district and the City of

²⁷ On an OPPAGA site visit to the district, district representatives shared a report from the county that showed identical dispatch times and arrival times. National industry stakeholders report that fire service data in general can be inconsistent and prone to error.

DeFuniak Springs each received a PPC of 5/5x. Liberty Fire District and the Walton County Fire Districts each received a PPC of 4/4x.

Exhibit 10

District's Reported 2023 Class 5 ISO Rating Is the Second Most Common Rating in Florida



Note: Class 1 represents an exemplary fire suppression program and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria.

Source: ISO.

County Stakeholders Reported That the District's Performance Could Be Improved; the District Has Not Taken Steps to Address Stakeholder Feedback or Assess District Performance

District representatives reported that they largely determine if district fire protection services are adequate based on consumer complaints. After each incident, the district distributes follow-up postcards to the incident locations to collect feedback on district services, and district representatives reported utilizing this feedback to determine if the district is providing adequate fire protection services. District representatives stated that the feedback is usually positive but were unable to support this assertion with documentation; the district does not compile the data to evaluate trends or identify areas for improvement. Establishing a structured feedback process is a good practice, but citizens may not be able to distinguish the district's services from those of other fire departments that arrive at the same incident, making the information less useful.

OPPAGA also interviewed county stakeholders to assess perceptions of district performance. Although adjacent fire departments reported that the district is helpful when multiple entities are responding to the same incident scene, county government stakeholders identified areas where the district could assess opportunities for performance improvements.

- **Interagency coordination and collaboration on training, dispatch, and planning needs.** Communication and planning are common challenges as the district and the county often respond to the same incidents but have different reporting and oversight structures. Moreover, stakeholders described district indifference towards coordinating on activities that could be shared, such as training or community-wide planning.
- **Accountability.** The district, as an independent special district, has limited oversight to verify that it is following operational and administrative requirements.

- **Training requirements.** Some district personnel responding to incidents may not be adequately trained and certified to provide some medical services or enter burning structures.
- **Communication.** Both district and sheriff’s office representatives stated that communication and collaboration between their agencies needs improvement.

The district has not taken steps to address stakeholder feedback or assess district performance. Moreover, the district has never been subjected to an external performance assessment, other than an incomplete safety compliance inspection by the Division of State Fire Marshal in November 2022. The fire marshal identified outstanding items for the district from the safety inspection but reported that because the inspection was not part of a formal investigation, the district was not issued notices of non-compliance. In addition, the district has not systematically compiled feedback from residents, conducted a needs assessment, evaluated alternate service delivery methods, or reviewed ISO reports. Further, the district does not perform self-assessments, and district representatives could not identify areas in which the district could improve.

Resource Management

Over the last four fiscal years, Argyle Fire District revenues totaled \$1.3 million and expenditures totaled \$984,695. During this period, the district received grants and county funds that accounted for 52% of the Fiscal Year 2022-23 budget. As revenues increased, the district also spent more on new facilities, utilities, apparatus, and new equipment. District representatives reported that the current budget is insufficient to meet future needs. Because district representatives reported not creating a budget for Fiscal Year 2019-20 and being unable to locate a copy of the Fiscal Year 2020-21 budget, the analyses below also rely on data from audits released to the Florida Auditor General.

During the Review Period, the District Had Total Revenues of \$1.3 Million and Total Expenditures of \$984,695

District revenues grew during the review period, as did district expenditures. The district currently obtains revenue through district taxes, impact fees, county funding, and grants. The district imposes an annual non-ad valorem special assessment on residences and businesses within the district.²⁸ The Walton County Tax Collector includes the fire fee for the district on annual property tax billing, which is remitted directly to the district by the tax collector’s office. Since Fiscal Year 2016, the district’s annual non-ad valorem special assessments range from \$100 per residential dwelling unit to \$300 per commercial or industrial unit over 5,000 square feet or \$300 per additional 5,000 square feet over 10,000 square feet.²⁹

On August 9, 2021, the district approved impact fees to fund the purchase of capital assets, such as facilities and apparatus. However, district representatives reported difficulties collecting these revenues. District representatives stated that impact fees were not collected from August through December 2022, because Walton County did not provide property owners, contractors, or builders with impact fee information or applications. Walton County staff confirmed that during that period, new mobile homes in the district did not pay impact fees. However, Walton County staff reported that they contacted the mobile home installer and that the district collected the fees on February 15, 2023. Walton County staff reported that impact fee requirements are currently listed on the county’s website

²⁸ District representatives reported that real and tangible property are not subject to taxes levied by the district.

²⁹ District representatives reported that there were no changes in taxes or fees during the review period.

and building permit checklist. District representatives reported that Walton County is taking measures to make sure the district does not miss any future revenue.

In addition, district representatives reported that the district receives grant funding from a variety of sources. During the review period, district representatives reported that the district was awarded a Federal Emergency Management Agency (FEMA) SAFER grant and Assistance to Firefighters Grant. District representatives also reported that the district received a Division of State Fire Marshal Florida Firefighter Assistance Grant. However, OPPAGA requested, but did not receive, documentation of all grant awards from the current and previous three fiscal years, so the number and types of grants awarded cannot be verified.

During the review period, the district’s largest revenue source was property tax assessments, which increased by 5% over the review period. (See Exhibit 11.) Overall revenues increased by 114% (\$212,129) during the review period. This growth is largely due to increases in grant and county funding within the past two fiscal years.

Exhibit 11

District Total Revenues Increased 114% From Fiscal Year 2019-20 Through Fiscal Year 2022-23

Receipt Type	Fiscal Year				Review Period Total	Change	
	2019-20	2020-21	2021-22	2022-23		Amount	Percent
Taxes	\$171,589	\$174,229	\$175,865	\$179,690	\$701,373	\$8,101	5%
County Funds	-	-	-	125,000	125,000	125,000	-
Grants ²	-	58,835	84,189	84,189	227,213	84,189	-
Other	15,161	202,428 ¹	5,000	10,000	232,589	-5,161	-34%
Total	\$186,750	\$435,492	\$265,054	\$398,879	\$1,286,175	\$212,129	114%

¹ In Fiscal Year 2020-21, Argyle Fire District representatives reported receiving \$195,518 from insurance as compensation for the loss of a general capital asset.

² Unverified amounts.

Note: the district did not include impact fees in any of the revenue categories presented above. Instead, the district collects impact fees in a different account from the general fund in order to separate and track expenditures from various income sources. District representatives reported that as of March 31, 2023, the impact fee account had a balance of \$13,251 and that no funds have been used from the account since the district started collecting impact fees.

Source: OPPAGA analysis of Fiscal Year 2019-20 and Fiscal Year 2020-21 Florida Auditor General data and Fiscal Year 2021-22 and Fiscal Year 2022-23 Argyle Fire District data.

District expenditures also generally increased during the review period. (See Exhibit 12.) From Fiscal Year 2019-20 to Fiscal Year 2022-23, district expenses increased by 84% (\$149,712). On average, the district’s biggest expenses throughout the four fiscal years included truck/equipment expenses, insurance, and volunteer coordinator pay. During the review period, new facility expenses and new equipment purchases increased more than other expenses. From Fiscal Years 2019-20 through 2022-23, the district’s new facility expenses increased by 8,233% and new equipment purchases increased by 641%. The equipment expenses included new extrication gear. OPPAGA requested, but the district did not provide, information on the nature of the facility expenses.

Exhibit 12

District Total Expenditures Increased 84% From Fiscal Year 2019-20 Through Fiscal Year 2022-23

Expenditures	Fiscal Year				Review Period Total	Change	
	2019-20	2020-21	2021-22	2022-23		Amount	Percent
Administrative Costs	\$47,644	\$67,441	\$53,740	\$56,920	\$225,745	\$9,276	19%
Direct Program Costs	131,564	210,386	145,000	272,000	758,950	140,436	107%
Total	\$179,208	\$277,827	\$198,740	\$328,920	\$984,695	\$149,712	84%

Source: OPPAGA analysis of Fiscal Year 2019-20 and Fiscal Year 2020-21 Florida Auditor General data and Fiscal Year 2021-22 and Fiscal Year 2022-23 Argyle Fire District data.

Overall, district revenues exceeded expenditures during the review period. The district's average ratio of expenses to revenues was 79%, which means that, on average, 79% of revenues were used for expenses each year. The district did not have any years within OPPAGA's review period in which expenditures exceeded revenues.

District administrative costs and direct costs also increased over the review period. District administrative costs totaled \$225,745 during the review period. These costs include, but are not limited to, costs associated with personnel, forms, supplies, fees, data processing, computer equipment, postage, and programming.³⁰ The majority of these costs, \$149,648, were for personnel. Administrative costs increased 19% overall during the review period, which district representatives attributed to new software for fire incident reporting and personnel costs. (See Appendix A for district administrative and direct costs.)

The district's direct program costs totaled \$140,436 and increased by 107% during the review period. Direct program costs are expenses identified specifically with implementing district services, such as labor, materials, or supplies. OPPAGA separated these costs into program expenses and capital outlay. Of these, capital outlay, which includes new equipment and facilities, had the largest increases during the review period. (See Appendix A for district administrative and direct costs.)

The district employs some mechanisms to manage costs. District representatives reported that it manages costs through regular financial reviews, obtaining cost estimates, and acquiring goods and services for no cost. According to district representatives, commissioners scrutinize expenses on a monthly basis, and the district presents a monthly financial statement to ensure finances align with expected expenditures. District representatives reported that they check prices and get estimates before making purchases. In addition, district representatives noted that, when possible, they acquire goods and services for no cost. For example, the district has a person who provides free electrical work, and district representatives noted that the district obtained two trucks at no cost from another agency through networking. Finally, district representatives reported a plan to utilize district gas tanks to purchase fuel more cheaply.

During the Review Period, Staffing and Facilities Did Not Meet District Reported Needs

During the review period, the number of reported volunteers decreased, while the number of paid contractors remained the same. The district could not provide a roster to verify staffing numbers over the review period, but OPPAGA analysis of Division of State Fire Marshal data found that operational volunteers was the largest staffing category.³¹ (See Exhibit 13.) Of an estimated 29 active volunteers, as of December 2022, 27 are classified as volunteer firefighters and 2 are classified as support volunteers. The district contracted for five services: auditing, bookkeeping, grant writing, secretarial services, and volunteer coordination. The number of contracted employees (3) remained the same throughout the review period.

³⁰ Section 197.3632, F.S.

³¹ Without the district's roster, OPPAGA used Division of State Fire Marshal data to estimate the number of district volunteers.

Exhibit 13

During the Review Period, Most District Staff Appear to Have Been Volunteers but Counts Are Unverified

Staff	Fiscal Year				Change	
	2019-20	2020-21	2021-22	2022-23	Amount	Percent
Contractors	3	3	3	3	0	0%
<i>Full-Time</i>	1	1	1	1	0	0%
<i>Part-Time</i>	2	2	2	2	0	0%
Volunteer	33	34	31	29	-4	-12%
<i>Operational</i>	28	29	26	27	-1	-4%
<i>Admin/Support</i>	5	5	5	2	-3	-60%
Total	36	37	34	32	-4	-11%

Source: OPPAGA analysis of Argyle Fire District and Division of State Fire Marshal data.

District representatives reported that current personnel levels do not meet district needs.

District representatives indicated a need for more staff members to cover incidents at all hours of the day, reporting a desired increase of 25 additional firefighters. The district did not substantiate this need with data on coverage issues or provide OPPAGA with the methodology explaining how district representatives developed a target of 25 firefighters. District representatives stated that the additional volunteers are needed to allow the district to respond to the increasing incident volume, including mutual aid incidents, and to simultaneously respond to multiple incidents. District representatives noted that the 25 additional volunteers may be a low estimate of personnel needed to respond from all three stations. In addition, district representatives reported that they require an additional full-time staff member to complete paperwork and filing.

District representatives also reported that volunteer turnover is an issue. OPPAGA analysis of district data found a 12% turnover rate for volunteers during the review period. Most recently, according to Division of State Fire Marshal data, three volunteers left the district in Fiscal Year 2022-23. District representatives reported that leading causes of turnover include time, family, job, and life conflicts. To address turnover issues, the district attempts to keep all volunteers and staff members active and strives to create an environment where everyone feels at home and comfortable.

District staffing struggles are similar to a broader national pattern. Stakeholders from national organizations that OPPAGA interviewed reported that volunteer fire service in the United States is experiencing an overall decline. This has caused volunteer fire departments to struggle to meet staffing needs as incident volumes have tripled in the last 30 years, services provided by volunteer fire departments continue to expand, and training requirements have increased. In Florida, the percentage of registered volunteer-only fire departments is 34.9% of all fire departments in the state.

District representatives reported that the condition of some apparatus does not meet district needs.

The district owns 11 pieces of apparatus, but only 6 are in active use. (See Exhibit 14.) District representatives reported that the current level and condition of apparatus does not meet district needs and stated that some pieces of apparatus are currently inoperative due to difficulties finding parts and hiring mechanics. District representatives reported that funding has not been readily available to replace equipment on a regular schedule and that all apparatus and equipment are replaced when it is no longer economically viable to keep them in service. District representatives reported that FEMA declined the district’s request to obtain a grant for apparatus.

Exhibit 14

Some District Apparatus Were Inoperative in Fiscal Year 2022-23

Apparatus	Status				Total
	Active	Reserved	Inoperative	Unknown	
Brush Truck	1	1	1	-	3
Pumper	2	-	1	-	3
Service Vehicle	2	-	-	-	2
Tanker	1	-	1	-	2
Rescue Unit	-	-	-	1	1
Total	6	1	3	1	11

Source: OPPAGA analysis of Argyle Fire District data.

According to district representatives, most district facilities require major repairs. The number of facilities owned or leased by the district remained the same during the review period; however, district representatives noted that all stations require major maintenance. The district operates out of three stations, and district representatives reported that the stations are appropriately located to cover the district.

Further, district representatives reported that two stations (Station 92 and Station 93) need renovations and that district representatives are currently working on plans to replace one station (Station 91). OPPAGA requested, but did not receive, documentation that supported the need for repairs or replacement but observed some facility limitations when visiting a district station. (See Appendix B for images of several district facilities.) The district does not have a formal five-year plan or new funding streams to address resource concerns or operational needs.

The district does not have a formal five-year plan but hopes to increase staffing levels and improve facilities over the next five fiscal years. As noted above, district representatives reported that the board has not developed or maintained the statutorily required five-year plan, which identifies facilities, equipment, personnel, and revenue needed by the district, because there has not been enough funding to accomplish related improvements. When OPPAGA asked about other five-year plan elements, the representatives reported that the board made no plans for staff adjustments or apparatus replacement during the review period. However, the district held its first workshop for developing such a plan on November 4, 2022. District representatives reported that receiving a FEMA SAFER Grant and the promise of receiving additional funding from Walton County allowed district representatives to hold the workshop and proceed with planning. District representatives reported that the district is currently trying to create 1-, 5-, and 10-year plans to account for growth in the area and address vehicle and infrastructure improvements as well as training needs.

To address future needs tied to population growth, the district wants to expand all aspects of its operations. Housing growth is expected in Walton County, and district representatives reported that the related increases to call volumes and road mileage are likely to affect future performance and costs. To enhance services, the district hopes to add and maintain the level of an additional six volunteer firefighters in each of the next five years to fully staff every station at all times. In addition, district representatives reported that they may seek to add one to two other contracted personnel to address state filing requirements and increased call volume. To recruit staff members, district representatives reported that the district holds recruitment drives and weekly trainings.

District representatives reported that the district also has several desired infrastructure improvements. These include acquiring additional property for Station 92 and Station 93, and building

a new four-bay Station 91. District representatives reported that Station 92 needs more property to create sleeping quarters and bathroom facilities, and Station 93 requires more land for maneuvering apparatus around the station. District representatives reported that these improvements would help district recruitment and retention and allow volunteers to stay overnight at the stations.

In addition to facility improvements, district representatives reported wanting to acquire additional apparatus, equipment, and services. The district hopes to purchase two engines or trucks, two additional vehicles, and additional lifesaving equipment, including ladders. District representatives reported that new apparatus is necessary because current trucks are outdated. District representatives also reported that having their own radio dispatch system would provide greater consistency. OPPAGA's interviews with district representatives did not indicate that the district had considered what resources the county can bring to incidents when developing this list of desired items. Further, the district did not indicate whether it had investigated if the desired dispatch system would duplicate current functions of Walton County.

The district's current revenue streams may not be sufficient to fund future spending needs. The district's revenue structure may affect the district's ability to provide services in a growing community and address infrastructure and apparatus needs. Specifically, the district tax structure is tied to housing growth, not property values; while district revenues are steadier than if tied to property value, they may not grow as quickly. In addition, as noted above, the district has not followed through on obligations that would facilitate continued receipt of county funding.

While district representatives estimate that current funding is sufficient to handle operational and maintenance expenses, they reported that any future infrastructure improvements or other large purchases, such as replacing one of the district's three stations, will require additional funding from another source. To fund future expenditures, district representatives reported that they are trying to acquire grants and donations from other agencies. The district has also begun to investigate charging assessment fees on camper trailers within the district.

CONCLUSIONS AND RECOMMENDATIONS

Challenges experienced by the Argyle Fire District are not unique. National studies show that call volumes are increasing, volunteer firefighter numbers are decreasing, and many volunteer fire departments continue to struggle financially.³² These studies show that expenses to maintain operations, recruit new members, train volunteers, provide equipment, and fulfill increased expectations of firefighter roles, such as providing emergency medical services, pose significant obstacles for many volunteer fire departments. Moreover, the district is located in a Rural Area of Opportunity, which may present revenue generation challenges not experienced by other non-RAO fire districts in the state.

OPPAGA determined that the district has a number of issues related to statutory compliance, operations and services, performance, and resource management. The district is not in compliance with several statutory requirements, which are essential to ensure that the district operates in an efficient, transparent, and fiscally accountable manner. The district is not addressing administrative

³² The National Fire Protection Association, International Association of Fire Chiefs, U.S. Fire Administration, and the National Volunteer Fire Council have conducted recent studies.

matters that impact operations, including a lack of documentation that raises ethics concerns. Further, the district was unable to document steps taken to improve performance or address inefficiencies.

Staffing issues at the district, including personnel certification issues and volunteer recruitment difficulties, will become more difficult to manage as call volume in Walton County increases. Further, without a substantial change in the amount of revenue collected, the district will not be able to provide functioning apparatus for incidents or to respond from a new nearby station. Consequently, the district may have difficulty improving its services and will continue to need the Walton County Sheriff's Office's resources to manage most district incidents.

The District Board Should Take a Number of Steps to Improve Statutory Compliance, Performance, and District Operations

To address these issues, OPPAGA offers several recommendations. This performance review will recur in five years, at which time OPPAGA will consider district progress implementing the recommendations. In the interim, the district should periodically assess performance; to ensure usefulness, such assessments must be conducted consistently over a period of time and be supported by the board.

Achieve statutory compliance and improve transparency and accountability for public funds.

1. The board should provide increased oversight of district activities to ensure the district complies with all requirements established in Florida statutes and in the district charter, including the requirements for the website, budget development and approval, public meetings, meeting records, and five-year plan development, and develop processes to avoid code of ethics, nepotism, and voting conflict issues.
2. The board should consider seeking an opinion from the Commission on Ethics to determine whether volunteer stipends create ethical conflicts for board members.
3. The board should recruit administrative volunteers or prioritize funding staff to address statutory and administrative issues.

Improve the extent to which goals are achieved.

4. The board should adopt goals and objectives for the district to prioritize critical activities and the use of funds.
5. The board should formally establish and adopt specific performance standards and measures, particularly related to training, administration, and operations, to determine if goals and objectives have been achieved.
6. The board should document plans to improve performance and track the district's improvements over time. This could include
 - a. tracking district performance and conducting routine self-assessments to monitor internal performance and support planning;
 - b. compiling and tracking local stakeholder feedback to identify areas for improvement; and
 - c. compiling, maintaining, and updating records, particularly staff certifications and reported ISO ratings, preferably electronically.

Improve efficiency and effectiveness of district operations.

7. The board should conduct analyses of community needs, determine the cost of increasing district service levels, and develop strategies to obtain funding.
8. The board should identify ways to support operational employees in receiving their Volunteer Firefighter Certificate of Completion to increase the number of available firefighters who are able to engage in services in the hot zone.
9. The board or the Legislature may wish to consider dissolving the district to potentially achieve service efficiencies for the taxpayers of Walton County.³³ As an active independent special district created by special act, the district can only be dissolved by special act and referendum.^{34,35,36} The district may initiate dissolution voluntarily by vote and subsequently request a special act of the Legislature for dissolution, or the Legislature may begin dissolution by special act without district action.³⁷ To commence voluntary dissolution, the board must, by a majority vote plus one, voluntarily elect to dissolve the district. The legislative special act to dissolve the district, initiated by the district or by the Legislature, must then be approved by a majority of resident electors. The dissolution of the district would statutorily transfer the district's indebtedness and property to the county, as the local general-purpose government.³⁸

DISTRICT AND COUNTY RESPONSES

In accordance with the provisions of s. 11.51(2), Florida Statutes, a draft of OPPAGA's report was submitted to the Argyle Fire District and Walton County for review and response. The fire district's and county's written responses have been reproduced in Appendix C.

³³ Dissolution is unlikely to generate cost savings, as in the absence of the district's certified fire volunteers, the Walton County Sheriff's Office may need additional personnel to meet national staffing guidelines for fire incidents or to be stationed in the district to timely address incidents.

³⁴ Inactive independent special districts may be dissolved by special act without a referendum (s. [189.072\(3\)](#), F.S.).

³⁵ Chapter [2006-354](#), *Laws of Florida*.

³⁶ Section 16, Ch. [2006-354](#), *Laws of Florida*; s. [189.072\(2\)](#), F.S.

³⁷ Section [189.072](#), F.S.

³⁸ Section [189.076\(2\)](#), F.S.

APPENDIX A

Argyle Fire District Administrative and Direct Costs

Personnel expenses accounted for the majority of Argyle Fire District’s administrative costs. During the review period, personnel expenses included contracted labor for secretarial services, grant writing, and volunteer coordination, and these costs comprised the majority of administrative costs. (See Exhibit A-1.) The district’s volunteer coordinator was the largest personnel expense. The job description for the volunteer coordinator lists a broad range of position duties, including managing federal grants, conducting new staff orientation, interacting with the public, maintaining training and other files, maintaining equipment, coordinating fundraising activities, assisting in training, and recruiting new personnel.

The district’s other administrative costs include fees, such as appraisal fees, professional fees, and bookkeeping fees. During the review period, professional fees were the district’s largest non-personnel administrative expense. District representatives reported that professional fees include their yearly audit, lawyer expenses, surveyors, and any other fees of that type. District representatives stated that auditor fees have been the main professional fee expense.

Exhibit A-1

The District’s Administrative Costs Increased During Fiscal Years 2019-20 Through 2022-23

Administrative Costs	Fiscal Year				Review Period Total	Change	
	2019-20	2020-21	2021-22	2022-23		Amount	Percent
Personnel							
Volunteer Coordinator Pay	\$31,622	\$33,576	\$33,040	\$34,712	\$132,949	\$3,090	10%
Secretarial Fees	2,347	2,802	2,750	3,300	11,199	953	41%
Grant Writer Fee	500	500	1,500	3,000	5,500	2,500	500%
Total	\$34,469	\$36,878	\$37,290	\$41,012	\$149,648	\$6,543	19%
Other Fees							
Professional Fees	-	18,940	7,500	7,500	33,940	7,500	-
Bookkeeping Fees	5,774	5,400	4,950	5,400	21,524	-374	-6%
Annual Fees & Appraisal Fees	1,888	1,481	2,525	2,609	8,502	721	38%
Office Supplies	4,395	4,241	1,475	400	10,511	-3,995	-91%
Community Center	1,118	501	-	-	1,619	-1,118	-100%
Total	\$13,175	\$30,563	\$16,450	\$15,909	\$76,096	\$2,733.52	21%
Grand Total	\$47,644	\$67,441	\$53,740	\$56,920	\$225,745	\$9,276	19%

¹ The Argyle Community Center was the meeting place for the Fire Commission. The district was allowed to use this facility if they paid the electric and gas bills.

Source: OPPAGA analysis of Fiscal Year 2019-20 and Fiscal Year 2020-21 Florida Auditor General data and Fiscal Year 2021-22 and Fiscal Year 2022-23 Argyle Fire District data.

Apparatus and equipment purchases accounted for most of the district’s direct costs. OPPAGA categorized direct costs into program and capital outlay expenses. Program expenses included facility maintenance, insurance, and utilities. On average, for the entire review period, apparatus expenses were the largest program expense category for the district followed by insurance and facility maintenance. (See Exhibit A-2.)

Capital outlay costs included new facility expenses and equipment purchases. During the review period, the district's capital outlay costs were the largest cost increase, 2,239%. District representatives reported that these expenses were for extrication gear, turnout gear, air packs, and other equipment. OPPAGA requested, but the district did not provide, an explanation for expenses incurred related to new facilities.

