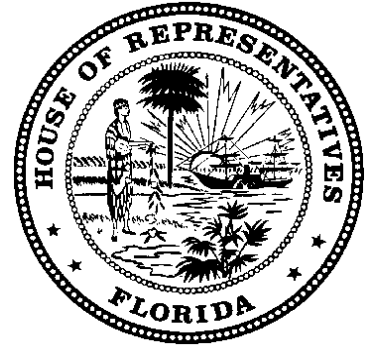


KATHLEEN PASSIDOMO
President of the Senate



PAUL RENNER
Speaker of the House



Joint Legislative Auditing Committee

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

Meeting Packet

Monday, December 4, 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 4, 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 Milton submitted by Senator Broxson
 2. Consideration of a request for an Auditor General operational audit of the City of Pahokee submitted by Representative Roth
 3. Presentation of the Auditor General’s operational audit of the City of Winter Springs and response from the City
 4. Presentations and discussion related to the Transparency Florida Act, s. 215.985, F.S.
 5. Consideration of action against educational and local governmental entities that have failed to take full corrective action in response to repeat audit findings, pursuant to ss. 11.45(7)(j) and 218.39(8), F.S.
 6. Consideration of the Department of the Lottery’s audit for the 2023-24 fiscal year



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations, *Chair*
Appropriations Committee on Education
Banking and Insurance
Finance and Tax
Health Policy
Judiciary
Rules
Transportation

JOINT COMMITTEE:

Joint Legislative Budget Commission, *Alternating Chair*

SENATOR DOUG BROXSON

1st District

April 6, 2023

Senator Jason Pizzo, Chair
Joint Legislative Auditing Committee
222 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chairman Pizzo:

I would like to request the Auditor General conduct an audit of the City of Milton and related utilities and would ask that this issue be included on the next meeting of the Joint Legislative Auditing Committee's agenda. Due to community concerns related to the increased costs associated with a new waste water treatment facility, my office has received over 100 pages of more than 2,000 signatures from constituents requesting an audit be conducted of the City's operations and finances. I believe that I am honor bound to represent these citizens in addressing this issue and the spirit of transparency that is the standard for government in Florida.

Thank you and please let me know if there is any additional information you may need.

Sincerely,

A handwritten signature in black ink that reads "Doug Broxson".

Florida Senate, District 1

REPLY TO:

- 418 West Garden Street, Room 403, Pensacola, Florida 32502 (850) 595-1036
- 208 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5001

Senate's Website: www.flsenate.gov

KATHLEEN PASSIDOMO
President of the Senate

DENNIS BAXLEY
President Pro Tempore

STAFF ANALYSIS

Date: November 1, 2023

Subject: Request for an Audit of the City of Milton

Analyst Coordinator

DuBose^{KD} DuBose^{KD}

I. Summary

The Joint Legislative Auditing Committee (Committee) has received a request from Senator Doug Broxson to have the Committee direct the Auditor General to conduct an audit of the City of Milton.

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 Milton

Senator Broxson has requested the Committee to direct an audit of the City of Milton and related utilities. He stated that “[d]ue to community concerns related to the increased costs associated with a new waste

water treatment facility, my office has received over 100 pages of more than 2,000 signatures from constituents requesting an audit be conducted of the City's operations and finances.”¹

The referenced petition stated:

“We the undersigned residents of Santa Rosa County, Florida are concerned about the proposed site of the Northwest Florida Regional Waste Water Reclamation Facility.

A lack of transparency by local government has fostered a sense of distrust in the planning, engineering and site placement of the proposed plant. The community has shown overwhelming opposition to the plant being constructed on lands adjacent to Blackwater River and Coopers Basin in East Milton.

As taxpayers we are also rightfully concerned about the cost of the proposed waste water treatment facility. Bids for construction of the project were \$56m to \$68m, more than double the initial cost projections of \$28m.