Exhibit A-2

District Direct Program Costs Increased During Fiscal Years 2019-20 Through 2022-23

Direct Program Costs	Fiscal Year					Review Period Total	Change	
	2019-20	2020-21	2021-22	2022-23	Amount		Percent	
Direct Program Expenses								
Apparatus	\$25,950	\$39,439	\$55,000	\$100,000	\$220,389	\$74,050	285%	
Insurance	35,573	33,625	26,000	30,000	125,198	-5,573	-16%	
Facility Maintenance	31,813	32,597	8,000	20,000	92,410	-11,813	-37%	
Utilities	3,504	4,158	9,000	12,000	28,662	8,496	242%	
Promotional	30,449	29,422	7,000	10,000	76,871	-20,449	-67%	
Total	\$127,289	\$139,241	\$105,000	\$172,000	\$543,530	\$44,711	35%	
Capital Outlay Expenses								
New Facility	900	-	20,000	75,000	95,900	74,100	8233%	
New Equipment	3,375	71,145	20,000	25,000	119,520	21,625	641%	
Total	\$4,275	\$71,145	\$40,000	\$100,000	\$215,420	\$95,725	2239%	
Grand Total	\$131,564	\$210,386	\$145,000	\$272,000	\$758,950	\$140,436	107%	

Source: OPPAGA analysis of Fiscal Year 2019-20 and Fiscal Year 2020-21 Florida Auditor General data and Fiscal Year 2021-22 and Fiscal Year 2022-23 Argyle Fire District data.

APPENDIX B

Argyle Fire District Facilities

Station 91
67 Fire Department
Avenue
(Headquarters)



Station 92
6268 Co Hwy 280 E



Station 93
2548 State Hwy 83



APPENDIX C

District and County Responses

Argyle Response

To: PK Jameson , Coordinator

Argyle Fire District has had a long history of providing fire service to the community and Walton County. When Argyle Fire District was formed there was no fire service in the Argyle community except for the Florida State Division of Forestry. We have always put the requirements to provide good fire service above all other District needs. Despite funding challenges over the years, we have always ensured that our apparatus and equipment were ready to respond when called. Unfortunately, this did not leave funding for other District needs such as acquiring the equipment and personnel necessary for administrative and record keeping purposes.

Argyle Fire District Board acknowledges the Findings and the need to make improvements to our operations, administrative reporting, and record keeping capabilities. Argyle Fire District Board will start work immediately to address the issues mentioned in this report. As with any District function, funding will be one of constraints to slow our progress. Some of the issues mentioned in this report are being addressed at this time, such as our website, which has become functional once again. We have also recently purchased new Incident Reporting software that contains many additional functions such as recording training functions and other record-keeping capabilities. The Board will continue to research new software and bookkeeping systems to better maintain, compile, and track District personnel, equipment and performance records. We also will investigate options of adding more personnel to help maintain the needed records and documentation. Argyle also hopes to employ an Internal Auditor to help us stay on track and complete our improvements. The Argyle Board of Commissioners will provide increased oversight of district activities to ensure the District is complying with all requirements set forth in Florida Statutes and District Charter by providing and making available to each commissioner up-to-date Copies of the District Charter and pertinent Florida Statutes. We also plan to have workshops and special business meetings to discuss and formally establish and adopt required additions and changes needed for compliance. The Argyle Fire District Board fully expects the report which will be created 5 years from now to show great improvements in the areas in which are lacking in this report.

Argyle wishes to thank the OPPAGA Team for their professionalism and patience through this process. We also look forward to working with them once again on the next project.

Argyle Fire District Commission
Chairman



MICHAEL A. ADKINSON, JR., SHERIFF
Office of the Sheriff, Walton County



Thursday, June 22, 2023

Ms. PK Jameson, Coordinator
Office of Program Policy Analysis and Government Accountability (OPPAGA)
111 West Madison Street, Room 312
Tallahassee, Florida 32399

Dear Ms. Jameson,

I have reviewed the preliminary analyses and recommendations of OPPAGA's reports on the Liberty and Argyle Fire Districts. No misrepresentations of fact or errors regarding the Walton County Sheriff's Office contributions to the report were discovered. As such, I offer no further corrections or recommendations for change.

We interpret these preliminary findings as significant and agree that substantive corrections are in order for both programs. We also share your concerns regarding the level of protection the citizens of both districts expect - but are not receiving. Even more concerning, we believe most are not even aware these problems exist. As the health, safety, and welfare of the citizens and visitors of Walton County is the principal mission of the Sheriff's Office, we stand ready to offer whatever assistance may be required to affect a promulgated remedy in the future. Our posture today, as has always been, is to ensure that the residents of each district are served and protected. We will continue to do that.

On behalf of Sheriff Adkinson, I want to express appreciation for OPPAGA's efforts to shed light on these issues, serious as they are. The staff and resources of the Walton County Sheriff's Office are at your service in this effort. Please feel free to reach out to me directly at 850-714-4485 if I can be helpful in any other way. TV

Sincerely,

Tracey D. Vause
Chief of Emergency Services
Office of the Sheriff, Walton County

CC: Michael A. Adkinson, Jr., Walton County Sheriff
Melinda Miguel, Chief Inspector General, Executive Office of the Governor
Tony Cornman, Interim County Administrator, Walton County Board of County Commissioners

Emergency Services-Fire/Rescue

752 Triple G Road DeFuniak Springs, Florida 32433 Telephone: 850.892.8111

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OPPAGA

Office of Program Policy Analysis and Government Accountability

OPPAGA provides performance and accountability information about Florida government in several ways.

- Reported deliver program evaluation and policy analysis to assist the Legislature in overseeing government operations, developing policy choices, and making Florida government more efficient and effective.
- Government Program Summaries (GPS), an online encyclopedia, provides descriptive, evaluative, and performance information on more than 200 Florida state government programs.
- PolicyNotes, an electronic newsletter, delivers brief announcements of research reported, conferences, and other resources of interest for Florida's policy research and program evaluation community.
- Visit OPPAGA's website.

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).

Project supervised by Emily Leventhal (850/717-0525)
Project conducted by Tim MacGregor, Laurelin Haas, and Chris Hilliard
PK Jameson, Coordinator

TOWN OF WHITE SPRINGS
OPERATIONAL AUDIT
REPORT No. 2024-051

LEGISLATIVE AUDITING COMMITTEE
DECEMBER 11, 2023



BACKGROUND

- ❖ At the direction of the Legislative Auditing Committee, and pursuant to Section 11.45(3)(a), Florida Statutes, we conducted an operational audit of the Town of White Springs.
- ❖ Our audit focused on selected Town processes and administrative activities during the period October 2021 through December 2022.
- ❖ In November 2023, we issued our operational audit report No. 2024-051 with 16 audit findings.

AUDIT FINDINGS

Finding 1: Financial Condition

According to the auditor for the 2019-20 fiscal year financial audit, the Town's most recent audit as of July 2023, the Town experienced deteriorating financial conditions. Due to inadequate and incomplete financial records, the Town's financial condition as of March 2023 could not be determined.

3

AUDIT FINDINGS

Finding 2: General Fund Unrestricted Fund Balance and Enterprise Fund Working Capital Requirements

Contrary to Government Finance Officers Association best practices, the Town had not, as of March 2023, established General Fund unrestricted fund balance requirements and Enterprise Fund working capital target amounts.

4

AUDIT FINDINGS

Finding 3: Financial Audits

The Town did not timely provide for and submit required annual audited financial statements and annual financial reports (AFRs) to the Auditor General and Department of Financial Services (DFS), respectively, for the 2018-19 through 2021-22 fiscal years. Consequently, through September 2023, the Department of Revenue withheld from the Town approximately \$49,247 in combined half-cent sales tax and municipal revenue sharing revenues.

- 2018-19 and 2019-20 fiscal year audit reports were filed 463 days and 391 days late, respectively.
- 2018-19 and 2019-20 fiscal year AFRs were filed 503 and 399 days late, respectively.
- As of November 29, 2023, the 2021 and 2022 audit reports and AFRs had not been filed.

5

AUDIT FINDINGS

Finding 4: Financial Statement Preparation

For the 2019-20 and 2020-21 fiscal years, the Town's contracted accounting services were not adequate to ensure that Town accounting records were accurate and timely available for financial statement preparation.

6

AUDIT FINDINGS

Finding 5: Accounting Records and Related Controls

Town accounting records contained numerous significant errors. For example:

- Ad valorem tax deposits not recorded in the accounting records.
- Deposits recorded twice in the accounting records.

7

AUDIT FINDINGS

Finding 6: Bank Reconciliations

Bank account reconciliations were not timely performed, contained errors, and lacked evidence of review. Errors included:

- A reissued check not recorded as voided in the accounting records (expenditures overstated; cash understated).
- A check posted twice in the accounting records (expenditures overstated; cash understated).
- Deposits not recorded in accounting records (revenues and cash understated).

8

AUDIT FINDINGS

Finding 7: Budgetary Process

Town controls over the budgetary process need enhancement.

- Prior fiscal year balances were not included in the budget as available for appropriation.
- Budgeted expenditure amounts were not input into accounting records to regulate expenditures.
- Contrary to the Town Charter, the Town Manager did not prepare and present monthly financial and budget progress reports to the Town Council.
- Contrary to the Town Charter, Town records did not evidence that quarterly budget meetings with department heads were held.
- The Town did not amend the budget for significant differences between budgeted and actual amounts.

9

AUDIT FINDINGS

Finding 8: Utility Services Billing and Collection Processes

Town records did not always demonstrate that utility customers were correctly billed for services as required by Town Ordinances.

Finding 9: Separation of Duties

Incompatible duties were not effectively separated among Town personnel and compensating controls did not exist.

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AUDIT FINDINGS

Finding 10: Procurement of Goods and Services

Town controls over the procurement of goods and services need enhancement. For example:

- Goods and services were not always competitively selected (for example, bids, requests for proposals, quotes).
- Payments were made to vendors without a purchase order or contract.
- Lack of documentation that goods and services were received prior to payments.

11

AUDIT FINDINGS

Finding 11: Auditor Selection

Contrary to State law, the Town did not publicly announce requests for proposals for audit services for the 2019-20, 2020-21, and 2021-22 fiscal year financial audits.

12

AUDIT FINDINGS

Finding 12: Personnel Policies and Procedures

Town personnel processes and procedures need enhancement.

- The Town did not adopt position descriptions for all positions.
- Town records did not always evidence that position minimum experience and education requirements were met.
- The Town did not use personnel action forms or equivalent documentation to evidence approval of position appointments, salary amounts, and other personnel actions.

13

AUDIT FINDINGS

Finding 13: Time and Attendance Records for Salaried Employees

Employment agreements with certain Town employees did not establish minimum work hours and the Town did not require these employees to provide documentation of time worked, activities performed, or any leave taken.

14

AUDIT FINDINGS

Finding 14: Sunshine Law – Public Records Requests

The Town did not have policies and procedures in place to document that public records requests were timely completed in accordance with State law.

- Town records did not always demonstrate that public records requests were acknowledged and whether requests were completed.
- Records requests were not always timely fulfilled.

15

AUDIT FINDINGS

Finding 15: Records Retention – Town Ordinances and Resolutions

The Town had not retained comprehensive records of Town ordinances and resolutions, contrary to State law.

Finding 16: Anti-Fraud Policies and Procedures

The Town had not implemented anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.

16



DEREK H. NOONAN, CPA
AUDIT MANAGER

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FLAuditor.gov

17

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-051
November 2023

TOWN OF WHITE SPRINGS



Sherrill F. Norman, CPA
Auditor General

Council Members and Town Manager

During the period October 2021 through December 2022, the following individuals served as Town Mayor, Vice Mayor, Town Council, and Town Manager.

Anita Rivers, Mayor

Nicole Williams, Vice Mayor through May 9, 2022

Jacqueline Williams, Vice Mayor from May 10, 2022

Mary Berry, Council Member

LaRita McCallum, Council Member

Vanessa George, Town Manager

The audit was supervised by Glenda K. Hart, CPA.

Please address inquiries regarding this report to Derek H. Noonan, CPA, Audit Manager, by e-mail at dereknoonan@aud.state.fl.us or by telephone at (850) 412-2895.

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State of Florida Auditor General

Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722

TOWN OF WHITE SPRINGS

SUMMARY

This operational audit of the Town of White Springs (Town) focused on selected Town processes and administrative activities. Our audit disclosed a pervasive lack of adequate controls necessary to promote and encourage compliance with State laws, Town ordinances and regulations, contracts, grant agreements, and other applicable guidelines; reliability of records and reports; and the safeguarding of assets. Specifically, our operational audit disclosed that:

Finding 1: According to the auditor for the 2019-20 fiscal year financial audit, the Town's most recent audit as of July 2023, the Town experienced deteriorating financial conditions. Due to inadequate and incomplete financial records, the Town's financial condition as of March 2023 could not be determined.

Finding 2: Contrary to Government Finance Officers Association best practices, the Town had not, as of March 2023, established General Fund unrestricted fund balance requirements and Enterprise Fund working capital target amounts.

Finding 3: The Town did not timely provide for and submit required annual audited financial statements and annual financial reports to the Florida Auditor General and Florida Department of Financial Services, respectively, for the 2018-19 through 2021-22 fiscal years. Consequently, through September 2023, the Department of Revenue withheld from the Town approximately \$49,247 in combined half-cent sales tax and municipal revenue sharing revenues.

Finding 4: For the 2019-20 and 2020-21 fiscal years, the Town's contracted accounting services were not adequate to ensure that Town accounting records were accurate and timely available for financial statement preparation.

Finding 5: Town accounting records contained numerous significant errors.

Finding 6: Bank account reconciliations were not timely performed, contained errors, and lacked evidence of review.

Finding 7: Town controls over the budgetary process need enhancement.

Finding 8: Town records did not always demonstrate that utility customers were correctly billed for services as required by Town Ordinances.

Finding 9: Incompatible duties were not effectively separated among Town personnel and compensating controls did not exist.

Finding 10: Town controls over the procurement of goods and services need enhancement.

Finding 11: Contrary to State law, the Town did not publicly announce requests for proposals for audit services for the 2019-20, 2020-21, and 2021-22 fiscal year financial audits.

Finding 12: Town personnel processes and procedures need enhancement.

Finding 13: Employment agreements with certain Town employees did not establish minimum work hours and the Town did not require these employees to provide documentation of time worked, activities performed, or any leave taken.

Finding 14: The Town did not have policies and procedures in place to document that public records requests were timely completed in accordance with State law.

Finding 15: The Town had not retained comprehensive records of Town ordinances and resolutions, contrary to State law.

Finding 16: The Town had not implemented anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.

BACKGROUND

The Town of White Springs, Florida, was incorporated as a municipality in 1885, and the incorporation was legalized in 1903 by the provisions of Chapter 5368 (No. 263), Laws of Florida. The Town is located in Hamilton County and has an estimated population of 766.¹

The Town operates under a council-manager form of government and is governed by five elected Town Council members, each of whom are typically elected but a member may be appointed by the majority vote of the Council members to fill a vacant seat.² All seats on the Town Council are at-large seats, and the Town Council elects a mayor and vice-mayor among itself. The Town Council is responsible for enacting ordinances, resolutions, and policies governing the Town, as well as for appointing the Town Manager. The Town Manager is responsible for the day-to-day management of the Town. The Town provides citizens with the following services: general government; public works; water, sewer and solid waste disposal; and fire rescue. The Hamilton County Sheriff's Office provides law enforcement services for the Town.

FINDINGS AND RECOMMENDATIONS

Finding 1: Financial Condition

Deteriorating financial conditions negatively affect the ability of a local government to provide, on a continuing basis, services at the level and quality required for the health, safety, and welfare of its citizens. Auditor General rules³ require independent certified public accountants (CPAs) who perform a financial audit of a local government to assess the government's financial condition. The audit report management letter must include a statement that the CPA applied financial condition assessment

¹ University of Florida, College of Liberal Arts and Sciences, Bureau of Economic and Business Research, *Florida Estimates of Population by County and City 2022*.

² According to the Town Charter, Section 2.03, "If the election is more than 45 days away, the Council will nominate qualified Town residents and by majority vote of the remaining Council members choose one of the nominees to serve the remainder of the term of the vacated seat."

³ According to Section 10.556(8), Rules of the Auditor General, the auditor is responsible for assessing financial condition and the methodology used is a matter of professional judgment.

procedures.⁴ If a deteriorating financial condition⁵ is noted, the CPA must disclose that the government's financial condition is deteriorating and provide a description of the conditions causing the CPA to make that conclusion.

As of July 2023, the Town's 2019-20 fiscal year financial statements were the most recently audited financial statements. In the 2019-20 audit report management letter, the CPA disclosed a deteriorating financial condition because, at the September 30, 2020, fiscal year end, the Town's Enterprise Fund included a \$291,511 operating loss (a \$153,343 increase over the 2018-19 fiscal year loss) and a negative \$258,811 unrestricted net position balance. To correct the deteriorating financial condition, the auditor recommended that the Town implement strict measures to ensure that revenues are sufficient to fund expenses and replenish fiscal reserves in the Enterprise Fund. Although the management letter did not disclose a deteriorating financial condition in the General Fund, the 2019-20 fiscal year audited financial statements disclosed a deficit of revenues under expenditures of \$195,588 and an unrestricted fund balance of \$134,791 and, accordingly, the auditor also recommended that the General Fund fiscal reserves be replenished.

In connection with our audit, we attempted to perform an assessment of the Town's financial condition as of March 2023. However, as discussed in Finding 5, the Town's accounting records were incomplete and contained significant errors, which precluded us from making an accurate assessment of the Town's financial condition.

In response to our inquiries regarding efforts to improve the Town's financial condition, Town personnel indicated that a water rate study performed in 2022 recommended rate increases for water and sewer services over the next 5 years. In addition, the Town increased solid waste service rates to replenish depleted reserves in the Enterprise Fund. The Town has also generated new revenues through Internet café permitting fees to help cover increased General Fund personnel costs. Notwithstanding these described efforts, given the Town's insufficient accounting records, various control deficiencies, and instances of noncompliance disclosed in this report, there is an increased risk that the Town's financial condition may continue to deteriorate.

Recommendation: The Town should continue efforts to improve the Town's financial condition.

Finding 2: General Fund Unrestricted Fund Balance and Enterprise Fund Working Capital Requirements

To help ensure that adequate funds are available to mitigate current and future risks, such as revenue shortfalls or unanticipated expenditures, Government Finance Officers Association (GFOA) best practices recommend that governments establish a formal policy providing a level of unrestricted fund balance⁶ that should be maintained in the government's general fund. According to the GFOA, such a policy should be set by the appropriate body (e.g., Town Council) and articulate a framework and

⁴ Section 10.554(1)(i)5., Rules of the Auditor General.

⁵ Pursuant to Section 10.554(1)(f), Rules of the Auditor General, a deteriorating financial condition is a circumstance determined as of the fiscal year end that significantly impairs a local government's ability to generate enough revenues to meet its expenditures without causing a condition described in Section 218.503(1), Florida Statutes, to occur.

⁶ Unrestricted fund balance, according to the GFOA, includes committed, assigned, and unassigned fund balances and represents resources that have the least spending constraints.

process for how the government would increase or decrease the level of unrestricted fund balance over a specific period, including how resources will be directed to replenish fund balance should the balance fall below the level prescribed. The GFOA recommends that, at a minimum, general-purpose governments, regardless of size, maintain an unrestricted fund balance in their general fund that is no less than 2 months of the regular general fund operating revenues or regular general fund operating expenditures.⁷

The GFOA similarly recommends that governments develop a target amount of working capital⁸ to maintain in each enterprise fund and include such targets in a formal financial policy or plan. Maintaining targeted levels of working capital in enterprise funds helps provide a government with a buffer for meeting obligations in the event of revenue shortfalls or unanticipated expenses relating to the applicable enterprise operations. The GFOA further recommends that, to determine the appropriate target amount, local governments should start with a baseline of 90 days' worth of working capital and then adjust the target based on the characteristics of the enterprise fund in question. The GFOA provides that in no case should the target be less than 45 days' worth of the fund's working capital needs. In its best practice advisory, the GFOA presents various characteristics that should be considered by a local government when determining the appropriate targets.⁹

Our examination of Town records and discussions with Town personnel disclosed that the Town had not adopted policies that address or provide an appropriate level of unrestricted fund balance to be maintained in the General Fund or an appropriate target amount of working capital to be maintained in the Enterprise Fund for the purpose of mitigating risks of revenue shortfalls and unanticipated expenditures or expenses. Town personnel indicated that they were not aware that they needed these policies.

As discussed in Finding 1, the Town's 2019-20 fiscal year audited financial statements reported a General Fund unrestricted fund balance of \$134,791 and an Enterprise Fund deficit net position of \$258,811, as of September 30, 2020. Town policies establishing and requiring the maintenance of an appropriate General Fund unrestricted fund balance and Enterprise Fund working capital target amounts may help prevent future deteriorating financial conditions.

Recommendation: The Town should establish policies to ensure that the General Fund unrestricted fund balance and Enterprise Fund working capital amounts are maintained at acceptable levels consistent with GFOA best practices.

Finding 3: Financial Audits

Pursuant to State law,¹⁰ the Town is required to obtain a financial audit of its accounts and records by an independent CPA. The resulting audit report must be filed with the Auditor General within 45 days after delivery of the audit report to the governing body of the Town, but no later than 9 months after the

⁷ GFOA Best Practice: *Fund Balance Guidelines for the General Fund*, September 2015.

⁸ The GFOA defines working capital as current assets less current liabilities.

⁹ GFOA Best Practice: *Working Capital Targets for Enterprise Funds*, February 2011.

¹⁰ Section 218.39(1)(b), Florida Statutes, provides that any municipality with revenues or total expenditures and expenses in excess of \$250,000, as reported on the fund financial statements, is required to obtain a financial audit of its accounts and records by an independent CPA.

end of the Town's fiscal year.¹¹ State law¹² also requires the Town to submit a copy of its audit report and annual financial report (AFR) to the Department of Financial Services (DFS) within 45 days of the completion of the audit report but no later than 9 months after the end of the fiscal year.

Our discussions with Town personnel and examination of Town records disclosed that:

- While the Town submitted its annual audit reports for the 2018-19 and 2019-20 fiscal years, the Town filed the 2018-19 report with the Auditor General in October 2021, 463 days late and the 2019-20 report in July 2022, 391 days late. As of July 2023, the audit report for the 2020-21 fiscal year had not been filed and was approximately 13 months late, and the 2021-22 fiscal year audit was approximately 1 month late.
- While the Town submitted its AFR for the 2018-19 and 2019-20 fiscal years, the Town filed the 2018-19 and 2019-20 fiscal year AFRs with the DFS in November 2021 and August 2022, 503 and 399 days late, respectively. As of July 2023, the 2020-21 fiscal year AFR had not been filed and was approximately 13 months late, and the 2021-22 AFR was approximately 1 month late.

According to Florida Joint Legislative Auditing Committee records, as of September 2023, the Florida Department of Revenue (DOR) and DFS had withheld from the Town half-cent sales tax revenues totaling \$25,312 and municipal revenue sharing revenues totaling \$23,935 for the untimely filed 2018-19, 2019-20, and 2020-21 fiscal year audit reports.

According to Town personnel, the Town experienced significant employee turnover and a new administration was instated during the 2020-21 fiscal year, at which point the Town was already behind on the 2018-19 and 2019-20 fiscal year audits. Although Town personnel indicated that a CPA firm was engaged to perform the 2020-21 financial audit, the audit had not been completed because, as further discussed in Finding 4, the Town's contracted accountant had not submitted all the required information to the auditors. As of July 2023, the Town had not engaged a CPA firm to complete the 2021-22 audit, which was due on June 30, 2023.

Timely audits are necessary to provide accountability and assurance to citizens and those charged with governance; help ensure that management and those charged with governance are promptly informed of financial concerns (e.g., deteriorating financial conditions), control deficiencies, and financial-related noncompliance; and allow for timely review by appropriate Federal, State, and county oversight agencies. Failure to submit timely audits has resulted in the DOR and DFS withholding certain sales tax and revenue sharing funds and the potential loss of those funds. Additionally, as the DFS uses the information provided on AFRs to prepare a verified report pursuant to State law,¹³ failure to timely file AFRs with the DFS may result in financial data not being available to DFS online data users.

Recommendation: The Town should enhance efforts to comply with State law and ensure that annual financial audit reports and AFRs are timely completed and filed with the Auditor General and the DFS.

¹¹ Section 218.39 (7), Florida Statutes.

¹² Section 218.32(1)(d), Florida Statutes.

¹³ Section 218.32(2), Florida Statutes.

Finding 4: Financial Statement Preparation

GFOA best practices¹⁴ recommend that local governments prepare their annual external financial statements in accordance with generally accepted accounting principles (GAAP) and fulfill their financial reporting responsibilities by hiring, training, developing, and retaining accounting staff with the knowledge and capability to produce GAAP financial statements. Small governments that cannot hire someone with this expertise could hire a consultant or an accounting firm, other than their independent auditor, to produce GAAP financial statements and other related financial management documents.

Our examination of Town records and inquiries with Town personnel disclosed that, although the Town Charter¹⁵ states that the Town Clerk is responsible for accounting functions, Town personnel recognized that they did not have the knowledge and capability required to prepare GAAP financial statements for the 2020-21, 2021-22, and 2022-23 fiscal years. Consequently, the Town contracted with an independent CPA to prepare GAAP financial statements. Additionally, the Town contracted with another accounting firm to perform all accounting functions for the Town, and the contract requires the accountant to work onsite twice per month to provide unspecified “accounting and financial services.”¹⁶

Despite these efforts, as noted in Finding 5, the Town’s accounting records included significant errors. Those errors contributed to the delays in submitting the financial audit reports and AFRs noted in Finding 3 and demonstrate that the level of services provided for in the accountant contract may not be sufficient for the performance of all the Town’s accounting functions.

Ineffective controls over the maintenance of accurate accounting records that provide the data needed for the timely preparation of financial statements in conformity with GAAP limits management’s assurances regarding accurate financial reporting in accordance with GAAP and the timely availability of financial statements for audit.

Recommendation: The Town should contract for specified accounting services necessary to ensure that accounting records are properly prepared and maintained and timely made available to the contracted CPA for financial statement preparation or, alternatively, take appropriate actions to hire, train, develop, and retain staff with the knowledge and capability to produce GAAP financial statements.

Finding 5: Accounting Records and Related Controls

Properly designed and maintained accounting systems are necessary to ensure accurate and complete financial information is available to timely prepare financial statements in conformity with GAAP. To help ensure the validity and accuracy of the accounting system information and records, it is important to maintain records in sufficient detail to support the amounts reported on the financial statements and to provide for periodic reconciliations of financial report amounts to the amounts recorded in general ledger or detailed subsidiary records.

¹⁴ GFOA Best Practices: *Meeting and Exceeding Minimum GAAP Financial Reporting Requirements*, October 2021.

¹⁵ Section 5.01, Administrative Department, Town Clerk, Town of White Springs Charter.

¹⁶ For the 2020-21 and 2021-22 fiscal years, the Town paid \$40,411 and \$42,622, respectively, for the accounting services and, as of March 2023, the Town had paid \$22,927 for 2022-23 fiscal year accounting services.

To gain an understanding of Town accounting records, we inquired of Town personnel and examined Town records and found that the Town's contracted accountant was responsible for maintaining the accounting records using purchased accounting application software. We also requested for examination selected financial reports and related records, including details of activity for the period October 2019 through March 2023 and corresponding general ledger and detailed subsidiary records. Our comparison of these financial reports and records disclosed several significant errors. For example:

- Analysis of the Town's revenue recorded in the general ledger disclosed:
 - Significant understatements totaling \$50,898 in ad valorem tax revenues during the 2019-20, 2020-21, and 2021-22 fiscal years because certain tax revenues deposited in the Town's checking accounts were not recorded in the accounting records.
 - Some deposits were entered into the accounting records twice, overstating ad valorem tax revenues recorded in the 2019-20 fiscal year by \$10,291 and resulting in unreconciled differences between the Town's General Fund bank account and the General Fund cash balance in the accounting records.

The Town's 2019-20 fiscal year audit report also disclosed misstatements in "intergovernmental revenues."

- According to the Town Council's February 14, 2023, meeting minutes, the Town had collected Internet café permitting revenue of \$96,000 during the period October 2022, through January 2023. Our examination of Town accounting records and bank statements disclosed that, as of March 31, 2023, the \$96,000 had been deposited in the Town's bank account but had not been recorded in the accounting records.
- Capital asset balances reported on the March 31, 2023, trial balance for the General Fund and Enterprise Fund totaled \$4.5 million and \$8.4 million, respectively. In contrast, the Towns' capital asset subsidiary records balances were \$2.1 million and \$6.4 million, respectively. We scanned the Town's capital asset subsidiary records and noted that the records had not been updated since the 2018-19 fiscal year. According to Town personnel, capital asset subsidiary records had not been updated due to personnel turnover.

In response to our inquiries, Town personnel indicated that procedures had not been established to require and ensure the accurate and timely recording of financial activity, or periodic reconciliations of financial reports to the corresponding general ledger and detailed subsidiary records. Additionally, Town personnel believed that some differences could have resulted from year-end audit adjustments that the Town's contracted accountant had not posted in the Town's accounting records.

Inadequate accounting records were similarly noted by the CPA firm that audited the Town's 2018-19 fiscal year financial statements. Although the Town contracted with an accountant in the 2019-20 fiscal year to maintain accurate financial records, the auditor noted significant deficiencies in the Town's internal controls over financial reporting in that fiscal year, including incomplete and inaccurate capital asset records, lack of subsidiary records to accurately reflect the Town's grant activity during the fiscal year, and inadequate support for disbursements, resulting in a disclaimer of opinion in the auditor's report.¹⁷

¹⁷ In the independent auditor's report for the 2019-20 fiscal year, the auditor did not express an opinion on the Town's government-wide, General Fund, and Enterprise Fund opinion units because the auditor was unable to obtain sufficient audit evidence to provide a basis for an audit opinion.

Without accurate and complete accounting records and reports, the Town cannot demonstrate proper accountability for activities or assure citizens and oversight agencies of the appropriate stewardship of Town resources. In addition, the lack of accurate and complete accounting records may have contributed to deficiencies noted in Findings 1, 3, 4 and 7 regarding financial condition monitoring, timely financial statement audits, financial statement preparation, and the budgetary process, respectively. Timely and properly performed bank account reconciliations may have detected errors in the accounting records; however, as noted in Finding 6, the Town's bank account reconciliation process was deficient.

Recommendation: The Town should establish and maintain a properly designed accounting system and related policies and procedures that require and ensure the accurate and timely recording of all financial activity in the Town accounting records and the maintenance of appropriate supporting documentation.

Finding 6: Bank Reconciliations

Bank account reconciliations verify that cash amounts included in the bank statements and the Town accounting records are accurate and complete and help provide for the timely detection of errors and fraud. Effective bank account reconciliation procedures require and ensure that:

- Employees performing, reviewing, and approving the reconciliations do not have cash handling and journal entry responsibilities.
- The identities of the employees who perform the reconciliations and the employees who review and approve the reconciliations are documented to properly affix responsibility for those functions.
- Reconciling items are documented and promptly and thoroughly investigated, explained, and resolved.
- Reconciliations are timely completed and any related adjustments to Town accounting records are timely made.

As of March 31, 2023, the Town had six bank accounts, including the General Fund and the Enterprise Fund bank accounts, which accounted for most of the Town's financial activities. As of that date, the balances in the six accounts totaled \$1.7 million, including \$1.2 million in the General Fund bank account, \$72,959 in the Enterprise Fund bank account, and \$489,018 in the other accounts. As of May 2023, the General Fund bank account had not been reconciled since September 2021 and the Enterprise Fund bank account had not been reconciled since September 2020. Three of the other four bank accounts were last reconciled in August 2020, October 2020, and February 2022, and the fourth bank account was opened in March 2023 and had not yet been reconciled.

Our examination of the General Fund bank account reconciliation for September 30, 2021, disclosed numerous errors. For example:

- One check for \$18,245 dated May 29, 2020, was voided, and the Town subsequently issued a check for the same amount from the Enterprise Fund bank account. However, the Town did not record the check as voided in the accounting records. Consequently, expenditures were overstated, and cash was understated by that amount in the General Fund.
- One check for \$5,000 dated March 16, 2021, listed as an outstanding check, was posted twice in the accounting records, overstating General Fund expenditures and understating cash by \$5,000.

- The reconciliation listed 89 items totaling \$88,098 as deposits or credits in transit. Our scanning of these items identified six deposits in transit totaling \$66,917 posted in the accounting records twice, resulting in uncorrected overstatements of General Fund cash and revenues.
- Unrecorded deposits were not listed as reconciling items on the bank reconciliation. According to previous bank statements, \$50,773 in ad valorem tax collections were deposited into the bank account during the period October 2020 through September 2021 but had not been recorded in the accounting records as of June 2023, resulting in understatements of General Fund cash and revenues by the same amount.

According to Town personnel, the contracted accountant is responsible for preparing bank account reconciliations; however, the Town lacks written policies and procedures to require that bank account reconciliations be timely prepared and that someone other than the preparer perform a documented review of the reconciliation. Such review may have detected the bank account reconciliation errors discussed above.

Absent timely and complete bank reconciliations, review and approval of the reconciliations, and timely accounting record corrections for identified errors, including duplicate or unrecorded transactions, there is an increased risk that fraud and errors may occur and not be timely detected, and, as discussed in Finding 5, the Town has limited assurance that its accounting records are accurate and complete.

Recommendation: The Town should establish appropriate policies and procedures to ensure that bank account reconciliations are properly and timely performed, reviewed, and approved. Such policies and procedures should require that reconciling items be documented and promptly and thoroughly investigated, explained, and resolved and any necessary adjustments to Town accounting records be timely made.

Finding 7: Budgetary Process

Pursuant to State law,¹⁸ the Town must adopt a budget by ordinance or resolution each fiscal year and the total amount available from taxation and other sources, including balances brought forward from prior fiscal years, must equal the total appropriations for expenditures and reserves. The Town Council's adopted budget must regulate the Town's expenditures, and it is unlawful to expend or contract for expenditures in any fiscal year except pursuant to the adopted budget. The budget may be amended at any time during a fiscal year and within 60 days after the end of the fiscal year.¹⁹

Our examination of Town records and discussions with Town personnel regarding the budgetary process disclosed that controls over budget preparation, recording, reporting, and monitoring could be improved.

Budget Preparation. We examined the Town's approved 2021-22 and 2022-23 fiscal year budgets²⁰ and found that, contrary to State law,²¹ prior fiscal year-end balances were not included in the budget as available for appropriation. According to Town personnel, the current administration's first budget cycle was the 2021-22 fiscal year, and the Town's financial audits for the 2018-19 and 2019-20 fiscal years

¹⁸ Section 166.241(2), Florida Statutes.

¹⁹ Section 166.241(7), Florida Statutes (2021).

²⁰ Town of White Springs Resolution Nos. 21-01 and 21-02 for the 2021-22 fiscal year and Resolution Nos. 23-01 and 23-02 for the 2022-23 fiscal year.

²¹ Section 166.241(2), Florida Statutes.

had not been completed; consequently, the Town was unaware of what the fiscal year-end balances were and did not include any carryforward balances in the 2021-22 and 2022-23 fiscal year budgets.

Notwithstanding, fiscal year-end balances can be estimated and then later adjusted to actual amounts through the budget amendment process. Consideration of balances brought forward from prior fiscal years provides for transparency of all available sources, increases the usefulness of the budget as a financial management tool, and enables the Town to determine appropriate increases and decreases in revenues that may be needed to fund the Town's budget priorities.

In addition, our examination of Town records and discussions with Town personnel disclosed that neither the Town Charter nor ordinances define the legal level of budgetary control. Therefore, it is incumbent on the Town Council to make appropriations and adopt a budget at the level of detail that it deems necessary. The Town Council-adopted resolutions²² for the 2021-22 and 2022-23 fiscal year budgets did not specify the legal level of budgetary control; however, the adopted budget presented expenditures for each fund at the department level. Although Town personnel indicated that budget policies had been implemented, the budget policies also did not define the legal level of budgetary control and, as indicated below, budgetary amounts were not entered into the Town's accounting records. Accordingly, it is not apparent how Town personnel and the Town Council could readily determine whether resources were expended within budgeted amounts at the department level consistent with Town Council intent. Although we inquired, Town personnel did not explain why the legal level of budgetary control had not been defined.

Budget Recording. To effectively manage expenditures, it is essential that adopted budgets be accurately input into the Town's accounting records. Our examination of the Town's accounting records disclosed that the 2021-22 and 2022-23 fiscal year budgeted expenditure amounts had not been input into the Town's accounting records. Although we inquired, Town personnel did not explain why the approved budget amounts were not entered into the accounting records but responded that the amounts had been entered subsequent to our inquiry and were available for review. Absent controls to ensure that Town Council-approved budgeted expenditures are properly recorded in the accounting records, there is an increased risk that actual expenditures will not be consistent with, or will exceed, approved budgeted expenditure amounts.

Budget Reporting and Monitoring. According to GFOA recommendations,²³ regular and frequent reporting is necessary to provide accountability, educate and inform stakeholders, and improve confidence in the government; communication and involvement is an essential component of every aspect of the budget process; and regular monitoring of budgetary performance provides an early warning of potential problems and gives decision makers time to consider actions that may be needed if major deviations in budget-to-actual comparison results become evident. The Town Charter²⁴ requires the Town Manager to keep the Town Council fully advised as to the financial condition and future needs of the Town by providing a financial and budget progress report at each regular (monthly) Town Council meeting and submit and make available to the public a complete report on finances and administrative

²² Town of White Springs Resolution No. 21-02 for the 2021-22 fiscal year and Resolution No. 23-02 for the 2022-23 fiscal year.

²³ *Recommended Budget Practices of the National Advisory Council on State and Local Budgeting* (1998).

²⁴ Section 3.02 (f) and (h), Town of White Springs Charter.

activities as of the end of the fiscal year. Additionally, the Town Charter²⁵ requires that the Town Manager quarterly review budget reports with department heads and advise or be advised of any allotment which is in danger of being exceeded. If at any time during the fiscal year it appears that appropriated revenues will be insufficient, the Town Manager is to immediately report to the Town Council the estimated amount of the deficit and suggest remedial action to be taken.

Our examination of Town records and discussions with Town personnel disclosed that, during the period October 2021 through December 2022, the Town did not comply with Town Charter budgetary reporting and monitoring requirements and GFOA recommendations. Specifically:

- Contrary to the Town Charter²⁶ and GFOA recommendations, Town records did not evidence that the Town Manager prepared any of the required monthly financial and budget progress reports for presentation to the Town Council. Town personnel indicated that monthly financial reports were not available due to unreconciled accounts but that a complete report of finances and administrative activities is submitted to the Town Council and community members during the budget adoption process. Notwithstanding, absent the monthly financial and budget progress reports, the Town Council may not be adequately informed in time to consider actions that may be needed should budget-to-actual comparison results identify major deviations. The lack of such information may have contributed to the Town's deteriorating financial condition discussed in Finding 1.
- Contrary to the Town Charter,²⁷ Town records did not evidence quarterly budget meetings held with department heads to ensure that budgeted amounts would not be exceeded. Although we inquired, the Town Manager did not explain why the quarterly meetings were not held but indicated that the Town would hold the meetings going forward. Without the quarterly budget meetings, there is an increased risk of budgetary overexpenditures and the Town cannot demonstrate compliance with the Town Charter.
- Despite significant differences between the budget and actual amounts, and contrary to Town Charter provisions and GFOA recommendations, the Town did not amend the budget. Our comparison of the Town-adopted 2021-22 fiscal year budgeted revenue and expenditure amounts to actual revenue and expenditure amounts recorded in the Town accounting records disclosed significant differences as:
 - Total budgeted revenues for the General Fund exceeded actual revenues by \$148,192, and total budgeted expenditures exceeded actual expenditures by \$175,697.
 - Total budgeted revenues for the Enterprise Fund exceeded actual revenues by \$119,537 and, contrary to State law,²⁸ total actual expenses exceeded budgeted expenses by \$408,029.

Although we requested, Town personnel did not explain why periodic budget amendments were not made to reflect actual revenues and expenditures that significantly differed from budgetary expectations.

Absent periodic budget-to-actual comparison reports, the Town Council and the public lack the information necessary to gain an appropriate understanding of the Town's financial status. Such information is essential to identifying and timely remedying critical budget shortfalls and verifying that funds are available before authorizing purchases and expenditures. Additionally, absent periodic budget amendments, the budget may not accurately reflect anticipated revenues and expenditures and there is

²⁵ Section 6.09 (a) and 6.07 (b), Town of White Springs Charter.

²⁶ Section 3.02 (f) and (h), Town of White Springs Charter.

²⁷ Section 6.09 (a), Town of White Springs Charter.

²⁸ Section 166.241(2), Florida Statutes.

an increased risk that Town expenditures may exceed available resources and that the Town will experience a deteriorating financial condition, such as noted in Finding 1.

Recommendation: The Town should enhance controls over the budgetary process to ensure that:

- Balances are brought forward from prior years and included in the budget.
- The desired legal level of budgetary control is established for Town budgets.
- Town Council-approved budgeted expenditures are properly recorded in Town accounting records.
- Actual expenditures are limited to budgeted amounts as required by State law.
- The Town Manager prepares and provides to the Town Council monthly financial reports reflecting budget-to-actual comparisons and meets quarterly with department heads as required by the Town Charter.
- Budgets are periodically amended to reflect actual revenues and expenditures that significantly differ from budgeted amounts.

Finding 8: Utility Services Billing and Collection Processes

The Town provides water and sewer services to customers connected to the Town's water and sewer utility systems. Additionally, the Town contracted with a vendor to provide solid waste (garbage) services. Town ordinances²⁹ require residents to connect to and use the Town's water and sewer systems and the Town's garbage collection services at fees established by the Town Council. If any landowner within Town limits refuses to connect to the sewer system after notification by the Town Clerk, the Town is authorized to make the connection at the owner's expense. However, Town ordinances also allow owners of private sewage facilities to pay a monthly fee equal to the minimum usage fee rather than use the Town's sewer system.

While the Town had not established written policies and procedures over the utility services billing and collection processes, in practice, the Town requires customers to complete an application for utility services and pay the required deposit and any applicable fees (for example, a water and sewer connection fee). Town personnel then enter the application information into the Town's utility billing system to establish a new customer account and enter the Town Council-approved billing rates. Rates for water and sewer are entered into the system on a per unit basis, and solid waste rates are dependent upon can or dumpster types. Town personnel read meters monthly and update the utility billing system for monthly consumption of water (in gallons), and the utility billing system calculates the monthly billings. The water and sewer charges billed include a monthly base charge plus actual usage charges based on meter readings while garbage services are determined based on the contracted rate plus a markup.

As of December 2022, the Town had 474 utility services customer accounts. To determine whether Town processes related to meter reading, billing, and collection of water, sewer and garbage service fees were operating effectively, we examined records supporting utility billings totaling \$2,406, before taxes, for 30 selected accounts, 27 of which were active accounts, during the December 2022 billing period. Our

²⁹ Town of White Springs Ordinance No. 15-01.

examination disclosed the following deficiencies, which may have been caused, in part, by the lack of written policies and procedures:

- Although we requested, applications establishing services were not provided for 25 of the accounts, including 22 active accounts. Town personnel indicated that the 25 applications not located were related to accounts established prior to the current Town administration.
- While applications were provided for 5 active accounts, the information noted on the applications was not sufficient. During the audit period, and subsequently, the Town used two different application forms for utility services, one that detailed the services offered by the Town and required the applicant to select the services requested, and another that did not provide detail of the services offered nor require the customer to request specific services. Although we requested, Town personnel could not provide an explanation as to why one application form was sometimes used instead of the other. Our examination of the 5 provided applications found that:
 - 2 applications were incomplete because, although required by the application, the types of utility services requested were not specified.
 - 2 other applications did not require identification of the services requested.
 - None of the 5 applications specified whether any additional fees were required or if sewer was available.

Absent properly designed applications for service that are accurately completed prior to entering the information into the Town's utility billing system, Town records did not establish a basis for monthly utility charges to be assessed to the applicant.

- One account was underbilled for sewer services by approximately \$60 per month³⁰ due to the additional rate for water consumption over 1,000 gallons not being applied.³¹ Town personnel indicated that the underbilling resulted from the account being incorrectly classified when established in 2019.³² When errors made in setting up accounts in the utility billing system are not timely discovered, a continuous loss of revenue may occur.
- One account was not billed for water services for the month of December 2022. According to Town personnel, the customer requested services to be turned off for the month. In response to our inquiries, Town personnel did not provide the legal authority for services to be suspended and reinstated upon a customer's request but indicated that it was common practice in previous administrations. By allowing accounts to be suspended and reinstated upon request without apparent legal authority, the Town is foregoing revenue needed to cover the costs of operating the water and sewer system.
- One account was not billed for sewer services, nor was it billed the required minimum monthly usage fee for nonparticipation. Town personnel indicated that, because they identified four other accounts not participating in the service and not being charged the required minimum fee, for consistency they suspended the fee for the fifth account in March 2022. Notwithstanding, Town personnel lacked apparent legal authority to suspend billings of a required fee, and failure to assess the fee on the five accounts resulted in an annual loss of \$1,039 in Town utility revenues.³³
- One account with no record of water consumption had not been billed for any services since November 2017. Town personnel indicated that the account was closed; however, although there was a meter assigned to the property, Town personnel could not provide any evidence to support

³⁰ The \$60 was calculated by subtracting the minimum fee of \$17.31 for first 1,000 gallons from the minimum fee plus \$8.56 per each additional 1,000 gallons resulting in monthly bill of \$77.74 based on the average monthly use of 8,060 gallons of water.

³¹ Published rate schedule in accordance with Town Ordinance 15-01.

³² The source rate class, which determines how the utility billing system calculates the fee was set to sewer minimum instead of sewer residential resulting in the minimum fee being charged to the customer.

³³ The \$1,039 was calculated by multiplying the minimum fee of \$17.31 by 12 months and five accounts.

that the customer had been connected to the water and sewer system or that the customer had requested the account be closed. We expanded our procedures to scan billing system records for other accounts with no recorded water consumption and noted that in the month of December 2022 the Town had 102 meters, approximately 30 percent of all meters, assigned to addresses with no water consumption. In response to our inquiries, Town personnel indicated that the accounts associated with the 102 meters were closed but did not provide records to evidence the closing of the accounts. Absent an investigation into meters assigned to properties without recorded water consumption, the Town has limited assurance that all property owners are connected to the Town's water and sewer systems (or, if just connected to the water system, paying the sewer minimum usage fee) as required by Town ordinances, that meters are operating correctly, and that the Town is collecting all utility revenues to which it is entitled to cover the costs of operating the water and sewer systems.

- Although we did not note any instances of non-billing for garbage services, Town personnel do not require property owners to sign up for garbage service, contrary to Town ordinances. Rather, the garbage contractor empties all garbage cans with the contractor's logo and placed out for pick up within the Town and bills the Town based on a customer count periodically provided by Town personnel. However, because the Town does not monthly update the count to reflect the number of garbage customers in the utility billing system, the Town may not be billing all customers served by the garbage contractor. Consequently, there is an increased risk that garbage collection services are being provided to users who are not being billed by the Town. In response to our inquiries, Town personnel indicated they were not aware of the Town ordinance requirements.

Without written procedures that are properly designed and implemented to ensure that applications for utility services are appropriately completed and maintained, all properties requiring connection to the Town's water and sewer systems are connected, and all accounts are appropriately set up in the utility billing system and billed in accordance with Town ordinances, Town records do not support the basis for fees charged to customers and the revenues collected may not be sufficient to cover the costs of operations.

Recommendation: The Town should establish written procedures requiring appropriately designed applications be completed prior to accounts being set up in the utility billing system. In addition, the procedures should ensure that completed applications are maintained to support the fees charged for the services provided, all properties requiring connection to the water and sewer systems are connected, accounts are properly set up in the utility billing system, all accounts are charged at least the minimum required fees and as required by Town ordinances, and prompt investigations are conducted for meters with no recorded water consumption. Also, Town personnel should monthly reconcile the garbage contractor's invoices to active billing system account records to ensure that the Town is billing all customers receiving garbage services.

Finding 9: Separation of Duties

Governmental organizations, to the extent possible with existing personnel, should separate duties so that no one employee has control over all phases of a transaction. For example, no one employee should have access to physical assets and recordkeeping responsibilities for those assets.

Our review of Town records and discussions with Town personnel disclosed that duties were not always appropriately separated among employees. Specifically, the Utility Clerk, who is one of the Town's four

administrative employees,³⁴ prepares and sends invoices for water, sewer, and garbage services; collects cash and checks as payment; records payments to customer accounts in the utility billing system; prepares related bank deposits; and deposits the funds into the applicable bank account weekly. Although deposits are recorded in the accounting records by the contracted accountant, because the Utility Clerk has control over the billing and collection process, she could divert collections for unauthorized purposes without timely detection.

We noted no compensating controls in place to mitigate the incompatible duties risk and Town personnel indicated that the Town does not have funds to hire another employee to separate the incompatible duties. Notwithstanding, insofar as the Town has four administrative employees, the Town could appropriately separate duties through realignment of position duties.

Although our audit procedures did not disclose any significant errors³⁵ or fraud, the inappropriate separation of duties, especially given lack of timely and complete bank reconciliations and lack of complete and accurate financial accounting records noted in Findings 6 and 5, respectively, there is an increased risk that errors or fraud could occur and not be timely detected and resolved.

Recommendation: The Town should separate utility billing, collection, and recordkeeping duties to the extent possible by realigning position duties among available administrative staff and the contracted accountant.

Finding 10: Procurement of Goods and Services

The Town is responsible for establishing controls that provide assurance that the process of acquiring goods and services is effectively and consistently administered. A competitive procurement process provides a means for efficiently and equitably obtaining the best quality goods and services at the lowest possible cost and reduces the appearance and opportunity for favoritism. In addition, the use of procurement documents, such as contracts or purchase orders, detail the goods or services being acquired and evidence approval for the purchase.

Contractual arrangements for services should be evidenced by written contracts embodying all provisions and conditions of the procurement of such services. Written contracts protect the interests, and identify the responsibilities, of both parties; define the services to be performed; and provide a basis for payment. Further, effective monitoring procedures are essential to ensuring that contractors comply with applicable contract terms and conditions and that the contractor's performance is acceptable and accomplishes objectives established in the contract.

Town procedures³⁶ require purchase orders be submitted to appropriate levels of authority for approval of purchases of goods and services. Approved purchase orders serve to document management's authorizations to acquire goods and services, provide a basis for controlling the use of appropriated

³⁴ The other three administrative employees are the Town Manager and Town Clerk, both employed during entire audit period, and a Bookkeeper hired November 2022 to assist the contracted accountant.