We ask for the assistance of our state legislators to:

1. Investigate the reasons for the more than 100% increase in the projected cost of the project
2. For review and placement of the plant on a site with the least environmental impacts to the Blackwater River and Coopers Basin.
3. Present a request to the Joint Legislative Audit[ing] Committee for an audit of the City of Milton, Florida.”²

Senator Broxson's office provided a sample of the signed petitions which included a cover note, dated January 8, 2023, that stated “We solicited signatures at three local businesses over a three day period this past week. We have 116 plus pages with over 2000 signatures opposing the proposed site of the WWTP [Waste Water Treatment Plant] and disposal site. Almost everyone agreed we need a new plant but the overwhelming consensus was it needed to be away from the Blackwater River.”³

Committee staff spoke with Senator Broxson's staff and also met with the Senator to discuss the audit request.⁴ Key points that were made during these discussions include the following:⁵

- There is frustration that the proposed wastewater treatment plant has been “languishing.” During this time, there have been significant projected cost increases.
- Can the City afford the proposed wastewater treatment plant?

¹ Letter from Senator Doug Broxson to The Honorable Jason Pizzo, Chair, Joint Legislative Auditing Committee, dated April 6, 2023 (on file with the Committee).

² Petition related to the Northwest Florida Regional Waste Water Reclamation Facility. The Committee was provided with 10 pages of signatures from Senator Broxson's office (on file with the Committee).

³ *Id.*

⁴ Phone calls with Senator Broxson's staff on August 15, 2023, and August 21, 2023; Meeting with Senator Broxson and staff on August 24, 2023.

⁵ *Id.*

- The City has been using funds from the water and sewer program to fund other City programs.⁶ Should the City have been setting aside funds for the proposed wastewater treatment plant?
- Growth in Santa Rosa County is away from the City. The City is not anticipated to annex more properties into the City to increase revenue.
- Will the cost of the new wastewater treatment plant bankrupt the City?⁷
- There appears to be a need for a full blown audit. Senator Broxson stated that he would like the auditors to begin with [issues related to] the wastewater treatment plant and go from there.

Background

The City of Milton, Florida (City) was originally incorporated under the Territorial Acts of 1844.⁸ The present charter was enacted in 1927 as Chapter 13105, *Laws of Florida*.⁹ The City is the county seat of Santa Rosa County government and has an estimated population of 10,154.¹⁰

The City operates under a council-city manager form of government and is governed by an elected mayor and eight commissioners.¹¹ The Mayor and the City Council members are elected at large and serve a term of four years.¹² The Mayor presides at the City Council meetings and may take part in discussions; however, the Mayor is only authorized to vote in the case of a tie vote of the City Council.¹³ The Mayor is authorized to veto any ordinance adopted by the City Council as provided in the City's Charter.¹⁴ The City is divided into four wards, and two Council members must reside in each ward.¹⁵

The City Council is responsible for the establishment and adoption of policy.¹⁶ The execution of such policy is the responsibility of the City Manager, who is appointed by the City Council.¹⁷ The City provides the following services: public safety (police, fire and inspection), roads and streets, water and sewer, sanitation, natural gas, culture and recreation, public improvements, planning and zoning, and general administrative services.¹⁸

⁶ Florida municipalities that operate utilities such as electric, natural gas, water and wastewater, garbage, etc. often transfer proceeds from these funds to the municipalities' General Fund to fund other programs. There is no prohibition against this practice.

⁷ Pursuant to Section 218.503(5), *Florida Statutes*, a local government may not seek bankruptcy protection without prior approval by the Governor. Also, if a local government meets a condition of a financial emergency, as listed in Section 218.503(1), *Florida Statutes*, both the entity and the Auditor General are required to report the situation to the Governor's Office and the Committee.

⁸ Note 1 to the Financial Statements, *Financial Statements and Supplementary Information for the City of Milton, Florida for the fiscal year ended September 30, 2022*, page 31.

⁹ *Id.*

¹⁰ University of Florida, College of Liberal Arts and Sciences, Bureau of Economic and Business Research, *Florida Estimates of Population by County and City 2022 (Table 1 only)*, page 16, available at: <http://edr.state.fl.us/Content/population-demographics/data/Estimates2022.pdf> (last visited October 20, 2023).

¹¹ *City of Milton Florida – Charter Code of Ordinances*, Article I, Sec. 1.3; Article II, Sec. 2.1; and Article III, Sec. 3.1, available at: https://library.municode.com/fl/milton/codes/code_of_ordinances?nodeId=PTICHSPLA (last visited October 20, 2023).