³⁵ Although not monetarily significant to the Enterprise Fund financial activity, numerous instances of errors in utility billings were noted in Finding 8.

³⁶ Section VII. Purchasing, Town of White Springs, Standard Operating Procedures.

resources through encumbrances, document the specifications and prices of the goods and services ordered, and authorize vendors to provide goods and services.

Town procedures also specify that the Town Manager may approve purchases of \$2,500 or less, but that competitive selection processes be used for purchases exceeding \$2,500. Specifically:

- Purchases of \$2,501 to \$4,999 must be approved by Town Council and an unspecified number of telephone quotes should be obtained, when possible.
- Purchases of \$5,000 to \$24,999 require an unspecified number of written quotes or proposals and must be approved by the Town Council.
- Purchases of goods or services of \$25,000 or more are to be made under a competitive sealed bid or Request for Proposal (RFP) process, unless designated by the Town Council as a sole source, single source, or emergency purchase.

During the period October 2021 through December 2022, non-payroll Town expenditures totaled \$1.3 million. To test compliance with Town procurement procedures and good business practices, we selected 16 vendors, each with payments greater than \$2,500, and examined Town records for payments totaling \$94,878 of the \$431,540 amount paid to the 16 vendors during that period. Our examination disclosed that:

- Town records did not always evidence purchases of goods and services were made in accordance with Town competitive procurement procedures. Specifically:
 - Payments totaling \$158,975 made to two vendors exceeded \$25,000; however, Town personnel could not provide evidence that the goods and services were obtained pursuant to a competitive sealed bid or RFP process, or alternatively, that the purchases were exempted from competitive procurement.
 - Payments totaling \$74,145 for purchases of goods and services from 5 vendors each exceeded \$5,000 without evidence that written quotes or proposals were obtained.
 - The Town could not provide evidence that telephone quotes were obtained for purchases of goods and services from 2 vendors with payments above \$2,500 and below \$4,999 and totaling \$9,900.

Absent competitive procurement in accordance with Town procedures, there is increased risk that the goods and services will not be obtained at the lowest cost consistent with acceptable quality.

- Contrary to good business practices and Town procedures, 6 of 16 payments totaling \$71,623 made to 6 vendors were not supported by a purchase order or contract. The absence of properly approved purchase orders or contracts increases the Town's risk of making purchases that are unauthorized, exceed budget authority, or are inconsistent with the Town Council's intent. In addition, the lack of a written purchase order or contract clearly establishing the rights and responsibilities of both parties in advance of the provision of the goods and services may result in misunderstandings between the Town and its vendors.
- Contrary to good business practices, the invoiced amounts for 6 contract payments totaling \$20,261 made to 2 vendors exceeded the contract prices by \$1,802. In response to our inquiries, Town personnel could not explain why the amounts invoiced did not agree with contracted rates. Town procedures do not require Town personnel to verify that invoiced amounts agree with contract rates and terms and conditions and, absent such verification, there is an increased risk that the Town may overpay for goods and services or that such goods and services may not comply with contract terms and conditions.

- Contrary to good business practices, invoices supporting 3 payments totaling \$18,500 did not contain sufficient detail to verify services were provided in accordance with contract terms. For example, the Town contracted with the Hamilton County Sheriff's Office (HCSO) to provide law enforcement services for \$8,250 per month. The contract provided for at least one deputy to be on duty and within Town limits for at least 60 hours per week, especially during the hours of 6:00 PM through 2:00 AM, as allowed by call volume. Our review disclosed that the contract did not require, and the monthly HCSO invoices did not provide, detail of the deputy days and hours worked for the month, and the Town had not established alternate procedures for verifying that the HCSO had at least one deputy on duty for the hours required by the contract. When invoices lack sufficient detail of the services provided, there is an increased risk that the Town may overpay for such services or that goods and services may not be received consistent with the Town Council's expectations and contract terms.
- Contrary to good business practices, the Town did not have written procedures requiring documented receipt of goods or services prior to payment. None of the records supporting the 16 selected expenditures totaling \$94,878 contained evidence, such as a signature and receipt date, indicating that the goods or services were received by a Town employee having direct knowledge of the receipt of the goods or services. Absent evidence that goods and services were received prior to payment, there is an increased risk that the Town will pay for unsubstantiated or improper expenditures.

Recommendation: Town personnel should follow established purchasing procedures and ensure that telephone quotes, written quotes, or sealed bids or proposals, are obtained as applicable. In addition, the Town should enhance the purchasing procedures to ensure that:

- **Purchase orders or contracts are used to document the approval of purchases and to clearly establish the rights and responsibilities of the Town and the vendor.**
- **For expenditures pursuant to a contract, invoices contain sufficient detail to demonstrate compliance with the contract terms and conditions and that Town personnel compare invoice amounts to contract rates and terms and conditions prior to payment.**
- **Evidence of receipt of goods or services be documented prior to payment.**

Finding 11: Auditor Selection

Pursuant to State law,³⁷ the Town is required to provide for annual financial audits. Financial audits performed by an independent CPA give assurance as to the reliability and completeness of Town financial statements; provide a means for evaluating the effectiveness of Town internal controls over financial reporting; and include a determination of the extent to which the Town complied with applicable laws, contracts, grant agreements, and Town ordinances, policies, and procedures, noncompliance with which could have a direct and material effect on Town financial statement amounts. Consequently, it is important for the Town to use an effective auditor selection process to obtain the services of a qualified auditor with the applicable skills and experience necessary to ensure adequate and appropriate audits.

State law³⁸ requires, prior to entering into a contract for audit services, each municipality to establish an auditor selection committee,³⁹ assign to the auditor selection committee responsibilities for evaluating

³⁷ Section 218.39, Florida Statutes.

³⁸ Section 218.391, Florida Statutes.

³⁹ Section 218.391(2), Florida Statutes, requires the auditor selection committee to be composed of at least three members, one of which must be a member of the Town Council, and that an employee, a chief executive officer, or a chief financial officer may not serve as a member of the auditor selection committee.

and recommending an auditor, and use specified auditor selection procedures. Furthermore, every procurement is to be evidenced by a written contract embodying all provisions and conditions of the procurement of such services and include, at a minimum, a provision specifying the services to be provided and fees or other compensation for such services, a provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract; and a provision specifying the contract period, including renewals, and conditions under which a contract may be terminated or renewed.

The Town Council's June 11, 2019, meeting minutes indicated that the Town Council approved the advertisement of an RFP for audit services for the 2018-19 through 2020-21 fiscal years. The Town Council approved an Auditor Selection Committee at its July 9, 2019, meeting, and the Committee's membership composition complied with State law. However, our examination of Town records and discussion with Town personnel regarding the selection of the CPA firm to perform the 2018-19 fiscal year audit and another CPA firm to perform the 2019-20 and 2020-21 fiscal year audits indicated that the CPA firms may not have been selected in accordance with State law. Specifically:

- For the CPA firm selected to perform the 2018-19 fiscal year audit, Town records, including Town Council meeting minutes did not evidence the advertisement of the RFP, how many and which firms responded to the RFP, factors considered and ranking of responding firms by the Auditor Selection Committee, or whether the Town ultimately contracted with the firm selected by the Auditor Selection Committee. Additionally, although we requested, Town personnel did not provide the written contract for our review. Consequently, Town records do not demonstrate that the audit services contract contained the required provisions and conditions required by State law. Town personnel indicated that the RFP occurred prior to the hiring of current staff, and the requested records may have existed at one time but could not be located.
- Because the Town Council was not satisfied with the CPA firm that performed the 2018-19 fiscal year audit, the Town Council selected another CPA firm to perform the 2019-20 and 2020-21 fiscal year audits. However, contrary to State law, the Town did not establish an auditor selection committee and did not conduct an RFP-based auditor selection process. According to Town personnel, due to the urgency in getting the audits completed, the Town did not publicly advertise for audit services for the 2019-20 and 2020-21 fiscal year audits, nor did the audit services contract provide for conditions under which the contract may be renewed.

Absent documentation evidencing that requests for audit services were publicly advertised and responding audit firms were evaluated and ranked based upon established factors, including, but not limited to, ability of personnel, experience, ability to furnish required services, and other factors as determined by an audit selection committee, Town records do not demonstrate that the audit services were procured pursuant to State law in a fair and equitable manner.

Recommendation: The Town should ensure and demonstrate that future auditor selections are performed in compliance with State law by establishing an auditor selection committee, publicly soliciting proposals, evaluating proposals based on established RFP criteria, and maintaining all documentation associated with the auditor selection. Additionally, the Town should ensure that audit services contracts include all required provisions, including a specified contract period and the conditions under which the contract may be terminated or renewed.

Finding 12: Personnel Policies and Procedures

Effective personnel controls include the adoption of position descriptions that specify minimum education and experience requirements, verification of an applicant's employment history and educational experience prior to offering employment, and maintenance of personnel files that include personnel action forms or other appropriate documentation evidencing authorized personnel actions. Additionally, the adoption of a Town Council-approved classification and pay plan, including minimum and maximum salary ranges for each position, establishes authorized salary amounts, by position, based on the Town Council's intent.

The Town Charter⁴⁰ requires the Town Council to establish personnel policies and procedures and requires the Town Manager to maintain a personnel manual. Accordingly, the Town established a *Personnel Policy and Procedure Manual (Manual)* that contains the Town's personnel and payroll policies and procedures. However, although the *Manual* contains several useful policies and procedures, our review of the *Manual* and Town payroll and personnel records identified enhancements that could be made. In addition, our procedures disclosed instances of noncompliance with *Manual* provisions.

Classification and Pay Plan. The *Manual*⁴¹ provides that the pay of all employees be established by a classification and pay plan, which must include the minimum and maximum rates of pay for each position and which may be amended by the Town Council upon the Town Manager's recommendation. Contrary to the *Manual*, as of August 2023, the Town had not established a classification and pay plan. A classification and pay plan is essential to ensure that salaries are paid to employees in accordance with the Town Council's intent, and that all positions and rates of pay are authorized.

Position Descriptions. Although not specifically required by Town policies or procedures, Town position descriptions that clearly established assigned duties and defined the minimum education and experience requirements were available for some established positions. However, we noted Town Council-approved position descriptions had not been established for two active employees, and one position description did not align with actual employee duties. Specifically:

- Position descriptions were not available for two positions (Utility Director and Road and Street Worker). Instead, we were provided a list of job duties performed by the employees in those positions. The documents provided did not include minimum education, required skills, or experience requirements for the positions and the actual position titles and classifications were not specified.
- The Town Clerk position description required the Town Clerk to "maintain a regular record of all financial accounts of the Town and show at all times the financial condition of the Town." However, contrary to the position description, during the audit period October 2021 through December 2022, the individual employed as Town Clerk did not maintain financial records and accounts of the Town. Instead, the Town contracted for accounting services and expended \$42,622 for those services for the 2021-22 fiscal year.

Town personnel indicated that due to turnover in personnel, position descriptions had not been maintained or updated for these Town positions. Detailed position descriptions that specify minimum

⁴⁰ Section 3.06 and 5.09, Town of White Springs Charter.

⁴¹ Section 5 – Classification and Pay Plan, Town of White Springs, *Personnel Policy and Procedure Manual*.

education, skills, and experience requirements and actions to ensure that duties assigned to employees correlate with the position descriptions established for their respective positions help ensure that employees have the skills and education necessary to complete the job duties required for their positions and that Town Council and management objectives will be met.

Verification of Employment History and Educational Requirements. The *Manual* requires that minimum education and experience requirements be established to qualify an applicant for appointment consideration. However, neither the *Manual* nor other Town records include procedures for verifying and documenting that applicants met their respective position requirements before hire. Only two of the nine employees' personnel files we reviewed included evidence that minimum experience and education requirements were met. Absent verification of minimum experience and education requirements prior to hiring, there is an increased risk that Town employees may lack the minimum qualifications or necessary knowledge and training to perform assigned job duties.

Personnel Action Forms. Effective personnel administration necessitates the implementation of controls to document approval of all personnel appointments and personnel actions through the use of personnel action forms (PAFs) or similar documentation. Town policies and procedures did not specifically require PAFs or similar documentation and we noted that Town records did not always contain documentation to evidence the approval of position appointments, salary changes, and other personnel actions.

Documentation was not available to support the authorization of the current salary or position appointments for any of the seven employees⁴² in our payroll test. According to the Town Manager and Town Clerk, who were hired in November 2020 and January 2021, respectively, the *Manual* does not specifically require documentation for personnel actions, and PAFs or similar documentation have not been regularly used for personnel actions since their hire. Rather, Town personnel informed us that, in practice, the Town Manager authorized the hiring of Town personnel, established pay rates, and authorized other personnel changes either verbally or through notes in the personnel files. Without properly approved PAFs or similar documentation, Town records do not demonstrate that appointments, salary changes, and other personnel actions, were authorized by Town management, and the Town could encounter difficulty in resolving employment disputes should they arise.

Recommendation: To provide for efficient and effective personnel administration, the Town Council should:

- **Adopt a classification and pay plan to establish minimum and maximum salary ranges for all authorized Town positions.**
- **Establish detailed position descriptions for all Town positions.**
- **Establish procedures to verify an applicant's educational and employment history prior to hire.**
- **Use PAFs or similar documentation to document authorization for all personnel actions.**

In addition, the Town Manager should enhance the *Manual* accordingly.

⁴² The seven employees included the Town Clerk, Utilities Clerk, Bookkeeper, Utility Director, General Laborer, Road and Street Worker, and Firefighter.

Finding 13: Time and Attendance Records for Salaried Employees

Effective payroll controls include required maintenance of a time record to provide the basis for issuing a payroll check by documenting hours worked and leave taken by each employee, whether salaried or hourly paid. Similarly, properly maintained leave records document sick, vacation, and administrative leave earned and used, as appropriate. When time records are not required and maintained, other documentation, such as employee-prepared activity reports detailing the employee's activities over a specified period, would provide some assurance that required services are being performed and would also aid in the evaluation of the employee's performance.

The Town Charter⁴³ states that the Town Council, by a majority vote of its total membership, shall appoint a Town Manager and enter into a mutually acceptable written agreement. The agreement may specify the term, conditions, and benefits of the appointment. The contract with the Town Manager dated November 2020 provided that the Town Manager shall devote such necessary time, attention, knowledge, and skills to faithfully perform her duties and responsibilities, and to exercise her powers under the agreement.

The Town Charter states that the duties and responsibilities of the Town Manager are to:

- Direct and supervise the administration of all departments, offices, and agencies of the Town.
- Prepare and submit the annual budget and capital program to the Town Council.
- Submit to the Town Council and make available to the public a complete report on the finances and administrative activities of the Town at the end of each fiscal year.
- Keep the Town Council fully advised as to the financial condition and future needs of the Town by providing a financial and budget progress report at each regular Council meeting.

The Town Manager's employment agreement provided a fixed salary of \$60,000 for the 2020-21 fiscal year and for the earning of leave benefits but did not establish a minimum number of work hours or specific job duties. As of September 2023, and since her hire in November 2020, the Town Manager did not maintain regular work hours at the Town and did not maintain a record of time worked or leave taken. In response to our inquiry, Town personnel indicated that the employment agreement did not prescribe specific job duties and a minimum number of work hours because, under the agreement, the Town Manager was required to fulfill all duties regardless of time worked. However, based on the results of our audit, it is not evident that all Town Manager duties were being effectively completed in accordance with the Town Charter and employee agreement. For example, as of May 2023, and since her hire in November 2020, the Town Manager had not been providing monthly financial and budget reporting to the Town Council and Town citizens and had not ensured that Town activities were completely and accurately recorded in the Town records and reported⁴⁴ or that Town bank accounts were timely reconciled to Town financial records.

⁴³ Section 3 – Town Manager, Town of White Springs Charter.

⁴⁴ As noted in Finding 3, as of June 2023, the Town had not completed and submitted the required financial audits and AFRs for the 2020-21 and 2021-22 fiscal years due to incomplete financial records for those fiscal years.

We also noted that the Fire Chief was hired in June 2022 and 6 months later, in December 2022, the Town Council approved a contract establishing a fixed annual salary of \$25,000. The Town Charter⁴⁵ states that the Fire Chief shall ensure that the fire department is adequately equipped, provide inspections and training of fire personnel, ensure that an adequate number of fire hydrants are maintained in working order, provide emergency services, and ensure that all equipment is in working order. Our examination of payroll records and inquiry of Town personnel disclosed that the employment contract dated December 2022 did not establish specific job duties or require a minimum number of work hours and the Fire Chief is not required to maintain time records or provide a monthly report detailing activities performed. Without established job duties and minimum work hours, records of time worked, or activity reports, Town records did not demonstrate the reasonableness of the Fire Chief's compensation based on the expected services or that the services performed met Town Council expectations.

The Town's Standard Operating Procedures require that hourly employees prepare time sheets to document time worked; however, no such requirement exists for salaried employees, such as the Town Manager and Fire Chief. Without documentation of salaried employee work effort, such as established work hours and a requirement that employee time worked be documented, or activities performed be reported in detail, Town records did not demonstrate the reasonableness of the Town Manager or Fire Chief's compensation based on the expected services, and there is an increased risk that employee services are not being provided consistent with established job responsibilities and Town Council expectations.

Recommendation: The Town Council should establish payroll documentation requirements for salaried positions that require documentation of work effort, such as detailed records of hours worked or activities performed and any leave taken, to ensure the basis for all compensation is documented and consistent with Town Council expectations. In addition, the Town Council should consider amending the Town Manager and Fire Chief employment agreements to include specific job duties and the minimum number of work hours required.

Finding 14: Sunshine Law – Public Records Requests

Certain State laws require municipalities to provide transparency regarding their transactions and activities. These laws include the Public Records Act,⁴⁶ which requires the maintenance of public records and the Sunshine Law,⁴⁷ which establishes requirements to provide public access to governmental proceedings and records upon request. State law also provides that the custodian of public records must acknowledge requests to inspect or copy records and respond to such requests in good faith in a timely manner. A person denied the right to inspect or copy public records under the Public Records Act may bring a civil action against the agency to enforce the terms of the law. Although the Florida Attorney General's *Government-in-the-Sunshine Manual 2022 Edition (Sunshine Manual)* does not provide any specific time frames for responding to public records requests, it states that an unjustified delay in producing public records constitutes an unlawful refusal to provide access to public records. The

⁴⁵ Section 5.06 – Fire Department, Town of White Springs Charter.

⁴⁶ Chapter 119, Florida Statutes.

⁴⁷ Section 286.011, Florida Statutes.

Sunshine Manual further states that, where the delays are not justified, “the Public Records Act holds officials accountable.”

Our examination of Town records and discussions with Town personnel disclosed that Town efforts to ensure compliance with the Sunshine Law and Public Records Act could be improved. As of August 2023, the Town did not have written policies and procedures to ensure that public records requests were promptly completed and documented, nor did the Town maintain a record or log of public records requests received to monitor completion of all requests.

As of August 2023, the Town’s Web site included a link to a form to make a public records request that would be e-mailed to the Town Clerk. The Town Clerk, as the official Town records custodian,⁴⁸ is responsible for responding to public records requests made through the Town’s Web site or otherwise. Although the Town does not maintain a log of public records requests, the Town Clerk maintains physical file folders to document requests received.

To determine whether the Town Clerk was promptly responding to public records requests, in May 2023 we requested public records requests received during the period January 2022 through April 2023. The Town Clerk provided 18 individual file folders that contained various records, including notes, and copies of e-mails and other correspondence, related to the 18 public records requests received during that period. Our review of each request and the related documentation included in the 18 file folders disclosed that Town records did not always demonstrate that the requested public records were promptly provided as required by State law. Specifically:

- The Town could not document that an acknowledgement of the public records request was provided for 16 of the 18 public records requests.
- For 5 of the 18 public records requests, received during the period January 2022 through February 2023, Town records did not evidence that the requested records were provided, and another 2 requests, received in August 2022 and March 2023, had only been partially completed as of May 2023.
- Records for 11 requests were provided to the requestor 43 days to 92 days later, an average of 53 days after the request.

The above-noted deficiencies may have been caused, in part, by the lack of written policies and procedures governing public records requests, including periodic monitoring to verify that requests are timely completed. Failure of the Town to promptly respond to public records requests may subject the Town to penalties or litigation and limits the public’s right to promptly access public records.

Recommendation: The Town should establish written policies and procedures to ensure that public records requests are completed in compliance with the Sunshine Law and Public Records Act. Such policies and procedures should require logs be maintained to document each public records request received, requests be promptly acknowledged, requested records be provided within an established time frame, and Town records evidence each request and that the requested records were provided.

⁴⁸ Section 5.01, Town of White Springs Charter.

Finding 15: Records Retention – Town Ordinances and Resolutions

Records of Town ordinances and resolutions are necessary to document for historical and ongoing managerial and administrative purposes those activities, functions, programs, and events that are appropriate and allowable. Such records are necessary to provide current and future Town Councils a basis to properly and consistently govern the Town, and for Town employees to properly administer Town business. Additionally, such records inform the Town's citizenry about the Town's governance decisions and provide a means to hold the Town Council and Town personnel accountable for their actions.

State law⁴⁹ requires that, upon its final passage by the governing body, every local government ordinance or resolution, be recorded in a book kept for that purpose and be signed by the presiding officer and clerk of the governing body. According to the State's records retention schedules,⁵⁰ records documenting municipal ordinances and resolutions must be retained permanently. Failure to maintain records in accordance with State law could result in Town officials being subjected to the penalties specified in State law.⁵¹

The Town Charter⁵² provides that the Clerk is to keep a record of all ordinances passed by the Town Council and is the custodian of all records, papers, and files of the Town. The Town Charter⁵³ also requires a complete codification of ordinances be prepared at least every 10 years. Further, the Town adopted a records retention policy as part of its Standard Operating Procedures, which states that ordinances shall be retained, codified, and made available for public review. However, the Town had not established written procedures regarding the retention of Town ordinances and resolutions.

As of June 2023, an index prepared during the 2018-19 fiscal year was the most recent record listing adopted Town ordinances and resolutions and, although we requested, Town personnel did not provide to us a codification of ordinances. We were provided binders of ordinances and resolutions passed during the period November 2014 through May 2023 and, while subsequently reviewing other Town records, we located a codification of all Town-enacted ordinances that had been last updated in October 2013.

In response to our inquiry, Town personnel cited turnover in personnel as the reason why written procedures regarding retention of Town ordinances and resolutions had not been established and further indicated that existing Town personnel were not aware that the ordinances should be periodically codified. Absent an up-to-date and organized repository of Town ordinances and resolutions and periodic codifications of the ordinances, the Town cannot demonstrate compliance with the Town Charter and State law and may subject Town officials to penalties. In addition, the lack of comprehensive records of Town ordinances and resolutions frustrates the public's access to information about local laws and Town Council actions.

⁴⁹ Section 166.041(5), Florida Statutes.

⁵⁰ *State of Florida General Records Schedules GS1-SL for State and Local Government Agencies*, Item #s 228 and 297.

⁵¹ Section 119.10(1)(a), Florida Statutes, provides that any public officer who violates any provision of this chapter [Chapter 119, Florida Statutes] commits a noncriminal infraction, punishable by fine not exceeding \$500.

⁵² Section 5.01, Town of White Springs Charter.

⁵³ Section 2.11, Town of White Springs Charter.

Recommendation: The Town should maintain an up-to-date and organized repository of ordinances and resolutions, periodically codify the ordinances, and make available for public inspection comprehensive records of ordinances enacted and resolutions adopted by the Town Council as required by State law and the Town Charter.

Finding 16: Anti-Fraud Policies and Procedures

Effective policies and procedures for communicating, investigating, and reporting known or suspected fraud are essential to aid in the mitigation, detection, and prevention of fraud. Such policies and procedures educate employees about proper conduct, create an environment that deters dishonesty, and establish controls that provide reasonable assurance of achieving management objectives and detecting dishonest acts. Specifically, anti-fraud policies and procedures identify actions constituting fraud, require individuals to report known or suspected fraud, provide guidance for incident reporting, establish responsibility and guidance for fraud investigation, and specify consequences for fraudulent behavior.

For example, effective incident reporting procedures allow individuals to anonymously report known or suspected fraud and provide an appropriate process for communicating known or suspected management fraud directly to those charged with governance or to an entity's legal counsel. Investigation procedures establish responsibility and the actions for investigating potential incidents of fraud, reporting evidence of such investigations and actions to the appropriate authorities, and protecting the reputation of persons suspected but determined not guilty of fraud.

Our review of Town policies and procedures and discussions with Town personnel disclosed that, as of June 2023, the Town had not established any anti-fraud policies or procedures due to personnel turnover. Absent such policies and procedures, there is an increased risk that potential acts of fraud may not be recognized, appropriately communicated and investigated, and reported to the appropriate authorities for resolution.

Recommendation: The Town should develop and implement anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public Town management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations. Pursuant to Section 11.45(3)(a), Florida Statutes, the Legislative Auditing Committee, at its March 13, 2023, meeting, directed us to conduct this operational audit of the Town of White Springs.

We conducted this operational audit from April 2023 through August 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were:

- To evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- To examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during October 2021 through December 2022, and selected Town actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws; rules; regulations; and Town ordinances, policies, and procedures, and interviewed Town personnel to gain an understanding of the Town's processes and related requirements and to evaluate whether the Town had established sufficient written policies and

procedures for major Town functions, such as financial reporting, budgeting, banking, procurement, and human resource management.

- Examined minutes of Town Council meetings held during the audit period to determine the propriety and sufficiency of actions taken relative to the programs, activities, and functions included in the scope of this audit.
- Requested records necessary to assess the Town's financial condition as of March 2023.
- Determined whether the Town maintained, as of March 2023, an unrestricted budgetary fund balance within the General Fund and a target amount of working capital within the Enterprise Fund, as recommended by GFOA best practices.
- Determined whether the Town had implemented GFOA best practices related to financial statement preparation.
- Determined whether the Town had submitted the 2018-19 and 2019-20 fiscal year financial audit reports and annual financial reports (AFRs) to our Office and the Florida Department of Financial Services (DFS) in accordance with Sections 218.39(1)(b) and 218.32(1)(a), Florida Statutes, respectively. In addition, determined the amounts of shared revenues withheld by the Florida Department of Revenue and the DFS resulting from the untimely audit reports and AFRs.
- Examined selected financial reports and related records, including details of activity for the period October 2019 through March 2023, the March 2023 and May 2023 balance sheets for the various funds, and corresponding general ledger and detailed subsidiary records, to determine whether the Town's accounting records and reports were complete and accurate.
- Inquired of Town personnel and examined Town records to determine whether adequate internal controls and records had been established to promote accountability for the Town's transactions and events.
- Examined Town records to determine whether the Town had maintained banking agreements for all bank accounts and whether bank account reconciliations were promptly prepared and contained evidence of review and approval. In addition, we examined Town records to determine whether identified reconciling differences were promptly investigated and posted to the Town's accounting records.
- Determined whether the Town prepared and adopted budgets for the 2021-22 and 2022-23 fiscal years and whether the budgets appropriately included all prior fiscal year ending fund balances and net position balances, as applicable, in accordance with Section 166.241(2), Florida Statutes.
- Examined Town records to determine whether the legally adopted budgets for the 2021-22 and 2022-23 fiscal years were input into the Town's accounting system to effectively regulate expenditures and expenses.
- Compared the final approved budget for the 2021-22 fiscal year expenditures reported in the Town's accounting records to determine whether expenditures were kept within authorized limits and inquired of Town personnel the causes for any budget over-expenditures.
- Determined whether Town personnel periodically provided budget-to-actual information and other financial information to the Town Council in accordance with the Town Charter and GFOA best practices.
- From the population of 474 water meters read during the month of December 2022, examined records of billings and collections for 30 accounts, to determine whether utility customers were accurately charged for water, sewer, and solid waste services.
- From the population of non-payroll expenditures for the Town totaling \$1.3 million for the period October 2021 through December 2022, examined supporting documentation for 16 selected

payments totaling \$94,878 to 16 vendors, to which the Town paid \$431,540 during that period, to determine whether:

- Town personnel followed applicable competitive selection requirements in Town procedures.
- The approval of the purchase of the goods and services was documented by an approved purchase order or contract, and payments complied with purchase order or contract provisions.
- Town records evidenced that services and goods were satisfactorily received prior to payment.
- Payments were supported by detailed invoices that adequately described services or goods provided.
- Reviewed records supporting the acquisition of the Town's 2018-19 and 2019-20 fiscal year audits to determine whether audit services were procured in accordance with State law and the associated billings and payments complied with the engagement letter terms and conditions.
- Examined Town records and inquired of Town personnel to determine whether key controls over employee hiring and compensation were properly designed and operating effectively to specify duties and requirements for positions, ensure positions were filled in accordance with a Town Council-approved compensation and pay plan, promote the hiring of qualified employees, and ensure the maintenance of personnel records, including approved personnel action forms or similar records evidencing authorization for Town personnel decisions.
- Examined Town records supporting 14 payroll transactions totaling \$10,064 selected from the 511 payroll transactions totaling \$376,133 during the period October 2021 through December 2022, to determine whether employee compensation payments were correctly calculated, were reviewed by supervisory personnel, and employee leave was earned and used in accordance with Town policies and procedures.
- Inquired of Town personnel and examined Town records to determine whether adequate controls and records had been established to ensure and document all public records requests were timely completed by the Town records custodian in accordance with Section 286.011, Florida Statutes.
- Examined Town records and inquired of Town personnel to determine whether the Town had developed a comprehensive method for codifying Town ordinances and retaining Town ordinances and had made such records available for public review.
- Determined if the Town had developed anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.
- Inquired of Town personnel to determine whether the Town entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period.
- Examined Town records, including Town Council meeting minutes, for the period October 2021 through December 2022, and inquired of Town personnel to determine if any construction or electrical projects with estimated or actual costs exceeding the thresholds specified in Section 255.20, Florida Statutes, were performed using Town services, employees, and equipment.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial 'S'.

Sherrill F. Norman, CPA
Auditor General



TOWN OF WHITE SPRINGS

"On the Banks of the Suwannee River"

October 21, 2023

Sherrill F. Norman, CPA
Auditor General of Florida
111 West Madison Street
Tallahassee, FL 32399

Dear Ms. Norman:

In April of this year, the Auditor General office began an operational audit of the Town of White Springs (Town) that focused on selected Town processes and administrative activities.

Pursuant to Section 11.45(4)(d), Florida Statutes, please accept this letter in response to the 16 preliminary and tentative findings audit findings. If addition clarification or explanation is needed, please don't hesitate to contact me by either email or phone.

Best Regards,

Vanessa George
Town Manager

10363 Bridge Street, White Springs, FL 32096 Ph. 386.397.2310 | Fax 386.397.1542 |

manager@whitespringsfl.us



TOWN OF WHITE SPRINGS

"On the Banks of the Suwannee River"

Finding 1 - Financial Condition

The Town is making concerted efforts to bring its financial records up to date as well as its annual audits. We are confident that this will show improved financial condition for both of its funds which will reverse the Town's deteriorating financial condition.

Finding 2 - Fund Balance Policy

Although this is not a requirement of law, the Town will develop guidelines for unrestricted reserves in both the General and Enterprise Funds for the next fiscal year and ensuing year budgets. The Town has retained a CPA consulting firm to provide comprehensive accounting services for the Town. This firm will assist and direct the Town in developing these guidelines.

Finding 3 - Financial Audits

The Town acknowledges it has been delinquent in having completed its annual audits for the past several fiscal years. This has been due to the Town not having its records prepared and ready for audit, and the prior contracted audit firm not following through to see that the audits were completed. Our contracted accounting firm is now working on preparing the records for the 9/30/2022 audit as well as the 9/30/2023 audit. The Town has contracted with a CPA firm to perform these audits promptly, which will at last bring the Town in compliance with this important requirement.

Finding 4 - Financial Statement Preparation

The Town acknowledges that its prior contracted accounting firm did not perform sufficient and timely accounting services to maintain the Town's accounting records in an up to date and timely manner. The Town has recently retained a CPA consulting firm to perform comprehensive accounting services for the Town. This should fully correct this finding.

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TOWN OF WHITE SPRINGS

"On the Banks of the Suwannee River"

Finding 5 - Inaccurate Accounting Records

This finding will be fully addressed and corrected in conjunction with Finding 4 above.

Finding 6 - Bank Reconciliations

This finding will be fully addressed and corrected in conjunction with Findings 4 and 5 above.

Finding 7 - Budgetary Process

Through a combination of improved timely financial records and assistance from our contracted CPA consulting firm, the Town will have the ability to prepare accurate budgets in compliance with state and local requirements. The budgets will be entered into Quickbooks and a monthly budget vs. actual reports will be prepared for the Town Council.

Finding 8 - Utility Billing Administration

The Town is in the process of creating written procedures that appropriately design applications be completed prior to accounts being set up in the utility billing system. The procedures will ensure that completed applications are maintained to support the fees charged for the services provided, all properties requiring connection to the water and sewer systems are connected, accounts are properly set up in the utility billing system, and all accounts are charged the required fees per Town ordinances.

Investigations have been conducted for meters with no recorded water consumption. These meters have been pulled from the premises.

Town personnel will reconcile the garbage contractor's invoices monthly to the active billing system account records to ensure that the Town is billing all customers receiving garbage services.

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TOWN OF WHITE SPRINGS

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Finding 9 - Incompatible Accounting Duties

The Town will separate utility billing, collection, and recordkeeping duties to the greatest extent possible by realigning position duties among available administrative staff and the contracted CPA consulting firm.

Finding 10 - Controls Over Procurement of Goods and Services

The Town will strictly follow established procedures regarding the procurement of goods and services. Written procedures will be developed regarding the proper documentation required prior to payment of invoices for goods and services and internal processes will be implemented to assure that these procedures are fully and consistently followed.

Finding 11 - Auditor Selection

Based upon a proper RFP process the Town Council selected an audit firm for the 2018-2019 fiscal year audit and four subsequent years. Subsequently the audit firm delivered the 2019 audit late and was not responsive to committing to complete the audit for 2019-2020. This delinquent audit came to the attention of the Joint Legislative Auditing Committee (JLAC). Considering this issue an emergency and with the knowledge of JLAC, the Town approached the second ranked firm, Powell & Jones to fulfill the remaining contract term. This firm agreed to complete the remaining years of the audit term under the fee structure originally proposed. The Town recently selected this firm for subsequent audits under the RFP process prescribed in Florida Statutes.

Finding 12 - Personnel Policies and Procedures

The Town Manager will conduct a study into the Town's personnel policies and procedures. The Council may establish a classification and pay plan to establish minimum and maximum salary ranges for all authorized Town positions, establish

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TOWN OF WHITE SPRINGS

"On the Banks of the Suwannee River"

detailed position descriptions for all Town positions, and use Personnel Action Forms to document all personnel actions.

Finding 13 - Time and Attendance Records for Salaried Employees

The Town Manager will provide monthly financial statements and reports that detail work activities that are consistent with Town Council expectations. In addition, this finding will be fully addressed and corrected in conjunction with Finding 12 above.

Finding 14 - Sunshine Law - Public records Request

The Town will establish written policies and procedures to ensure that public records requests are completed in compliance with the Sunshine Law and Public Records Act. Such policies and procedures will establish a log documenting the date and time each public records request received, acknowledged, the time frame it took to fulfill the request, and who made and received the requested information.

Finding 15 - Records Retention

The Town is making concerted efforts to find all the ordinance and resolutions of the Town prior to this current administration. With the records that the Town does possess, the Town will maintain an up-to-date and organized repository of ordinances and resolutions, periodically codify the ordinances, and make available for public inspection comprehensive records of ordinances enacted and resolutions adopted by the Town Council as required by State law and the Town Charter.

Finding 16 - Anti-Fraud Policies and Procedure

The Town will develop and implement anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.

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TOWN OF WHITE SPRINGS

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End of explanations and/or responses to the preliminary and audit findings.

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Transparency Florida

No recommendations were submitted to Committee staff

KATHLEEN PASSIDOMO
President of the Senate



PAUL RENNER
Speaker of the House



DRAFT

**TRANSPARENCY FLORIDA
STATUS AND RECOMMENDATIONS**

**Joint Legislative Auditing Committee
December 2023**

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Joint Legislative Auditing Committee

Representative Michael A. “Mike” Caruso, Alternating Chair

Senator Jason W.B. Pizzo, Alternating Chair

Representative Christopher Benjamin

Senator Jason Brodeur

Senator Tracie Davis

Senator Nick DiCeglie

Representative Peggy Gossett-Seidman

Representative Dianne “Ms Dee” Hart

Representative Rachel Lora Saunders Plakon

Senator Corey Simon

Representative Taylor Michael Yarkosky

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TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

SCOPE

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

BACKGROUND

Overview of the Transparency Florida Act

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

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

Responsibilities assigned by law to the Committee included:

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

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

¹ Refers to the website established by the Executive Office of the Governor, in consultation with the appropriations committees of the Senate and the House of Representatives, which provides information related to the approved operating budget for the State of Florida.

² Section 215.985, F.S. (Chapter 2013-54, L.O.F.)

³ Chapter 2009-74, L.O.F.

⁴ Section 11.40(4)(b), F.S. (2009)

⁵ These entities included any state, county, municipal, special district, or other political subdivision whether executive, judicial or legislative, including, but not limited, to any department, division, bureau, commission, authority, district, or agency thereof, or any public school district, community college, state university, or associated board.

⁶ Chapter 2011-49, L.O.F.

⁷ *Id.*

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

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

Further revisions to the Act were adopted in 2013.⁹ In addition to the two websites previously required, the Act now also requires the following websites:

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

Additional revisions include:

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

In 2023, the Act was revised to require state entities to post specified documents submitted pursuant to s. 216.1366, F.S. [*Contract Terms*].^{10,11} It applies to contracts for services with nonprofit organizations

⁸ Chapter 2011-34, L.O.F.

⁹ Chapter 2013-54, L.O.F.

¹⁰ Chapter 2023-214, L.O.F.

¹¹ Section 216.1366, F.S., in part, requires each public agency contract for services entered into or amended on or after July 1, 2020, to authorize the public agency to inspect the: (a) financial records, papers, and documents of the contractor that are directly related to the performance of the contract or the expenditure of state funds; and (b) programmatic records, papers, and documents of the contractor, which the public agency determines are necessary to monitor the performance of the contract or to ensure that the terms of the contract are being met.

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

executed, amended, or extended on or after July 1, 2023, and requires the contractor to provide documentation that indicates the amount of state funds:

1. Allocated to be used during the full term of the contract for remuneration to any member of the board of directors or an officer of the contractor.
2. Allocated under each payment by the public agency to be used for remuneration of any member of the board of directors or an officer of the contractor. The documentation must indicate the amounts and recipients of the remuneration.

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

Previous Committee Effort

The Committee has previously issued numerous reports related to the Act. A brief summary of the recommendations of each report follows:

2010 Committee Report

The act, as originally written, required the Committee to develop a plan to add fiscal information for other governmental entities, such as municipalities and school districts, to the website. Although the Committee was authorized to also make recommendations related to state agency information, much of that information was specified in statute and was being implemented by the EOG, in consultation with the appropriations committees of the Senate and the House of Representatives. The Committee's initial focus was on school districts due to the consistency of financial information required of the State's 67 school districts. Specific recommendations and timeframes for adding school district fiscal information to *Transparency Florida*¹² were provided. Also, general recommendations were provided for adding fiscal information for other governmental entities, including state agencies, universities, colleges, counties, municipalities, special districts, and charter schools/charter technical career centers.

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

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

Ultimately, once all phases were implemented, the goal was to provide transaction-level details of expenditures. Stakeholders expressed concern about the school districts' ability to provide this level of detail. School districts' accounting systems have the ability to capture expenditures at the sub-function and

¹² For the purpose of this report, *Transparency Florida* refers to www.transparencyflorida.gov/, the original website created pursuant to the Transparency Florida Act.

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

the sub-object levels.¹³ These systems do not usually capture details of the amount spent on specific supplies, such as pencils and paper, or on a roofing project. Stakeholders also had concerns about the school districts' ability to provide this information on their websites, primarily due to cost and staffing issues. Their preference was for the State to build a data-system and require the school districts to upload via FTP (File Transfer Protocol) a monthly summary of expenditures at the sub-function and sub-object levels to *Transparency Florida*. Although Committee members were interested in more detailed information, this approach was agreed to with the idea that it was a starting point. In addition, the Committee recommended that the school districts provide vendor histories, to include details of expenditures for each vendor.

Although both the State and the school districts would incur costs, the main financial burden of the project would fall on the State. Rough estimates of the State's cost ran into the millions of dollars. Due to the uncertainty of the cost estimates, the Committee members voted to recommend to delay this phase until further information is available.

2011 Committee Report

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

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

Although the Committee understood that the goal of the project was to provide more financial transparency at all levels of government, it recognized that local governments¹⁴ know best what information their citizens want available for review. The Committee did not believe that it was the State's responsibility to design and build a system to collect and display local governments' information. Rather, the Committee recommended that the State work in partnership with local governments, as they increase transparency on their websites, so that the full financial burden did not fall on the local governments.

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

The Committee suggested that the guidelines include a uniform framework to display the information in a well-organized fashion so as to provide easy, consistent access to all online financial information for all local governments. When developing the suggested guidelines, some of the financial information that the Committee recommended for consideration included a searchable electronic checkbook, plus various documents that are prepared during the normal course of business, such as budget documents, monthly financial statements, audit reports, and contracts and related information. The Committee's intent was to

¹³ For example, sub-function categories include costs associated with K-12, food services, and pupil transportation services; sub-object categories include costs associated with classroom teachers, travel, and textbooks.

¹⁴ Local government in this context referred to all non-state entities subject to the requirements of the Transparency Florida Act at the time of the Committee's recommendation.

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

provide an opportunity for increased financial transparency for Florida's citizens, by providing guidance and flexibility to local governments, without causing a financial burden in the process.

2014 Committee Report

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

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

2015 Committee Report

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

2017 Committee Report

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

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

- Name and hourly rate of pay;

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- Position number, class code, and class title; and
- Employing agency and budget entity.

2019 Committee Report

The Committee was presented with a draft of the report which included an update for the status of *Transparency Florida* and the related websites, but did not include any recommendations. The section of the report titled “Recommendations” included only the wording “To Be Determined.” The Committee approved the draft report, as written, and declined to include any recommendations.

2021 Committee Report

The Committee approved a recommendation to include the following additional information on the Florida Accountability Contract Tracking System (FACTS) or other appropriate State transparency website.

Documents provided by entities to an agency in compliance with Executive Order 20-44, including but not limited to documents detailing the total compensation for the entities’ executive leadership teams as well as the most recent Return of Organization Exempt From Income Tax Form 990, if applicable.

Other Financial Transparency-Related Legislation

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

In 2011, two bills were passed which, although not directly related to the Act, were related to efforts to provide more financial transparency to Florida’s citizens. Senate Bill 1292 (2011)¹⁵ required the CFO to conduct workshops with state agencies, local governments, and educational entities to be used to develop recommendations for uniform charts of accounts. The final report was due in January 2014. An entity’s charts of accounts refers to the coding structure used to identify financial transactions. Most of the non-state entities are currently authorized to adopt their own charts of accounts. The school districts are the exception; the chart of accounts that they are required to use is specified by the DOE. During discussions related to determining recommendations for its first required report required by the Act, the Committee understood that the various charts of accounts used by entities across the state was an obstacle for providing financial data that could be compared from one entity to another.

Senate Bill 224 (2011)¹⁶ required counties, municipalities, special districts, and school districts to post their tentative budgets, final budgets, and adopted budget amendments on their official websites within a specified period of time. If a municipality or special district does not have an official website, these documents are required to be posted on the official website of a county or other specified local governing authority, as applicable. Another provision required each local governmental entity to provide a link to the Department of Financial Services’ (DFS) website to view the entity’s Annual Financial Report (AFR). The AFR presents a financial snapshot at fiscal year-end of the entity’s financial condition. It includes the types

¹⁵ Chapter 2011-44, L.O.F.

¹⁶ Chapter 2011-144, L.O.F.

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of revenue received and expenditures incurred by the entity. The format and content of the AFR is prescribed by the DFS.¹⁷ See Appendix B for the specific requirements of the bill.

House Bill 1255¹⁸ (2011)¹⁹ required each district school board to post on its website a plain language version of each proposed, tentative, and official budget which describes each budget item in terms that are easily understandable to the public. The information must be prominently posted on the school district's website in a manner that is readily accessible to the public. In addition, each district school board is encouraged to post the following items on its website: (1) timely information as to when a budget hearing will be conducted; (2) each contract between the district school board and the teachers' union; (3) each contract between the district school board and noninstructional staff; (4) each contract exceeding \$35,000 between the school board and a vendor of services, supplies, or programs or for the purchase or lease of lands, facilities, or properties; (5) each contract exceeding \$35,000 that is an emergency procurement or is with a single source as authorized under s. 287.057(3), F.S.; (6) recommendations of the citizens' budget advisory committee; and (7) current and archived video recordings of each district school board meeting and workshop. Finally, the website should include links to: (1) help explain or provide background information on various budget items that are required by state or federal law; (2) allow users to navigate to related sites to view supporting details; and (3) enable taxpayers, parents, and education advocates to send e-mails asking questions about the budget and enable others to view the questions and responses.

The above requirements were listed in s. 1011.035, F.S, however, much of it was revised in House Bill 1279 (2018). The revision continues to require each district school board to post on its website a plain language version of each proposed, tentative, and official budget which describes each budget item in terms that are easily understandable to the public. The updated requirements specify that the website must include graphical representations, for each public school within the district and for the school district, of the following: (1) summary financial efficiency data; and (2) fiscal trend information for the previous 3 years on: (a) the ratio of full-time equivalent students to full-time equivalent instructional personnel, (b) the ratio of full-time equivalent students to full-time equivalent administrative personnel, (c) the total operating expenditures per full-time equivalent student, (d) the total instructional expenditures per full-time equivalent student, (e) the general administrative expenditures as a percentage of total budget, and (f) the rate of change in the general fund's ending fund balance not classified as restricted. In addition, the website must include a link to the web-based fiscal transparency tool developed by the DOE pursuant to s. 1010.20, F.S., to enable taxpayers to evaluate the financial efficiency of the school district and compare the financial efficiency of the school district with other similarly situated school districts. As previously required, the information must be prominently posted on the school district's website in a manner that is readily accessible to the public.

In 2013, a provision in House Bill 5401,²⁰ the bill which revised the Act, created the User Experience Task Force. Its purpose was to develop and recommend a design for consolidating existing state-managed websites that provide public access to state operational and fiscal information into a single website. The task force was comprised of four members, with one member each designated by the Governor, CFO, President of the Senate, and Speaker of the House. The task force's work plan was required to include a review of: (1) all relevant state-managed websites, (2) options for reducing the number of websites without losing detailed data, and (3) options for linking expenditure data with related invoices and contracts. The recommendations, due March 1, 2014, were required to include: (1) a design that provides an intuitive and

¹⁷ See s. 218.32, F.S.

¹⁸ Chapter 2018-5, L.O.F.

¹⁹ Chapter 2011-175, L.O.F.

²⁰ Chapter 2013-54, L.O.F.

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cohesive user experience that allows users to move easily between varied types of related data, and (2) a cost estimate for implementation of the design.²¹

House Bill 7009²² (2013) required charter schools to maintain a website that enables the public to obtain information regarding the school; the school's academic performance; the names of the governing board members; the programs at the school; any management companies, service providers, or education management corporations associated with the school; the school's annual budget and its annual independent fiscal audit; the school's grade pursuant to s. 1008.34, F.S.; and, on a quarterly basis, the minutes of governing board meetings.

In 2014, Senate Bill 1632²³ required all independent special districts that had been created for one or more fiscal years to maintain an official website, effective October 1, 2015.²⁴ The website is required to include information specified in s. 189.069, F.S., such as the special district's charter, contact information, description of the boundaries, budget, and audit report(s).

House Bill 479²⁵ (2016) required special district budget documents to remain posted on their official website for a specified period of time. The tentative budget must remain online for 45 days and the final adopted budget and adopted budget amendments must remain online for two years.

The Legislative intent of House Bill 1073²⁶ (2018) was to create the Florida Open Financial Statement System, an interactive repository for governmental financial statements. The CFO was authorized to: (1) consult with various stakeholders for input on the design and implementation of the system; and (2) choose contractors to build one or more eXtensible Business Reporting Language (XBRL) taxonomies suitable for state, county, municipal, and special district financial filings and to create a software tool that enables financial statement filers to easily create XBRL documents consistent with such taxonomies. The CFO must require that all work products be completed no later than December 31, 2021. If the CFO deems the work products adequate, all local governmental financial statements for fiscal years ending on or after September 1, 2022, must be filed in XBRL format and must meet the validation requirements of the relevant taxonomy.²⁷

²¹ The Task Force focused on 11 state-managed websites, including *Transparency Florida*, that provide state-wide financial information and recommended the following: (1) the use of www.floridasunshine.gov as a portal to access the information provided on these websites; (2) three levels of support for the portal, including a Transparency Steering Committee and the current website managers (i.e., the Governor's Office, the CFO's Office, etc.); (3) a three-pronged approach to education and training that includes a PowerPoint presentation and video of Florida's budget process; (4) categorizing the financial information provided in one of four categories: revenue, budget, spend, and audit; and (5) website features to include consistency in the display of webpages, the ability to search each website, compatibility with major web browsers, and numerous other suggestions to enhance the users' experience. The estimated cost to implement these recommendations is less than \$300,000; however, the Task Force acknowledged that their recommendations are very high-level. The report stated that "[d]etailed requirements should be further developed to quantify the effort, costs, implementation schedule, and the detailed design." [p. 34]

²² Chapter 2013-250, L.O.F.

²³ Chapter 2014-22, L.O.F.

²⁴ Dependent special districts are not required to maintain a separate website; however, their information must be accessible online from the website of the local general-purpose government that created the special district.

²⁵ Chapter 2016-22, L.O.F.

²⁶ Chapter 2018-102, L.O.F.

²⁷ This has been implemented. The DFS' website now provides public access to local governmental reports filed with the DFS in this format. The Local Government Financial Reporting (LOGERx) system, accessible from <https://logerx.myfloridacfo.gov/Login>, provides access to local governmental entity Annual Financial Reports (AFR) in PDF format and iXBRL format). In addition, it provides access to the entities audit reports, special purpose financial statements, and other financial-related information (such as budget variance reports), as applicable.

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Senate Bill 190²⁸ (2019), an act relating to higher education, included the only recommendation in the Committee's 2017 report. It required payroll-related information for employees of Florida College System institutions to be posted on a website maintained by the DMS. The website previously included the salary or hourly rate of pay and position information for each employee or officer of state agencies, state universities, and the State Board of Administration, but excluded Florida College System institutions.

House Bill 861²⁹ (2019), an act relating to local government financial reporting, required the following:

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

Senate Bill 7014³⁰ (2019), an act relating to government accountability, required the following:³¹

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

House Bill 9³² (2019) increased accountability and transparency for Community Redevelopment Agencies (CRAs) by requiring the following:

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

²⁸ Chapter 2019-103, L.O.F.

²⁹ Chapter 2019-56, L.O.F.

³⁰ Chapter 2019-15, L.O.F.

³¹ This bill includes some requirements related to the period of time certain county and municipal budget documents must remain posted online that are identical to the previous bill and are not repeated in this list.

³² Chapter 2019-163, L.O.F.

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House Bill 1339³³ (2020), an act relating to community affairs, required county and municipal budget officers to annually submit the following information to the EDR, in addition to the information previously required by October 15:

- Annual expenditures providing for the financing, acquisition, construction, reconstruction, or rehabilitation of housing that is affordable, as that term is defined in s. 420.0004, F.S. The reported expenditures must indicate the source of such funds as “federal,” “state,” “local,” or “other,” as applicable.

Senate Bill 1466³⁴ (2020), an act relating to government accountability, revised the list of items that special districts must post on their website, as follows:

- Allows link to the special district’s audit report that is posted on the Auditor General’s website to be used to satisfy the requirement for the special district to post its audit report;
- Removes the requirement for the special district to post the public facilities report online; and
- Removes the requirement for the special district to post available meeting materials on the special district’s website seven days before a meeting or workshop.

House Bill 959³⁵ (2022), an act relating to the DFS, requires the Florida Open Financial Statement System to serve as an interactive repository for governmental financial statements. The act states that “[t]his system serves as the primary reporting location for government financial information. A local government shall use the system to file with the DFS copies of all audit reports compiled pursuant to ss. 11.45 and 218.39. The system must be accessible to the public and must be open to inspection at all times by the Legislature, the Auditor General, and the Chief Inspector General.”

Senate Bill 234³⁶ (2023), an act relating to statutorily required reports, specifies that state entities³⁷ required or authorized by law to make a regular or periodic report must electronically file one copy of the report with the Division of Library and Information Services (Division) of the Department of State. The act requires the Division to compile a list of statutorily required reports and their submission dates by November 1, 2023, and update the list by each November 1 thereafter, and bibliographic information on each statutorily required report beginning January 1, 2024. The act, in part, states that “[t]he Legislature finds that statutory reporting requirements for state entities is of great value to the public for accountability and transparency in government. A single, modern, Internet-based repository is necessary to compile reports on government activities as well as to insure that statutorily required reports are easily accessible and available to the public.”

³³ Chapter 2020-27, L.O.F.

³⁴ Chapter 2020-77, L.O.F.

³⁵ Chapter 2022-138, L.O.F.

³⁶ Chapter 2023-41, L.O.F.

³⁷ State entities are defined in this law as “any agency or officer of the executive, legislative, or judicial branch of state government, the State Board of Education, the Board of Governors of the State University System, the Public Service Commission, or a water management district operating under the authority of chapter 373.”

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PRESENT SITUATION

Status of Single Website

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

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

The requirements of s. 215.985(4), F.S., have been met. The website titled [Transparency Florida](#) includes detailed financial-related information for state agencies and other units of state government for the fiscal years 2008-09 through the current fiscal year, 2023-24. School district information is also available.

Summary of State Information Available on *Transparency Florida*

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

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

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

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

The first four options all relate to the State’s Operating Budget. By selecting the General Public option, some details of the operating budget are available in agency format. This format allows users to select a specific state agency, including the legislative branch and the state courts system, to view the fiscal year budget and the amount spent to date. The current fiscal year, 2023-24, is the default; however, users may view information for any fiscal year from 2008-09 through the current year by selecting from a drop-down menu. By clicking on the hyperlinks, users may drill down to view the operating budget and amount spent broken down by program.

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The Budget Analyst option allows users to select either the agency format or the ledger format. The agency format displays the appropriation amount and number of positions for the fiscal year selected, listed by agency. Users may drill down to the program or service area by selecting an agency's hyperlink. Additional details, including disbursements by object and an organizational schedule of allotment balances, are provided by continuing to select hyperlinks. The ledger format displays appropriations-related information over the course of the fiscal year. It begins with the General Appropriations Act (GAA) and includes additional entries for Supplemental Appropriations, Vetoes, Budget Amendments approved by the Legislative Budget Commission, and other actions that affect the GAA. Users can select hyperlinks to obtain additional information for each item.

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

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

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

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

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

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- Revenues by Month Report; and
- Ten-Year History of Appropriation Reports.

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

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

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

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

- Fiscal Analysis in Brief: an annual report prepared and published by the Legislature that summarizes fiscal and budgetary information for a given fiscal year;³⁸
- Long-Range Financial Outlook 3 Year Plan: an annual report prepared and published by the Legislature that provides a longer-range picture of the State's financial position by integrating projections of the major programs driving annual budget requirements with revenue estimates;³⁹
- The CFO's [Transparency Florida](#): a webpage which includes links to:
 - Florida Accountability Contract Tracking System;
 - Local government reporting;⁴⁰
 - State payments by type;
 - State appropriated budget and remaining unspent budget; and
 - State employees' salaries and regulations.⁴¹
- Reports on State Properties and Occupancy Rates: information from the DMS' Division of Real Estate Development and Management on state-owned buildings and occupancy rates;
- Government Program Summaries: encyclopedia of descriptive information on over 200 major state programs compiled by the Office of Program Policy Analysis and Government Accountability; and
- Reports on Public School Districts: these reports will be described in the next section of this report.

Transparency Florida includes all information required by the Act.

³⁸ By selecting the **Fiscal Analysis in Brief** link on *Transparency Florida*, users will view the page titled **Florida Fiscal Portal**. From this webpage, select Documents, and then **Fiscal Analysis in Brief** from the Document Type List.

³⁹ This link opens to the page titled **Florida Fiscal Portal**. From this webpage, select Documents, and then **Long-Range Financial Outlook** from the Document Type List.

⁴⁰ This link opens to a page titled **Local Budgets**. The information displayed relates to actual revenues and expenditures of local governmental entities, not budget amounts. Most local governmental entities are required to post their budgets on their own website.

⁴¹ This link opens to the **Florida Has a Right to Know** website, which includes salary information for most state employees and will be discussed in some detail later in this report.

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

To date, the only non-state financial-related information that is accessible from *Transparency Florida* relates to school districts. As previously discussed, the Committee's focus for its original report, issued in 2010, was on the addition of school district information to the website. Proviso language in the 2010 General Appropriations Act⁴² was based on the Committee's 2010 recommendations and required the DOE to:

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

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

- School District Summary Budget
- School District Annual Financial Report⁴³
- School District Audit Reports Prepared by the Auditor General⁴⁴
- School District Audit Reports Prepared by Private CPA Firms⁴⁵
- School District Program Cost Reports
- Financial Profiles of School Districts
- Florida Education Finance Program (FEFP) Calculations
- Five-Year Facilities Work Plan
- Public School District Websites⁴⁶

A description of these reports is provided in Appendix C.

⁴² Proviso language for Specific Appropriations 116 through 130 of Chapter 2010-152, L.O.F.

⁴³ The link from *Transparency Florida* opens up to a page with access to a significant number of documents. From the left column, select **School District Annual Financial Reports (AFR)** to access this information.

⁴⁴ The link opens the Auditor General's webpage titled **Reports Issued by the Auditor General**. Users may search for audit reports by fiscal year, entity type, entity audited, and/or engagement type.

⁴⁵ The link opens the Auditor General's webpage titled **Reports Submitted to the Auditor General**. At the bottom of the page, under the heading **Reports Submitted by Entity Type**, users may select School Districts.

⁴⁶ The link opens the School District Data webpage on the DOE website. From the left column, select **List of Schools by District** for this information.

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

- Providing school-level data at the sub-function (i.e., K-12, food services, and pupil transportation services) and sub-object (i.e., classroom teachers, travel, and textbooks) levels;⁴⁷ and,
- Uploading school district data to *Transparency Florida* via file transfer protocol (FTP) on a monthly basis.

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

Status of the Website Related to Fiscal Planning for the State

The requirements of s. 215.985(5), F.S., have been met. The website titled "[Florida Fiscal Portal](#)" includes budget-related information for the fiscal years 2000-2001 through 2024-2025. Publications available include: (1) planning and budgeting instructions provided to state agencies, (2) agency legislative budget requests, (3) the Governor's recommended budget, (4) appropriations bills, (5) the approved budget, (6) the final budget report (prepared after year-end), (7) agency long-range program plans, (8) agency capital improvement plans, (9) fiscal analysis in brief, (10) long-range financial outlook 3 year plan, and (11) other documents for selected years.

Status of the Website Related to Employee Positions and Salary

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

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

⁴⁷ The level of detail required by *Financial and Program Cost Accounting and Reporting for Florida Schools*. Known as the Red Book, this is the uniform chart of accounts required to be used by all Florida school districts for budgeting and financial reporting (see ss. 1010.01 and 1010.20, F.S.; and Rule 6A-1.001, F.A.C.).

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Status of the Contract Management System

The requirements of s. 215.985(14), F.S., have been met. The CFO established the [Florida Accountability Contract Tracking System \(FACTS\)](#), which provides online public access to information related to contracts, grant awards, and purchase orders executed by most state agencies. According to staff of the DFS, the Legislature, the Department of Agriculture and Consumer Services, and the Department of Legal Affairs they do not use FACTS.⁴⁸ Information available includes: (1) agency name, (2) vendor/grantor name, (3) type (contract, grant, purchase order, settlement agreement, etc.), (4) agency assigned contract ID, (5) grant award ID (if known), (6) purchase order (PO) number (if applicable), (7) total dollar amount, (8) commodity/service type, and (9) DFS contract audits (if applicable). Users may search for contract, grant, or purchase information by agency name, dollar value, commodity/service type (for contract and purchase orders), contract ID, MyFloridaMarketPlace (MFMP) purchase order number, vendor/grantor name, beginning and/or ending dates, and/or grant award ID. By selecting a specific contract, grant, or purchase order and drilling down, users may access detailed information such as statutory authority, deliverables, a record of payments made, and an image of the contract or grant agreement. State agencies are required to redact confidential information prior to posting the contract document image online. Due, in part, to the length of time necessary to review contracts to ensure that all confidential information has been redacted, there may be a delay in posting images. For contracts in which the DFS has conducted an audit, either summary or more detailed information is available, depending on the date of the audit.⁴⁹

Status of Water Management District Information

The requirements of s. 215.985(11), F.S., have been met. All five of the state's water management districts provide online public access to monthly financial statements dating back to September 2022 or earlier. In addition, four of the five water management districts provide monthly financial statements to their governing board members in the meeting packet.⁵⁰

Potential Entities Subject to Transparency Florida Act Requirements

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

⁴⁸ An exemption for the two Cabinet agencies, provided in s. 215.985(14)(i), F.S., authorizes each to create its own agency-managed website for posting contracts in lieu of posting such information on the CFO's contract management system. Both Cabinet agencies, the Senate, and the House of Representatives provide contract information and documents on their respective websites. In addition, information related to Department of Agriculture and Consumer Services' contracts is on FACTS.

⁴⁹ In addition, summary information is available on the CFO's [State Contract Audits webpage](#). Scroll down below the heading titled "Contract Reviews," and select "Contract/Grant Reviews." Users may access, a comprehensive list of contracts that have been audited from 2010-2011 through 2023-2024 fiscal years, including the evaluation criteria used during the audit and the number of contacts with deficiencies. By scrolling down further, users may also access a list of settlement agreements by agency from 2010-2011 through 2020-2021; and agency contract management reviews.

⁵⁰ Although the Southwest Florida Water Management District did not include a monthly financial statement in a recent meeting packet available online, recent packets included financial-related items such as budget transfers and a quarterly investment report.

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

exempt. The Act was later revised to provide an exemption based on revenues rather than population. Municipalities and special districts with total annual revenues of less than \$10 million were then exempt from the Act’s requirements. In addition, the exemption for entities that did not receive state appropriations was removed.

Subsequent to a major revision in 2013, current law does not require specific non-state governmental entities to be included in the Committee’s recommendations or provide an exemption to any of these entities. The Committee is required to recommend “additional information to be added to a website, such as whether to expand the scope of the information provided to include state universities, Florida College System institutions, school districts, charter schools, charter technical career centers, local government units, and other governmental entities.”⁵¹ The following table shows the number of non-state entities of each type that could potentially be recommended for inclusion:

Type of Entity (Non-State)	Total Number
School Districts	67
Charter Schools and Charter Technical Career Centers	726 ⁵²
State Universities	12
Florida College System Institutions	28
Counties	67 ⁵³
Municipalities	411
Special Districts	1,971 active ⁵⁴
Regional Planning Councils	11
Metropolitan Planning Organizations	27
Entities affiliated with Universities and Colleges, such as the Moffitt Cancer Center	Unknown

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

⁵¹ Section 215.985(7)(a), F.S.

⁵² Reported by the DOE for the 2022-23 school year on its website <https://www.fldoe.org/schools/school-choice/charter-schools/> (last visited December 5, 2023).

⁵³ While there are 67 counties within the State, there are many more independent reporting entities since many of the constitutional officers operate their own financial management/accounting systems. The 38 counties that responded to a 2009 survey by the Florida Association of Counties reported 193 independent reporting entities.

⁵⁴ From the Florida Department of Commerce, also known as FloridaCommerce’s (formerly the Department of Economic Opportunity) website <https://www.floridajobs.org/community-planning-and-development/special-districts/special-district-accountability-program/official-list-of-special-districts> (last visited December 5, 2023). Select 10.a., “State Totals.”

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

RECOMMENDATION

To be determined.

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TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

Appendix A

Requirements of the Transparency Florida Act		
Entity	Section of Law	Requirement
Joint Legislative Auditing Committee	215.985(7)	By November 1, 2013, and annually thereafter, the Committee shall recommend to the President of the Senate and the Speaker of the House of Representatives: <ul style="list-style-type: none"> • Additional information to be added to a website, such as whether to expand the scope of the information provided to include state universities, Florida College System institutions, school districts, charter schools, charter technical career centers, local government units, and other governmental entities. • A schedule for adding information to the website by type of information and governmental entity, including timeframes and development entity. • A format for collecting and displaying the additional information.
Joint Legislative Auditing Committee	215.985(13)	Prepare an annual report detailing progress in establishing the single website and providing recommendations for enhancement of the content and format of the website and related policies and procedures. Report shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 1.
Joint Legislative Auditing Committee	215.985(9)	Coordinate with the Financial Management Information Board in developing recommendations for including information on the website which is necessary to meet the requirements of s. 215.91(8) . ⁵⁵
Executive Office of the Governor (EOG), in consultation with the appropriations committees of the Senate and the House of Representatives	215.985(3)	Establish and maintain a single website that provides access to all other websites required by the Transparency Florida Act. These websites include information relating to: <ul style="list-style-type: none"> • The approved operating budget for each branch of state government and state agency; • Fiscal planning for the state; • Each employee or officer of a state agency, a state university, Florida College System or the State Board of Administration; and, • A contract tracking system. Specific requirements include compliance with the American Disabilities Act, compatible with all major web browsers, provide an intuitive user experience to the extent possible, and provide a consistent visual design, interaction or navigation design and information or data presentation.
EOG, in consultation with the appropriations committees of the Senate and the House of Representatives	215.985(4)	Establish and maintain a website that provides information relating to the approved operating budget for each branch of state government and state agency. Information must include: <ul style="list-style-type: none"> • Disbursement data and details of expenditure data, must be searchable; • Appropriations, including adjustments, vetoes, approved supplemental appropriations included in legislation other than the General Appropriations Act (GAA), budget amendments, and other actions and adjustments; • Status of spending authority for each appropriation in the approved operating budget, including released, unreleased, reserved, and disbursed balances. • Position and rate information for employees; • Allotments for planned expenditures and the current balance for such allotments; • Trust fund balance reports; • General revenue fund balance reports; • Fixed capital outlay project data; • A 10-year history of appropriations by agency; and • Links to state audits or reports related to the expenditure and dispersal of state funds.

⁵⁵ The Financial Management Information Board, comprised of the Governor and Cabinet, has not met in a number of years.

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

Requirements of the Transparency Florida Act		
Entity	Section of Law	Requirement
EOG, in consultation with the appropriations committees of the Senate and the House of Representatives	215.985(5)	<p>Establish and maintain a website that provides information relating to fiscal planning for the state:</p> <ul style="list-style-type: none"> • The long-range fiscal outlook adopted by the Legislative Budget Commission; • Instructions to agencies relating to the legislative budget requests, capital improvement plans, and long-range program plans; • The legislative budget requests submitted by each state agency or branch of state government, including any amendments; • The capital improvement plans submitted by each state agency or branch of state government; • The long-range program plans submitted by each state agency or branch of state government; and • The Governor’s budget recommendation submitted pursuant to s. 216.163. <p>The data must be searchable by the fiscal year, agency, appropriation category, and keywords. The Office of Policy and Budget in the EOG shall ensure that all data added to the website remains accessible to the public for 10 years.</p>
DMS	215.985(6)	<p>Establish and maintain a website that provides current information relating to each employee or officer of a state agency, a state university, a Florida College System institution, or the State Board of Administration. Information to include:</p> <ul style="list-style-type: none"> • Name and salary or hourly rate of pay of each employee; • Position number, class code, and class title; • Employing agency and budget entity. <p>Information must be searchable by state agency, state university, Florida College System institution, and the State Board of Administration, and by employee name, salary range, or class code and must be downloadable in a format that allows offline analysis.</p>
Manager of each website described in 215.985(4), (5), and (6). This refers to the three preceding websites and to staff of the EOG and DMS.	215.985(8)	Submit to the Joint Legislative Auditing Committee information relating to the cost of creating and maintaining such website, and the number of times the website has been accessed.
Chief Financial Officer (CFO)	215.985(14)	Establish and maintain a secure contract tracking system available for viewing and downloading by the public through a secure website. Appropriate Internet security measures must be used to ensure that no person has the ability to alter or modify records available on the website.
Each State Entity	215.985(14)(a),(b), and (c)	Post contract related information on the CFO’s contract tracking system within 30 days after executing a contract. Information to include names of contracting entities, procurement method, contract beginning and ending dates, nature or type of commodities or services purchased, applicable contract unit prices and deliverables, total compensation to be paid or received, all payments made to the contractor to date, applicable contract performance measures, and electronic copies of the contract and procurement documents that have been redacted to exclude confidential or exempt information. If competitive solicitation was not used, justification must be provided. Information must be updated within 30 days of any contract amendments.
Water Management Districts	215.985(11)	Provide a monthly financial statement in the form and manner prescribed by the DFS to the district’s governing board and make such statement available for public access on its website.

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

Appendix B

Summary of Local Government Budget Requirements Related to Financial Transparency <i>Documents that entities are required to post on their official websites</i>				
Type of Entity <i>(Statutory Reference)</i>	Tentative Budget <i>(must be posted online)</i>	Final Budget <i>(must be posted online)</i>	Adopted Budget Amendments <i>(must be posted online)</i>	If No Official Website
Board of County Commissioners <i>ss. 129.03(3)(c) and 129.06(2)(f)2., F.S.</i>	2 days before public hearing and must remain on the website for at least 45 days	Within 30 days after adoption and must remain on the website for at least 2 years	Within 5 days after adoption and must remain on the website for at least 2 years	N/A
Municipality <i>(s. 166.241(3) and (9), F.S.)</i>	2 days before public hearing and must remain on the website for at least 45 days	Within 30 days after adoption and must remain on the website for at least 2 years	Within 5 days after adoption and must remain on the website for at least 2 years	If the municipality does not operate an official website, the municipality must, within a reasonable period of time as established by the county or counties in which the municipality is located, transmit the tentative and final budgets and any adopted amendment to the manager or administrator of such county or counties who shall post such documents on the county's website.
Special District (excludes Water Management Districts) <i>(s. 189.016(4) and (7), F.S.)</i>	2 days before public hearing and must remain on the website for at least 45 days	Within 30 days after adoption and must remain on the website for at least 2 years	Within 5 days after adoption and must remain on the website for at least 2 years	Each independent special district must maintain a separate website. Each dependent special district shall be prominently displayed on the home page of the local general-purpose government upon which it is dependent with a hyperlink to required information [s. 189.069(1), F.S.].
Property Appraiser <i>(s. 195.087(6), F.S.)</i>	N/A	Within 30 days after adoption	N/A	If the Property Appraiser does not have an official website, the final approved budget must be posted on the county's official website
Tax Collector <i>(s. 195.087(6), F.S.)</i>	N/A	Within 30 days after adoption	N/A	If the Tax Collector does not have an official website, the final approved budget must be posted on the county's official website
Clerk of Circuit Court <i>(budget may be included in county budget)</i> <i>(s. 218.35(4), F.S.)</i>	N/A	Within 30 days after adoption	N/A	Must be posted on the county's official website
Water Management District <i>(s. 373.536(5)(d) and (6)(d), F.S.)</i>	2 days before public hearing and must remain on the website for at least 45 days	Within 30 days after adoption and must remain on the website for at least 2 years	Within 5 days after adoption and must remain on the website for at least 2 years [s. 189.016(7), F.S.]	Each independent special district must maintain a separate website. [s. 189.069(1), F.S.].
District School Board <i>(s. 1011.03(3) and (4), F.S.)</i>	2 days before public hearing	Within 30 days after adoption	Within 5 days after adoption	N/A
Additional Requirement				
Each local governmental entity (county agency, municipality, and special district) website must provide a link to the DFS' website to view the entity's annual financial report (AFR) submitted; if an entity does not have an official website, the county government website must provide the link. [s. 218.32(1)g, F.S.]				

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TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

Appendix C

Transparency Florida Links: Reports and Other Information Available for School Districts <i>(As recommended in the Committee's 2010 report)</i>	
Title of Report / Other Information	Summary Description of Report / Other Information
School District Summary Budget http://www.fldoe.org/finance/fl-edu-finance-program-fefp/school-dis-summary-budget.shtml	<i>At the beginning of each fiscal year, each district school board formally adopts a budget. The District Summary Budget is the adopted budget that is submitted to the Department of Education (DOE) by school districts. The budget document provides millage levies; estimated revenues detailed by federal, state, and local sources; and estimated expenditures detailed by function (the purpose of an expenditure) and object (what was purchased or the service obtained).</i>
School District Annual Financial Report http://www.fldoe.org/finance/fl-edu-finance-program-fefp/school-dis-annual-financial-reports-af.shtml	<i>The Annual Financial Report is the unaudited data submitted to the DOE by school districts after the close of each fiscal year. It includes actual revenues detailed by federal, state, and local sources, and actual expenditures detailed by function and object.</i>
School District Audit Reports Prepared by the Auditor General https://flauditor.gov/pages/Reports.aspx [From the Entity Type drop-down, select "District School Boards and Related Entities"]	<i>The Auditor General provides periodic financial, federal, and operational audits of district school boards. The Auditor General also provides periodic audits of district school boards to determine whether the district: 1) complied with state requirements governing the determination and reporting of the number of full-time equivalent students under the Florida Education Finance Program and 2) complied with state requirements governing the determination and reporting of the number of students transported.</i>
School District Audit Reports Prepared by Private CPA Firms https://flauditor.gov/pages/dsb_efiles.html	<i>The Auditor General maintains copies of district school board financial and federal audit reports, which are prepared on a rotational basis by private certified public accounting firms.</i>
School District Program Cost Reports https://web08.fldoe.org/TransparencyReports/CostReportSelectionPage.aspx	<i>The Program Cost Report data is submitted to the DOE by school districts after the close of each fiscal year. Actual expenditures by fund type are presented as either direct costs or indirect costs, and are attributed to each program at each school. A total of nine separate reports and two reports that display costs by function are produced from the cost reporting system.</i>
Financial Profiles of School Districts http://www.fldoe.org/finance/fl-edu-finance-program-fefp/profiles-of-fl-school-diss.shtml	<i>The Financial Profiles of School Districts is a publication designed to provide detailed summary information about revenues and expenditures in the school districts. Revenues by source and expenditures by function and object are detailed in the document. The publication is intended for comparative generalizations about school districts. Additional sources of information should be consulted for a comprehensive understanding of a school district's financial position. Note: No information is available after 2018-2019.</i>
Florida Education Finance Program (FEFP) Calculations http://www.fldoe.org/finance/fl-edu-finance-program-fefp/fl-edu-finance-program-fefp-calculatio.shtml	<i>The FEFP is a series of formulas and components used to allocate funds appropriated by the legislature and is the primary mechanism for funding the operating costs of school districts. These funds make up the majority of K-12 public school funding. A key feature of the FEFP is that it bases financial support for education upon the individual student participating in a particular educational program rather than upon the number of teachers or classrooms. Most of the components of the calculation are authorized in Section 1011.62, Florida Statutes, and the annual General Appropriations Act.</i>
Five-Year Facilities Work Plan http://www.fldoe.org/finance/edual-facilities/wkplans/	<i>The Five-Year District Facilities Work Plan is the authoritative source for educational facilities information, including planning and funding. Governmental entities that use this information include the DOE, Legislature, Governor's Office, Division of Community Planning (growth management), and local governments.</i>

TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

Transparency Florida Links: Reports and Other Information Available for School Districts <i>(As recommended in the Committee's 2010 report)</i>	
Title of Report / Other Information	Summary Description of Report / Other Information
Public School District Websites https://web03.fldoe.org/Schools/schoolmap_text.asp	<i>Provides a link to the homepage of each school district.</i>

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**8 Items Missing
From Audit Reports**

LOCAL GOVERNMENTAL ENTITIES

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General
Outstanding As of December 8, 2023
(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2021-22 Audit Report	Staff Recommendation
1	Franklin County	3	7	<p>The schedule of required supplementary information showing the entity's total other postemployment benefit (OPEB) liability that presents beginning and ending balances of the total OPEB liability, and the effects during the period of service cost, interest on the OPEB liability, changes in benefit terms, differences between expected and actual experience, changes in assumptions, and benefit payments did not include information for ten years, or every year available if less than 10 years of information is available. (GASB Codification, Sections P52.137, and .139a)</p> <p>The Report on Compliance with Requirements Applicable to Each Major State Project and on Internal Control Over Compliance in accordance with Chapter 10.550, Rules of the Auditor General did not provide an opinion on the local government entity's compliance with requirements having a direct and material effect on major State projects. (Section 10.557(3)(e)3., Rules of the Auditor General)</p>	Take action if not provided to Auditor General by February 29, 2024
2	Fort White, Town of (Columbia)	6	10	A written statement of explanation or rebuttal concerning the findings in the management letter was excluded from the audit report. (Section 218.39(7), Florida Statutes, and Sections 10.557(3)(l) and 10.558(2), Rules of the Auditor General)	
3	Hialeah, City of (Miami-Dade)	39	112	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. (Section 10.558(4), Rules of the Auditor General)	
4	Lake Butler, City of (Union)	6	10	<p>The Schedule of Findings and Questioned Costs did not report the correct dollar threshold used to distinguish between Type A and Type B State projects in accordance with Department of Financial Services Rule 69I-5.008, Florida Administrative Code. (Section 10.554(1)(l)1.h., Rules of the Auditor General)</p> <p>Reference numbers for each audit finding to allow for easy referencing of the findings were not provided. (Section 10.557(4)(b)7., Rules of the Auditor General)</p>	

LOCAL GOVERNMENTAL ENTITIES

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General
Outstanding As of December 8, 2023
(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2021-22 Audit Report	Staff Recommendation
5	Marco Island, City of (Collier)	28	81	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2. and 3., Florida Statutes, was not included in the management letter of the audit report of a special district or the management letter of the audit report of a local government entity that includes a dependent special district within their reporting entity. (Section 10.554(1)(i)6., Rules of the Auditor General)	Take action if not provided to Auditor General by February 29, 2024
6	Miami Gardens, City of (Miami-Dade)	34	107	The management letter did not include a statement that the auditor applied financial condition assessment procedures pursuant to Section 10.556(8), Rules of the Auditor General. (Section 10.554(1)(i)5.b.1., Rules of the Auditor General)	
7	North Miami, City of (Miami-Dade)	34	108	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2. and 3., Florida Statutes, was not included in the management letter of the audit report of a special district or the management letter of the audit report of a local government entity that includes a dependent special district within their reporting entity. (Section 10.554(1)(i)6., Rules of the Auditor General) A statement as to whether corrective actions have been taken to address findings and recommendations made in the preceding audit report was excluded from the management letter accompanying the audit report. (Section 10.554(1)(i)1., Rules of the Auditor General) Uncorrected audit findings that were also included in the second preceding fiscal year audit report were not identified in the management letter accompanying the audit report. (Section 10.554(1)(i)1., Rules of the Auditor General)	
8	Wausau, Town of (Washington)	2	5	A written statement of explanation or rebuttal concerning the findings in the management letter was excluded from the audit report. (Section 218.39(7), Florida Statutes, and Sections 10.557(3)(l) and 10.558(2), Rules of the Auditor General)	

LOCAL GOVERNMENTAL ENTITIES

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General
Outstanding As of December 8, 2023
(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2021-22 Audit Report	Staff Recommendation
9	West Park, City of (<i>Broward</i>)	37	105	The schedule of required supplementary information showing the entity's total other postemployment benefit (OPEB) liability that presents beginning and ending balances of the total OPEB liability, and the effects during the period of service cost, interest on the OPEB liability, changes in benefit terms, differences between expected and actual experience, changes in assumptions, and benefit payments did not include information for ten years, or every year available if less than 10 years of information is available. (GASB Codification, Sections P52.137, and .139a)	Take action if not provided to Auditor General by February 29, 2024
10	Downtown and East Town Redevelopment Agency (<i>Lake</i>)	13	26	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2. and 3., Florida Statutes, was not included in the management letter of the audit report of a special district or the management letter of the audit report of a local government entity that includes a dependent special district within their reporting entity. (Section 10.554(1)(i)6., Rules of the Auditor General)	
11	Jackson Soil and Water Conservation District (<i>Jackson</i>)	2	5	The Schedule of Findings and Questioned Costs did not report the correct dollar threshold used to distinguish between Type A and Type B State projects in accordance with Department of Financial Services Rule 69I-5.008, Florida Administrative Code. (Section 10.554(1)(l)1.h., Rules of the Auditor General)	
12	North AR-1 of Pasco Community Development District (<i>Pasco</i>)	11, 21, 23	53, 54, 55, 56	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. (Section 10.558(4), Rules of the Auditor General)	
13	North Lake County Hospital District (<i>Lake</i>)	13	25, 26, 27	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. (Sections 218.39(3)(c), and 218.32(1)(e)4., Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General)	

LOCAL GOVERNMENTAL ENTITIES

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General
Outstanding As of December 8, 2023
(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2021-22 Audit Report	Staff Recommendation
14	Plantation Acres Improvement District (Broward)	30, 32, 35, 37	95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105	A statement of changes in fiduciary net position for fiduciary funds was excluded from the audit report. (GASB Codification, Sections 2200.105b(3)(iii)(b) and 2200.197)	Take action if not provided to Auditor General by February 29, 2024
15	South Florida Water Management District (Broward, Charlotte, Collier, Glades, Hendry, Highlands, Lee, Martin, Miami-Dade, Monroe, Okeechobee, Orange, Osceola, Palm Beach, Polk, St. Lucie)	10, 12, 13, 15, 17, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40	5, 37, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120	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. (Section 10.558(4), Rules of the Auditor General)	

LOCAL GOVERNMENTAL ENTITIES

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General
Outstanding As of December 8, 2023
(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2021-22 Audit Report	Staff Recommendation
16	St. Lucie County Fire District (<i>St. Lucie</i>)	29, 31	84, 85	<p>A statement as to whether corrective actions have been taken to address findings and recommendations made in the preceding audit report was excluded from the management letter accompanying the audit report. (Section 10.554(1)(i)1., Rules of the Auditor General)</p> <p>The required supplementary information schedule showing the entity's actuarially determined employer contribution, the amount actually contributed, the difference between the required and the actual contribution, the entity's covered payroll, and the contribution recognized by the pension plan in relation to the required amount as a percentage of covered payroll for their single-employer defined benefit pension plan did not include information for 10 years, or every year available if less than 10 years of information is available. (GASB Codification, Section Pe5.128c)</p>	Take action if not provided to Auditor General by February 29, 2024
17	Suwannee County Conservation District (<i>Suwannee</i>)	3	7	<p>The Schedule of Findings and Questioned Costs did not report the correct dollar threshold used to distinguish between Type A and Type B State projects in accordance with Department of Financial Services Rule 69I-5.008, Florida Administrative Code. (Section 10.554(1)(l)1.h., Rules of the Auditor General)</p> <p>An independent auditor's opinion on whether the Schedule of Expenditures of State Financial Assistance is presented fairly in relation to the financial statements taken as a whole was excluded from the auditor report. (Section 10.557(3)(e)2., Rules of the Auditor General)</p>	
18	Suwannee Valley Transit Authority (<i>Columbia, Hamilton, Suwannee</i>)	3, 6	7, 10	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. (Section 10.558(4), Rules of the Auditor General)	

LOCAL GOVERNMENTAL ENTITIES

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General
Outstanding As of December 8, 2023
(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2021-22 Audit Report	Staff Recommendation
19	Tesoro Community Development District (<i>St. Lucie</i>)	29, 31	84, 85	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2. and 3., Florida Statutes, was not included in the management letter of the audit report of a special district or the management letter of the audit report of a local government entity that includes a dependent special district within their reporting entity. (Section 10.554(1)(i)6., Rules of the Auditor General)	Take action if not provided to Auditor General by February 29, 2024

From: GINA BAILEY <GINABAILEY@AUD.STATE.FL.US>
Sent: Monday, October 30, 2023 7:20 AM
To: Caruso, Mike; Pizzo, Jason
Cc: White, Deborah; Dubose, Kathy
Subject: 2021-22 FY Section 11.45(7)(b) and (d) Notification
Attachments: 2022 Missing Items Notification to JLAC.docx

Pursuant to Section 11.45(7)(b), Florida Statutes, this e-mail is to notify you of the local governmental entities that did not provide us, within 45 days after the date of our request, the significant items omitted from their 2021-22 fiscal year audit report transmittal correspondence. The attached listing includes 1 County, 9 Municipalities and 11 Special Districts and describes the audit report and correspondence items omitted. To date, none of the entities have provided us the requested information.

In addition, pursuant to Section 11.45(7)(d), Florida Statutes, this e-mail is to notify you that there was no unresolved noncompliance with Section 218.415, Florida Statutes, noted for the 2021-22 fiscal year.

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

Thank you,

Gina Bailey, CPA, CFE, CISA
Audit Supervisor
Auditor General, State of Florida
40 Sarasota Center Blvd., Suite 105
Sarasota, FL 34240
Tel.(813) 940 - 4172

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

LIST OF LOCAL GOVERNMENTAL ENTITIES
 THAT HAVE NOT PROVIDED SIGNIFICANT ITEMS
 OMITTED FROM 2021-22 FISCAL YEAR AUDIT REPORTS
 OR FROM AUDIT REPORT TRANSMITTAL CORRESPONDENCE
 AS OF OCTOBER 23, 2023

<u>COUNTIES</u>	<u>ITEM(S) OMITTED</u>	<u>DATE ITEM(S) REQUESTED BY AUDITOR GENERAL</u>
Franklin County	A, B	7/28/23
<u>MUNICIPALITIES</u>		
Fort White, Town of	C	8/16/23
Hialeah, City of	D	9/07/23
Lake Butler, City of	E, F	7/28/23
Marco Island, City of	G	6/22/23
Miami Gardens, City of	G, H	9/07/23
Micanopy, Town of	C	9/07/23
North Miami, City of	G, I, J	9/07/23
Wausau, Town of	C	7/28/23
West Park, City of	A	9/07/23
<u>SPECIAL DISTRICTS</u>		
Downtown and East Town Redevelopment Agency	G	6/22/23
Jackson Soil and Water Conservation District ¹	E, L	7/28/23
North AR-1 of Pasco Community Development District	D	9/07/23
North Lake County Hospital District	M	9/07/23
Plantation Acres Improvement District	N	7/13/23
Polk Soil and Water Conservation District ^{1, 2}	L	7/28/23
South Florida Water Management District	D	9/07/23
St. Lucie County Fire District	I, O	7/28/23
Suwannee County Conservation District	E, P	7/28/23
Suwannee Valley Transit Authority	D	6/22/23
Tesoro Community Development District	G	8/16/23

¹ Independent auditor's report identified the missing items, but the opinions on the financial statements were not modified.

² Department of Commerce Special District Accountability Program records show this district dissolved on June 9, 2023.

Item(s) Omitted:

- A The schedule of required supplementary information showing the entity's total other postemployment benefit (OPEB) liability that presents beginning and ending balances of the total OPEB liability, and the effects during the period of service cost, interest on the OPEB liability, changes in benefit terms, differences between expected and actual experience, changes in assumptions, and benefit payments did not include information for ten years, or every year available if less than 10 years of information is available. (GASB Codification, Sections P52.137, and .139a)
- B The Report on Compliance with Requirements Applicable to Each Major State Project and on Internal Control Over Compliance in accordance with Chapter 10.550, Rules of the Auditor General did not provide an opinion on the local government entity's compliance with requirements having a direct and material effect on major State projects. (Section 10.557(3)(e)3., Rules of the Auditor General)

LIST OF LOCAL GOVERNMENTAL ENTITIES
THAT HAVE NOT PROVIDED SIGNIFICANT ITEMS
OMITTED FROM 2021-22 FISCAL YEAR AUDIT REPORTS
OR FROM AUDIT REPORT TRANSMITTAL CORRESPONDENCE
AS OF OCTOBER 23, 2022

- C A written statement of explanation or rebuttal concerning the findings in the management letter was excluded from the audit report. (Section 218.39(7), Florida Statutes, and Sections 10.557(3)(l) and 10.558(2), Rules of the Auditor General)
- D 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. (Section 10.558(4), Rules of the Auditor General)
- E The Schedule of Findings and Questioned Costs did not report the correct dollar threshold used to distinguish between Type A and Type B State projects in accordance with Department of Financial Services Rule 69I-5.008, Florida Administrative Code. (Section 10.554(1)(l)1.h., Rules of the Auditor General)
- F Reference numbers for each audit finding to allow for easy referencing of the findings were not provided. (Section 10.557(4)(b)7., Rules of the Auditor General)
- G Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2. and 3., Florida Statutes, was not included in the management letter of the audit report of a special district or the management letter of the audit report of a local government entity that includes a dependent special district within their reporting entity. (Section 10.554(1)(i)6., Rules of the Auditor General)
- H The management letter did not include a statement that the auditor applied financial condition assessment procedures pursuant to Section 10.556(8), Rules of the Auditor General. (Section 10.554(1)(i)5.b.1., Rules of the Auditor General)
- I A statement as to whether corrective actions have been taken to address findings and recommendations made in the preceding audit report was excluded from the management letter accompanying the audit report. (Section 10.554(1)(i)1., Rules of the Auditor General)
- J Uncorrected audit findings that were also included in the second preceding fiscal year audit report were not identified in the management letter accompanying the audit report. (Section 10.554(1)(i)1., Rules of the Auditor General)
- K A written statement of explanation or rebuttal concerning the auditor's findings of noncompliance or significant deficiencies in the Report on Compliance and Internal Control was excluded from the audit report. (Section 218.39(7), Florida Statutes, and Section 10.557(3)(l), Rules of the Auditor General)
- L The required supplementary information did not include a budgetary comparison schedule for the legally adopted budget. (Section 189.016(3), Florida Statutes, and GASB Codification, Section 2200.206)
- M 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. (Sections 218.39(3)(c), and 218.32(1)(e)4., Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General)
- N A statement of changes in fiduciary net position for fiduciary funds was excluded from the audit report. (GASB Codification, Sections 2200.105b(3)(iii)(b) and 2200.197)
- O The required supplementary information schedule showing the entity's actuarially determined employer contribution, the amount actually contributed, the difference between the required and the actual contribution, the entity's covered payroll, and the contribution recognized by the pension plan in relation to the required amount as a percentage of covered payroll for their single-employer defined benefit pension plan did not include information for 10 years, or every year available if less than 10 years of information is available. (GASB Codification, Section Pe5.128c)
- P An independent auditor's opinion on whether the Schedule of Expenditures of State Financial Assistance is presented fairly in relation to the financial statements taken as a whole was excluded from the auditor report. (Section 10.557(3)(e)2., Rules of the Auditor General)

Note: All references to Florida Statutes, Rules of the Auditor General, and the *Codification of Government Accounting and Financial Reporting Standards* are to the statutes, rules, and standards in effect for the 2021-22 fiscal year.

Florida Statutes (2023) related to Significant Audit Report Items Missing

11.45(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

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

11.40 Legislative Auditing Committee.—

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

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

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

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

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

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

9 Lobbying Firm Compensation

Audits of Lobbying Firm Compensation Reports Joint Legislative Auditing Committee

Summary

The Joint Legislative Auditing Committee (Committee) has statutorily assigned responsibilities related to the audits of lobbying firm compensation reports. Lobbying firms are required to file quarterly compensation reports, and a specified percentage of these firms are required to be audited annually to determine the accuracy of their reporting. The audits are required to be conducted by independent contract auditors¹ selected by the lobbying firms from a list of qualified auditors maintained by the Committee. The auditors are required to follow procedures specified by the Committee during the course of the audit. The implementation efforts in 2007 and 2008 were not resolved, and no audits were conducted initially. During late 2013 and early 2014, the Committee proceeded with the statutory requirements to ensure that audits of compensation reports filed for the 2014 calendar year could begin in 2015. Audits have now been performed on randomly selected executive branch and legislative branch lobbying firms for compensation reported in the 2014 through 2022 calendar years.

Overview

Bill: Senate Bill 6-B (Ch. 2005-359, *Laws of Florida*) is often referred to as the “gift ban.” Prior to its enactment, lobbyists were required to file periodic expenditure reports. Once the gift ban became effective, lobbyists were no longer required to file expenditure reports, but instead were required to file quarterly compensation reports.

Requirements: Section 11.40(3)(b), F.S., requires an audit of the quarterly compensation reports of 3% of all legislative branch and 3% of all executive branch lobbying firms by independent contract auditors (auditors). Various provisions in s. 11.40(3), F.S., require the Committee to: (1) develop a system to randomly select lobbying firms for audit, (2) develop procedures for the selection of auditors, (3) create and maintain a list of not less than 10 auditors approved to conduct the audits, and (4) develop guidelines to conduct the audits.²

Scope of Audits: On a quarterly basis, lobbying firms are required to report the compensation they receive from each principal³ and the total they receive from all principals, in accordance with ss. 11.045(3)(a)1. and 112.3215(5)(a)1., F.S. (for legislative branch and executive branch lobbyists, respectively). The following reporting categories are required:

Total Compensation Provided or Owed to the Lobbying Firm from Each Principal	Total Compensation Provided or Owed to the Lobbying Firm from All Principals
\$0	\$0
\$1 - \$9,999	\$1 - \$49,999
\$10,000 - \$19,999	\$50,000 - \$99,999
\$20,000 - \$29,999	\$100,000 - \$249,999
\$30,000 - \$39,999	\$250,000 - \$499,999
\$40,000 - \$49,999	\$500,000 - \$999,999
\$50,000 or more (<i>specific amount reported, rounded to the nearest \$1,000</i>)	\$1 million or more

¹ See definition of “independent contract auditors” in s. 11.40(3)(a), F.S. (page 3 of this document).

² Although the law states that an audit is to be conducted, the type of work to be performed does not meet the definition of an audit under the American Institute of Certified Public Accountants (AICPA) professional standards. In 2008, the Committee recommended an agreed-upon procedures engagement conducted in accordance with the attestation standards established by the AICPA. This recommendation was developed in cooperation with the Florida Board of Accountancy.

³ “Principal” is defined as the person, firm, corporation, or other entity which has employed or retained a lobbyist.

The filed quarterly compensation reports are available for viewing on Online Sunshine by selecting “Legislative & Executive Branch Lobbyists” in the left column.

The auditors perform procedures, specified by the Committee, on specified records of the lobbying firms selected for an audit and issue a report in accordance with professional standards describing the procedures performed and any findings.

Cost: The cost of the audits is required to be paid by the Legislature.

Selection of the Auditor: The Committee is required to maintain a list of not less than 10 auditors approved to conduct audits of the compensation reports. Once a lobbying firm has been notified by the Committee that it has been selected for an audit, it is required to select an auditor from the Committee’s list. If the lobbying firm fails to make a selection within 30 days, the Committee is required to select the auditor to conduct the audit.

Auditor Independence: The law has a strict definition of independence for the auditors who conduct an audit of a lobbying firm’s compensation reports. They cannot ever have had a direct personal relationship or a professional accounting, auditing, tax advisory, or tax preparing relationship with each other. The additional independence restriction provided in law relates to certain attest and nonattest services that may currently be allowed under the independence standards adopted by the Florida Board of Accountancy.

Status: The Committee adopted guidelines which include the procedures the auditors will follow during the engagement and provide examples of the types of records that lobbying firms may use to document compensation. The Committee also approved procedures for the selection of the auditors and the lobbying firms.

In 2022, a RFP process was used, for the third time, to solicit CPAs / CPA firms who were qualified and interested in conducting the audits. Five audit firms responded to the RFP and were approved to conduct the audits. The contracts are for one year with the option of three, one-year renewals. In 2023, all five of the audit firms were available to perform the audits.

For each year, a random number generator was used to determine the lobbying firms that were selected for an audit. In 2023, 22 lobbying firms (10 executive branch firms; 12 legislative branch firms) were selected for an audit of their 2022 compensation. For each audit, a maximum number of billable hours was authorized, based on the number of principals the lobbying firm was registered to represent. In addition, a shipping allowance was authorized for audits in which the audit firm and lobbying firm were not located in the same vicinity. Audit firms were authorized to request an increase in either or both of these amounts if they determined the authorized amounts were insufficient to complete the engagement.

All audits of 2022 compensation were completed by July 21, 2023. The audit firms billed the Legislature a total of \$80,337.66 for all 22 audits.

Statutory Language

Section 11.40, *Florida Statutes*

(3)(a) As used in this subsection, “independent contract auditor” means a state-licensed certified public accountant or firm with which a state-licensed certified public accountant is currently employed or associated who is actively engaged in the accounting profession.

(b) Audits specified in this subsection cover the quarterly compensation reports for the previous calendar year for a random sample of 3 percent of all legislative branch lobbying firms and a random sample of 3 percent of all executive branch lobbying firms calculated using as the total number of such lobbying firms those filing a compensation report for the preceding calendar year. The committee shall provide for a system of random selection of the lobbying firms to be audited.

(c) The committee shall create and maintain a list of not less than 10 independent contract auditors approved to conduct the required audits. Each lobbying firm selected for audit in the random audit process may designate one of the independent contract auditors from the committee’s approved list. Upon failure for any reason of a lobbying firm selected in the random selection process to designate an independent contract auditor from the committee’s list within 30 calendar days after being notified by the committee of its selection, the committee shall assign one of the available independent contract auditors from the approved list to perform the required audit. No independent contract auditor, whether designated by the lobbying firm or by the committee, may perform the audit of a lobbying firm where the auditor and lobbying firm have ever had a direct personal relationship or any professional accounting, auditing, tax advisory, or tax preparing relationship with each other. The committee shall obtain a written, sworn certification subject to s. 837.06, both from the randomly selected lobbying firm and from the proposed independent contract auditor that no such relationship has ever existed.

(d) Each independent contract auditor shall be engaged by and compensated solely by the state for the work performed in accomplishing an audit under this subsection.

(e) Any violations of law, deficiencies, or material misstatements discovered and noted in an audit report shall be clearly identified in the audit report and be determined under the rules of either house of the Legislature or under the joint rules, as applicable.

(f) If any lobbying firm fails to give full, frank, and prompt cooperation and access to books, records, and associated backup documents as requested in writing by the auditor, that failure shall be clearly noted by the independent contract auditor in the report of audit.

(g) The committee shall establish procedures for the selection of independent contract auditors desiring to enter into audit contracts pursuant to this subsection. Such procedures shall include, but not be limited to, a rating system that takes into account pertinent information, including the independent contract auditor’s fee proposals for participating in the process. All contracts under this subsection between an independent contract auditor and the Speaker of the House of Representatives and the President of the Senate shall be terminable by either party at any time upon written notice to the other, and such contracts may contain such other terms and conditions as the Speaker of the House of Representatives and the President of the Senate deem appropriate under the circumstances.

(h) The committee shall adopt guidelines that govern random audits and field investigations conducted pursuant to this subsection. The guidelines shall ensure that similarly situated compensation reports are audited in a uniform manner. The guidelines shall also be formulated to encourage compliance and detect violations of the legislative and executive lobbying compensation reporting requirements in ss. 11.045 and 112.3215 and to ensure that each audit is conducted with maximum efficiency in a cost-effective manner. In adopting the guidelines, the committee shall consider relevant guidelines and standards of the American Institute of Certified Public Accountants to the extent that such guidelines and standards are applicable and consistent with the purposes set forth in this subsection.

(i) All audit reports of legislative lobbying firms shall, upon completion by an independent contract auditor, be delivered to the President of the Senate and the Speaker of the House of Representatives for their respective review and handling. All audit reports of executive branch lobbyists, upon completion by an independent contract auditor, shall be delivered by the auditor to the Commission on Ethics.

KATHLEEN PASSIDOMO
President of the Senate

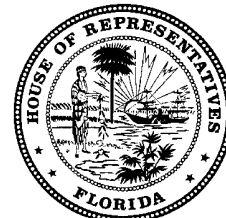


Senator Jason Brodeur
Senator Tracie Davis
Senator Nick DiCeglie
Senator Corey Simon

THE FLORIDA LEGISLATURE
JOINT LEGISLATIVE AUDITING COMMITTEE

Representative Mike Caruso, Chair
Senator Jason Pizzo, Vice Chair

PAUL RENNER
Speaker of the House



Representative Daniel Alvarez, Sr.
Representative Christopher Benjamin
Representative Peggy Gossett-Seidman
Representative Dianne Hart
Representative Vicki Lopez

August 9, 2023

The Honorable Kathleen Passidomo, President
The Florida Senate
409 The Capitol
Tallahassee, Florida 32399-1100

The Honorable Paul Renner, Speaker
The Florida House of Representatives
420 The Capitol
Tallahassee, Florida 32399-1300

Dear President Passidomo and Speaker Renner:

As required by s. 11.40(3), *Florida Statutes*, the Joint Legislative Auditing Committee (Committee) is pleased to provide you with the results of the agreed-upon procedures (AUP) engagements performed on the 2022 Quarterly Lobbying Firm Compensation Reports filed by randomly selected lobbying firms.

Enclosed for your review are bound and electronic copies of the AUP reports for the 12 engagements performed related to legislative branch compensation reporting. Although the Commission on Ethics is responsible for enforcing any non-compliance related to executive branch compensation reporting, electronic copies of the AUP reports related to executive branch compensation reporting are also provided on the CD.

For your convenience, the following summary information is provided:

- A one-page summary of all 22 AUP engagements, listed in order by the size of the lobbying firm, which includes the type of compensation audited (executive or legislative branch), the audit firm selected, the cost of each engagement, and whether any findings were reported.
- A one-page summary of the 10 executive branch AUP engagements, listed in alphabetical order.
- A one-page summary of the 12 legislative branch AUP engagements, listed in alphabetical order.
- A summary, with the findings reported in nine of the AUP reports.

The Honorable Kathleen Passidomo, President
The Honorable Paul Renner, Speaker
August 9, 2023
Page 2

Excluding Legislative member and staff time, the total cost of this year's AUP engagements was \$80,337.66. Of this amount, \$42,148.51 will be paid by the Executive Branch Lobbyist Registration Trust Fund for the audits of executive branch compensation, and \$38,189.15 will be paid by the Legislative Branch Lobbyist Registration Trust Fund for audits of legislative branch compensation.

We thank you and your staff for the guidance provided during this process.

Best regards,



Representative Mike Caruso
Chair



Senator Jason Pizzo
Vice Chair

cc (w/o reports): Members of the Joint Legislative Auditing Committee
Christie Letarte, President's Office
Audrey Mathews, Senate Administration
Amelia Angleton, Speaker's Office
Tom Hamby, Speaker's Office
Celeste Lewis-Hemanes, Speaker's Office
Karen Chandler, Office of Legislative Services

Enclosures: Bound Agreed-Upon Procedures Reports for Legislative Branch Engagements
Copies of Agreed-Upon Procedures Reports for Executive Branch Engagements (Binder)
Electronic Copy (CD) of Agreed-Upon Procedures Reports for Legislative and Executive
Branch Engagements
Summary of All 22 Engagements; Sorted by Size of Lobbying Firm
Summary of Executive Branch Engagements; Listed in Alphabetical Order
Summary of Legislative Branch Engagements; Listed in Alphabetical Order
Summary of Agreed-Upon Procedures (AUP) Findings Reported

2022 Lobbying Firm Compensation Audits
Summary of All 22 Engagements
Sorted by Size of Lobbying Firm

	Lobbying Firm	Number of Lobbyists	Number of Principals							Compensation Audited	CPA Firm Selected	Cost of Engagement	Exceptions (Findings) Reported?	
			1	2	5	6	12	16	74					
1	850 Consulting Group LLC	1	X							Executive	Carroll & Company	\$ 1,461.25	No	
2	Baker & Hostetler LLP		X								Legislative	Carr, Riggs & Ingram	\$ 2,520.00	No
3	Duane Morris Government Strategies LLC		X								Executive	C.S. West	\$ 1,955.63	Yes
4	eleven consulting solutions		X								Legislative	Carroll & Company	\$ 2,024.88	Yes
5	Mark V. Murray		X								Executive	Carroll & Company	\$ 1,085.50	No
6	Richard E Chait		X								Executive	Carr, Riggs & Ingram	\$ 2,700.00	No
7	DLA Consulting LLC			X							Executive	Carroll & Company	\$ 2,672.00	Yes
8	Jenkins Hill Consulting, LLC			X							Executive	Carroll & Company	\$ 2,004.00	No
9	LilaJaber Consulting			X							Legislative	Carroll & Company	\$ 1,419.50	No
10	Mark W. Casteel PA			X							Legislative	Carr, Riggs & Ingram	\$ 2,340.00	No
11	People Who Think			X							Executive	Carroll & Company	\$ 1,690.88	No
12	Time's Fly'n LLC			X							Legislative	Carroll & Company	\$ 1,356.88	No
13	Capitol Advisory Group, LLC				X						Legislative	Carroll & Company	\$ 2,400.63	No
14	Family Lands Remembered LLC				X						Executive	Carroll & Company	\$ 1,878.75	Yes
15	Paul Hawkes				X						Legislative	Warren Averett	\$ 3,829.50	Yes
16	Theresa Bulger					X					Legislative	Carroll & Company	\$ 3,360.88	Yes
17	Dyal Consulting LLC						X				Legislative	Carroll & Company	\$ 3,903.63	No
18	Shutts & Bowen LLP	2	X							Legislative	Carr, Riggs & Ingram	\$ 2,700.00	No	
19	Capitol Strategies Consulting Inc			X							Legislative	CliftonLarsonAllen	\$ 4,025.00	Yes
20	Mark W. Anderson						X				Legislative	Carroll & Company	\$ 8,308.25	Yes
21	Bilzin Sumberg Baena Price & Axelrod LLP	3	X							Executive	C.S. West	\$ 2,235.00	No	
22	Floridian Partners	7						X		Executive	Carroll & Company	\$ 24,465.50	Yes	
Total												\$ 80,337.66	9	

**2022 Lobbying Firm Compensation Audits
Summary of Executive Branch Engagements**

Listed in Alphabetical Order

	Lobbying Firm	CPA Firm Selected	Cost of Engagement	Exceptions (Findings) Reported?
1	850 Consulting Group LLC	Carroll & Company	\$ 1,461.25	No
2	Bilzin Sumberg Baena Price & Axelrod LLP	C.S. West	\$ 2,235.00	No
3	DLA Consulting LLC	Carroll & Company	\$ 2,672.00	Yes
4	Duane Morris Government Strategies LLC	C.S. West	\$ 1,955.63	Yes
5	Family Lands Remembered LLC	Carroll & Company	\$ 1,878.75	Yes
6	Floridian Partners	Carroll & Company	\$ 24,465.50	Yes
7	Jenkins Hill Consulting, LLC	Carroll & Company	\$ 2,004.00	No
8	Mark V. Murray	Carroll & Company	\$ 1,085.50	No
9	People Who Think	Carroll & Company	\$ 1,690.88	No
10	Richard E Chait	Carr, Riggs & Ingram	\$ 2,700.00	No
	Total		\$ 42,148.51	4

2022 Lobbying Firm Compensation Audits
Summary of Legislative Branch Engagements
Listed in Alphabetical Order

	Lobbying Firm	CPA Firm Selected	Cost of Engagement	Exceptions (Findings) Reported?
1	Baker & Hostetler LLP	Carr, Riggs & Ingram	\$ 2,520.00	No
2	Capitol Advisory Group, LLC	Carroll & Company	\$ 2,400.63	No
3	Capitol Strategies Consulting Inc	CliftonLarsonAllen	\$ 4,025.00	Yes
4	Dyal Consulting LLC	Carroll & Company	\$ 3,903.63	No
5	eleven consulting solutions	Carroll & Company	\$ 2,024.88	Yes
6	LilaJaber Consulting	Carroll & Company	\$ 1,419.50	No
7	Mark W. Anderson	Carroll & Company	\$ 8,308.25	Yes
8	Mark W. Casteel PA	Carr, Riggs & Ingram	\$ 2,340.00	No
9	Paul Hawkes	Warren Averett	\$ 3,829.50	Yes
10	Shutts & Bowen LLP	Carr, Riggs & Ingram	\$ 2,700.00	No
11	Theresa Bulger	Carroll & Company	\$ 3,360.88	Yes
12	Time's Fly'n LLC	Carroll & Company	\$ 1,356.88	No
	Total		\$ 38,189.15	5

Summary of Agreed-Upon Procedures (AUP) Findings Reported

Note: Only engagements in which one or more exceptions (findings) were noted or the CPA firm included a required observation are listed below.

Executive Summary

In November 2013, the Joint Legislative Auditing Committee (Committee) adopted *Guidelines for Attestation Services Relating to Quarterly Lobbying Firm Compensation Reports (Guidelines)*. The *Guidelines* were most recently revised in March 2023. In February 2023, Committee staff, following procedures approved by the Committee, and with assistance from the Auditor General's Office, randomly selected 3% of the executive branch lobbying firms and 3% of the legislative branch lobbying firms for an audit.¹ The 10 and 12 lobbying firms selected, respectively, were provided 30 days from the date of the Committee's notification of their selection to choose one of three CPA firms approved to perform the AUP engagements.

The *Guidelines* provided the CPA firms with specific steps (procedures) to follow during each AUP engagement. These procedures include comparisons of documents filed with the Legislature's Division of Law Revision and Information, comparisons of documents filed with lobbying firm records, and the receipt of a representation letter from the lobbying firm. Instances in which any discrepancies were noted were required to be reported as a finding or exception by the CPA firm. Engagements were performed between May and July 2023 on the 2022 Quarterly Lobbying Firm Compensation Reports filed.

Of the 22 AUP engagements performed, exceptions (findings) were reported for nine lobbying firms (41%). Findings were reported for four of the 10 AUP engagements (40%) performed related to executive branch compensation and for five of the 12 AUP engagements (42%) performed related to legislative branch compensation.

Compensation was overstated by eight lobbying firms for one or more quarters for one or more principals. Compensation was understated by three lobbying firms for one or more quarters for one or more principals. Of these, two lobbying firms both overstated and understated compensation for one or more quarters for one or more principals. In addition, one lobbying firm overstated total compensation for all quarters, and one lobbying firm understated total compensation for one quarter.

An exception noted that did not relate to the compensation amounts reported during 2022 was:

- One lobbying firm received compensation for a principal from a different entity.²

For details of the exceptions and other information summarized above, please refer to the exceptions reported for the applicable lobbying firms that follow.

¹ Although Section 11.40(3), *Florida Statutes*, refers to an audit, the type of work performed does not meet the definition of an audit under professional auditing standards. An agreed-upon procedures engagement is a type of attestation engagement; the use of this type of engagement in lieu of an audit was worked out in cooperation with the Florida Board of Accountancy.

² The *Guidelines* provide an exception for a lobbying firm that receives payment from a third-party vendor that the principal has contracted with to provide bill paying services rather than directly from the principal. As long as the lobbying firm has a contract or other documentation that adequately supports this contractual arrangement, this will be reported as an observation rather than a finding. In this case, the third-party entity that paid the compensation was not a bill paying service, but rather a consulting firm doing business with the lobbying firm. The third-party entity did not have a registered lobbyist associated with it.

Reports on 2022 Executive Branch Compensation

(Listed in alphabetical order)

1. DLA Consulting LLC

Compensation for the following principals was incorrectly reported for 2022, as noted below:

Time Period / Principal	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
1st Quarter			
City of Tallahassee	\$1.00-\$9,999.00	\$0.00	Overstated
Florida Sheriffs Association	\$1.00-\$9,999.00	\$0.00	Overstated
2nd Quarter			
City of Tallahassee	\$1.00-\$9,999.00	\$0.00	Overstated
Florida Sheriffs Association	\$1.00-\$9,999.00	\$0.00	Overstated
3rd Quarter			
City of Tallahassee	\$1.00-\$9,999.00	\$0.00	Overstated
Florida Sheriffs Association	\$1.00-\$9,999.00	\$0.00	Overstated
4th Quarter			
City of Tallahassee	\$1.00-\$9,999.00	\$0.00	Overstated
Florida Sheriffs Association	\$1.00-\$9,999.00	\$0.00	Overstated

In addition, total executive branch compensation was incorrectly reported for all quarters of 2022, as noted below:

Time Period	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
1st Quarter			
Total Compensation	\$1.00-\$49,999.00	\$0.00	Overstated
2nd Quarter			
Total Compensation	\$1.00-\$49,999.00	\$0.00	Overstated
3rd Quarter			
Total Compensation	\$1.00-\$49,999.00	\$0.00	Overstated
4th Quarter			
Total Compensation	\$1.00-\$49,999.00	\$0.00	Overstated

The lobbying firm filed amended compensation reports for all quarters reflecting the correct amount of compensation for these two principals and total compensation. On May 18, 2023, the lobbying firm filed amended compensation reports for the third and fourth quarters; on May 19, 2023, the lobbying firm filed amended compensation reports for the first and second quarters.

Per the CPA firm: “The lobbying firm informed us the differences in compensation reported were due to a misunderstanding of the requirements related to allocating compensation between executive branch and legislative branch lobbying.”

Per the lobbying firm: “As stated, I made an error in reporting my 2022 Executive Branch compensation report.

1. I did not do any Executive Branch lobbying for 2022.
2. There were no allocations for Executive Branch lobbying for 2022.

The error in my reporting is because I thought I was supposed to report the exact amount I reported on the Legislative Branch report. I have corrected the errors I made in reporting my 2022 Executive Branch report.”

*Number of Registered Lobbyists: 1; Number of Registered Principals: 2
CPA Firm: Carroll and Company, CPAs*

2. Duane Morris Government Strategies LLC

Compensation for one principal was incorrectly reported for all quarters of 2022, as noted below:

Time Period / Principal	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
1st Quarter			
Triangle Capital Inc.	\$1.00-\$9,999.00	\$0.00	Overstated
2nd Quarter			
Triangle Capital Inc.	\$1.00-\$9,999.00	\$0.00	Overstated
3rd Quarter			
Triangle Capital Inc.	\$1.00-\$9,999.00	\$0.00	Overstated
4th Quarter			
Triangle Capital Inc.	\$1.00-\$9,999.00	\$0.00	Overstated

Per the CPA firm: “[W]e compared the registration reports to the quarterly reports. We noted a difference in principal between the reports. We discussed with [the lobbying firm] and Triangle Capital was submitted in error. No executive branch lobbying services were performed for Triangle Capital Inc. in 2022 per the registered lobbyist.”

On July 7, 2023, the lobbying firm filed amended compensation reports for all quarters reflecting the correct range of compensation for lobbying services for this principal.

*Number of Registered Lobbyists: 1; Number of Registered Principals: 1
CPA Firm: C.S. West & Associates, PA*

3. Family Lands Remembered LLC

Compensation for one principal was incorrectly reported for one quarter of 2022, as noted below:

Time Period	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
2nd Quarter			
Palm Beach Aggregates, LLC	\$1.00-\$9,999.00	\$0.00	Overstated

On May 14, 2023, the lobbying firm filed an amended compensation report for the second quarter reflecting the correct amount of compensation for lobbying services for this principal.

*Number of Registered Lobbyists: 1; Number of Registered Principals: 5
CPA Firm: Carroll and Company, CPAs*

4. Floridian Partners LLC

Compensation for the following principals was incorrectly reported for 2022, as noted below:

Time Period / Principal	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
1st Quarter			
Center for Worker Progress Action, Inc.	\$0.00	\$1.00-\$9,999.00	Understated
CNH Industrial c/o MultiState Associates Inc.	\$1.00-\$9,999.00	\$0.00	Overstated
Hart InterCivic, Inc.	Not Reported ³	\$1.00-\$9,999.00	Understated
John Deere c/o MultiState Associates Inc.	\$0.00	\$1.00-\$9,999.00	Understated
National Assn of Credit Mgt-Improved Construction Practices Committee	\$0.00	\$1.00-\$9,999.00	Understated
4th Quarter			
FloridaWest Economic Development Alliance	\$0.00	\$10,000.00-\$19,999.00	Understated
Mackinac Center for Public Policy	\$1.00-\$9,999.00	\$0.00	Overstated

On July 7, 2023, the lobbying firm filed an amended compensation report for the first quarter reflecting the correct amount of compensation for the five principals with findings related to the first quarter. On June 13, 2023, the lobbying firm filed an amended compensation for the fourth quarter reflecting the correct amount of compensation for the two principals with findings related to the fourth quarter.

Per the lobbying firm: “3. e) Floridian Partners did not include the reimbursement of lobbying registration fees as “compensation” in our original Quarterly Compensation Reports. Upon these findings, those reports were amended to include those reimbursements.

³ The CPA noted that the only compensation received from the principal consisted of the reimbursement of executive branch lobbyist registration fees. Compensation is defined as “a payment, distribution, loan, advance, reimbursement, deposit, salary, fee, retainer, or anything of value provided or owed to a lobbying firm, directly or indirectly, by a principal for any lobbying activity” [Section 112.3215(1)(c), *Florida Statutes*].

Additionally, we registered for Hart InterCivic in January 2022, billed them for lobbyist registration fees on our February 1, 2022, invoice, but were not completely registered due to the Oath not being submitted until August 2022. Any lobbying done on behalf of Hart InterCivic was in the Legislative Branch and no Executive Branch lobbying services were provided.”

In addition, one observation⁴ was reported:

Per the CPA firm: “The lobbying firm received payments from third-party vendors that two of its principals, HP Inc. and Naples Botanical Garden, contracted with to provide accounts payable services, rather than directly from the principals. The lobbying firm provided documentation to support the contractual arrangements between the principals and third-party vendors.”

Number of Registered Lobbyists: 7; Number of Registered Principals: 74
CPA Firm: Carroll and Company, CPAs

⁴ An observation is not a finding and is not an indication that the lobbying firm did anything incorrectly. Rather, it provides additional information regarding anomalies found by the CPA firm.

Reports on 2022 Legislative Branch Compensation

(Listed in alphabetical order)

1. Capitol Strategies Consulting Inc

Compensation for two principals was incorrectly reported for one quarter each of 2022, as noted below:

Time Period / Principal	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
3rd Quarter			
Lee County Public Schools	\$1.00-\$9,999.00	\$0.00	Overstated
4th Quarter			
City of Bonita Springs	\$1.00-\$9,999.00	\$0.00	Overstated

Per the lobbying firm: “We agree with the auditors’ findings of inconsistent reporting on the compensation reports for quarter 3 and quarter 4. However, it was a clerical error to include Lee County Public Schools on the compensation report for quarter three since we did not perform any work for this Principal during that quarter. Similarly, it was a clerical error to include City of Bonita Springs on the compensation report for quarter four since we did not perform any work for this Principal during that quarter.”

*Number of Registered Lobbyists: 2; Number of Registered Principals: 2
CPA Firm: CliftonLarsonAllen LLP*

2. eleven consulting solutions

Compensation for one principal was incorrectly reported for one quarter of 2022, as noted below:

Time Period	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
2nd Quarter			
Safety Net Hospital Alliance of Florida	\$1.00-\$9,999.00	\$10,000.00-\$19,999.00	Understated

On May 22, 2023, the lobbying firm filed an amended compensation report for the second quarter reflecting the correct range of compensation for lobbying services for this principal.

In addition, one observation⁵ was reported:

Per the CPA firm: “The lobbying firm received payment from a third-party vendor that its principal, Safety Net Hospital Alliance of Florida, contracted with to provide payment services, rather than directly from the principal. The lobbying firm provided documentation to support the contractual arrangement.”

⁵ An observation is not a finding and is not an indication that the lobbying firm did anything incorrectly. Rather, it provides additional information regarding anomalies found by the CPA firm.

Number of Registered Lobbyists: 1; Number of Registered Principals: 1
 CPA Firm: Carroll and Company, CPAs

3. Mark W. Anderson

Time Period / Principal	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
2nd Quarter			
Charles Perry Partners, Inc.	\$0.00	\$1.00-\$9,999.00	Understated
LBA Hospitality	\$1.00-\$9,999.00	\$0.00	Overstated
Signal Restoration Services	\$20,000.00-\$29,999.00	\$10,000.00-\$19,999.00	Overstated
3rd Quarter			
Charles Perry Partners, Inc.	\$0.00	\$1.00-\$9,999.00	Understated
LBA Hospitality	\$1.00-\$9,999.00	\$0.00	Overstated
Signal Restoration Services	\$1.00-\$9,999.00	\$20,000.00-\$29,999.00	Understated
4th Quarter			
Charles Perry Partners, Inc.	\$1.00-\$9,999.00	\$0.00	Overstated
South College of FL LLC	\$10,000.00-\$19,999.00	\$1.00-\$9,999.00	Overstated

Total legislative branch compensation was incorrectly reported for one quarter of 2022, as noted below:

Time Period	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
2nd Quarter			
Total Compensation	\$50,000.00-\$99,999.00	\$100,000.00-\$249,999.00	Understated

On June 14, 2023, the lobbying firm filed amended compensation reports for the second, third, and fourth quarters reflecting the correct range of compensation for lobbying services for these principals and the correct Total Compensation for the second quarter.

In addition, the CPA firm reported that “[t]he principal Charles Perry Partners, Inc. was registered and reported on the compensation reports, although the compensation reported for this principal was received from a different entity, Lisa E Lombardo aka LEL Consulting. The lobbying firm provided a copy of the agreement between Lisa E Lombardo aka LEL Consulting and Charles Perry Partners, Inc., which includes a description of the services to be provided by the lobbying firm.”

One observation⁶ was also reported:

Per the CPA firm: “The lobbying firm received payment from a third-party vendor that one of its principals, Association Reserves, Inc., contracted with to provide accounts payable services, rather than directly from the principal. The lobbying firm provided documentation to support the contractual arrangement.”

⁶ An observation is not a finding and is not an indication that the lobbying firm did anything incorrectly. Rather, it provides additional information regarding anomalies found by the CPA firm.

Number of Registered Lobbyists: 2; Number of Registered Principals: 16
 CPA Firm: Carroll and Company, CPAs

4. Paul Hawkes

Compensation for two principals was incorrectly reported for one quarter of 2022, as noted below:

Time Period	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
2nd Quarter			
Conference of County Court Judges	\$10,000.00-\$19,999.00	\$0.00	Overstated
Florida Conference of District Court of Appeal Judges	\$1.00-\$9,999.00	\$0.00	Overstated

On June 28, 2023, the lobbying firm filed an amended compensation report for the second quarter reflecting the correct range of compensation for lobbying services for these principals.

Number of Registered Lobbyists: 1; Number of Registered Principals: 5
 CPA Firm: Warren Averett, LLC

5. Theresa Bulger

Compensation for one principal was incorrectly reported for all quarters of 2022, as noted below:

Time Period / Principal	Range Reported by Lobbying Firm	Correct Range as Determined by CPA Firm	Result
1st Quarter			
Clarke School for Hearing and Speech	\$20,000.00-\$29,999.00	\$1.00-\$9,999.00	Overstated
2nd Quarter			
Clarke School for Hearing and Speech	\$20,000.00-\$29,999.00	\$1.00-\$9,999.00	Overstated
3rd Quarter			
Clarke School for Hearing and Speech	\$20,000.00-\$29,999.00	\$1.00-\$9,999.00	Overstated
4th Quarter			
Clarke School for Hearing and Speech	\$20,000.00-\$29,999.00	\$1.00-\$9,999.00	Overstated

On May 16, 2023, the lobbying firm filed amended compensation reports for all quarters reflecting the correct range of compensation for lobbying services for this principal.

Per the CPA firm: “The lobbying firm informed us the difference in compensation reported was due to an incorrect percentage used to allocate the portion of total compensation to be allocated to lobbying services vs. non-lobbying services under the agreement with this principal, based on clarification provided by the principal.”

Per the lobbying firm: “I do not refute your finding because it is accurate. I would like to add this clarification:

Clarke Schools has five full campuses in multiple states, offers satellite services in several other states. I have consulted on many matters for Clarke in multiple states. My contract is inclusive of all costs (I do not bill for expenses). I spend roughly 180 days a year traveling and using lodging away from home on behalf of Clarke. I do not separately expense lodging, travel, meals, parking, subscriptions to services (I.E. Lobbytools), printing, marketing, storage units, insurance they are all included in my fee.

I have been a consultant to Clarke for decades. I have worked with twelve different Clarke CEO’s, as well as the directors of Clarke state programs (I.E. Clarke FI).

During a portion of that work and prior to that I was the director of Option schools 53 programs in the USA, Canada, and the UK.

I was a founder and CEO of the largest a/o school in the world, and DIA for the oldest program in the USA. I have 40 plus years experience in issues that Clarke encounters. The majority of my experience and work is creating, and assisting programs in ways which have nothing to do with lobbying.

I originally felt that I had reported my numbers accurately, but confusion arose where I thought I might have to assign all my payments for any reason, or any state to Florida lobbying. So I amended my numbers up to reflect the entirety of the work I do for Clarke in any state for any reason and including expenses.

However, the contract indicated that I perform many services. Our agreement capped lobbying at 15%. The auditor was provided with that confirmation by the client and by me. I amended the records back to reflect the true (original) number.

I apologize for the confusion. I take full responsibility for amending to a higher number [that] was not accurate. My original number was correct.”

*Number of Registered Lobbyists: 1; Number of Registered Principals: 6
CPA Firm: Carroll and Company, CPAs*

There are no materials for this item.