¹² *Id.*, Article II, Sec. 2.2; and Article III, Sec. 3.2.

¹³ *See supra* note 11, Article III, Sec. 3.3.

¹⁴ *Id.*

¹⁵ *See supra* note 11. Article II, Sec. 2.2.

¹⁶ *See supra* note 8.

¹⁷ *Id.*

¹⁸ *Id.*

Concerns

New Wastewater Treatment Plant

Based on both capacity and environmental concerns, there appears to be consensus that a new City wastewater treatment plant is necessary. A Santa Rosa County summary states that “[a] new wastewater treatment plant is critical infrastructure necessary to foster economic growth in the region and to reduce known source pollution in the Blackwater River.”¹⁹ A new plant would expand the current service area to also include “areas proposed for future economic development purposes, including Whiting Aviation Park and parcels along the I-10 corridor... [County] [g]rowth is expected to continue, adding another 32% between now and 2040.”²⁰

The City has been in the process of acquiring property and working through the permitting process with the Department of Environmental Protection (DEP) for the new plant, the North Santa Rosa Regional Water Reclamation Facility. However, Senator Broxson has concerns that the City is not prepared to pay for the associated costs.

The City’s existing wastewater treatment plant has a permitted treatment capacity of 2.5 million gallons per day three-month average daily flow discharge to the Blackwater River.²¹ Reportedly, “[w]ith existing flows in the 2.2 [million gallons per day] range, the [existing] plant is nearly at capacity.”²²

In addition, the DEP has ordered the City to cease discharging the treated wastewater directly into the Blackwater River.²³ The DEP order states, in part:

- “City of Milton commits to cease discharge to the Blackwater River in phases with appropriate department permitting:
 - a) Phase 1 – divert 50% of flow into or discharged from the Milton WWTF [Wastewater Treatment Facility] to the proposed North Santa Rosa Regional Water Reclamation Facility... as influent or reclaimed water for land application not later than December 31, 2023.
 - b) Phase 2 – divert 100% of flow into or discharged from the Milton WWTF to the proposed North Santa Rosa Regional Water Reclamation Facility... as influent or reclaimed water for land application or alternate land application site not later than December 31, 2025.”

Per the DEP in early 2021, “The City of Milton broke ground Feb. 13 [2021] on a new \$28 million water treatment facility project that will more than triple the region’s wastewater treatment capacity, supporting growth in central Santa Rosa County for the next several decades.

[The DEP’s Division of Water Restoration Assistance’s] Clean Water State Revolving Fund loan program was leveraged, providing a \$14 million low-interest loan (which includes a \$4,022,475 Small Community Wastewater Facility Grant which will not have to be repaid) for the project. The new plant will discharge effluent entirely underground to protect the Blackwater River – the only river remaining

¹⁹ RESTORE Act Project #16 in Multi Year Implementation Plan; City of Milton – North Santa Rosa Regional Water Reclamation Facility, available at: <https://www.santarosa.fl.gov/DocumentCenter/View/5709/North-Santa-Rosa-Regional-Water-Reclamation-Facility-Phase-II> (last visited October 24, 2023).

²⁰ *Id.*

²¹ State of Florida, Domestic Wastewater Facility Permit Number FL0021903 (Major); Effective Date: June 19, 2020; Expiration Date: June 18, 2025 (on file with the Committee).

²² *See supra* note 19.

²³ DEP Administrative Order No. AO-114NW; *Order Establishing Compliance Schedule Under Section 403.088(2)(f), F.S.*, dated June 19, 2020 (on file with the Committee).

in the U.S. with the designation as a pristine sand bottom river. Once the plant is fully operational by 2025, it will also facilitate approximately 6,000 residential septic to sewer conversions.”^{24 25}

Since the new water treatment facility’s groundbreaking occurred, over two and a half years ago, the City has not begun construction. Factors attributing to the delay, at least in part, include the following:

- Higher cost than anticipated: In September 2020 the City issued a RFP for the facility.²⁶ It was reported that, based on information from an engineering firm, the City had expected bids in the range of \$28-\$32 million; however the bids, opened in February 2021, were in the range of \$52-\$54 million.²⁷ The City Manager speculated that the increased cost may have been due to the higher rates for lumber and other building supplies since the COVID-19 pandemic began and the large demand for personnel due to Hurricane Sally repairs.²⁸ After the bids were opened, the City underwent a “value engineering” process to determine potential cost-saving measures.²⁹

To reduce the cost, the City has proposed to relocate the disposal site.^{30 31} Rather than piping the treated wastewater (effluent) eight miles away from the treatment plant to a Rapid Infiltration Basin (RIB) system, the method of effluent disposal, the plan has been revised to locate the RIB system in the vicinity of the treatment plant.³² Consideration of additional land parcels requires time for evaluation including, before requesting DEP approval, authorization by the City Council to expend funds for geotechnical studies.³³

- Citizen opposition to location: A group of citizens has voiced opposition to the potential impact of the wastewater treatment plant on Cooper Basin and the Blackwater River, a family cemetery, and Gulf Sturgeon (protected by Florida law).³⁴ The City has, reportedly, made at least some effort to be responsive to the citizens’ concerns. For example, in 2021, “after pushback from citizens over the East Milton location, a study was launched on a 300-acre county-owned site to determine if it could house both the facility and the RIB system, but an initial analysis concluded that only about 100 acres was suitable. Relocating the plant to that site would have resulted in 30 acres for the plant and 70 acres for the RIB system, which would not meet the initial capacity requirement for the plant.”³⁵

²⁴ Statement from the Florida Department of Environmental Protection dated February 13, 2021 (last modified June 12, 2023); available at: <https://floridadep.gov/wra/wra/news/milton-wastewater-treatment-plant-groundbreaking> (last visited October 24, 2023).

²⁵ State of Florida, Domestic Wastewater Facility Permit Number FLA753335; Effective Date: March 9, 2021; Expiration Date: March 8, 2026 (on file with the Committee).

²⁶ Annie Blanks, *Milton wastewater treatment plant cost doubles to \$54 million, city looks to cut costs*, Pensacola News Journal, March 16, 2021 (on file with the Committee).

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ Phone conversation with DEP staff on October 10, 2023. Although the City has proposed to move the disposal site, it has not proposed to move the plant.

³¹ *See supra* note 26.

³² *Id.*

³³ Annie Blanks, *Santa Rosa County, city of Milton finally firm up deal for new wastewater treatment plant*, Pensacola News Journal, June 9, 2021 (on file with the Committee).

³⁴ Alex Miller, *Storms, sturgeons and a cemetery: Why some Milton residents aren’t sold on wastewater site*, Pensacola News Journal, February 22, 2022 (on file with the Committee).

³⁵ *Id.*

The citizens' group remains opposed to the plans for the wastewater treatment facility and retained an attorney earlier this year to explore legal action.³⁶

The City is continuing to evaluate its plan and work through the DEP permitting process. In July 2023, a Special City Council Meeting agenda packet summary stated that the "North Santa Rosa Regional Water Reclamation Facility on a parcel in the Santa Rosa Industrial Park...will begin with a capacity of 2.0 [million gallons per day] and has provisions for three additional 2.0 [million gallons per day] process trains. The City is currently pursuing effluent discharge on 100 acres immediately adjacent to the plant site. The overall effluent disposal capacity of that site may be less than 1.0 [million gallons per day]. The City has identified two additional sites nearby that may be available for additional effluent disposal. Prior to finalizing any purchase of the properties, the City needs to move forward with their due diligence in determining the overall disposal capacity of those sites, along with environmental and cultural evaluations."³⁷ The purpose of the meeting was to request the City Council to authorize the expenditure of funds to evaluate the site for effluent disposal.³⁸ The City Council authorized the expenditure.³⁹

Earlier, the Pensacola News Journal reported that the City had designated the following sources of funding for the project, estimated at the time to cost approximately \$31 million: (1) City of Milton: \$7 million from its reserves; (2) State revolving fund loan: \$14 million (application submitted); (3) State revolving fund grant fund: \$4 million; and (4) RESTORE funding from BP: \$6.5 million.⁴⁰

While Senator Broxson is concerned about the City's ability to pay for the new wastewater treatment plant, his larger concern appears to be the overall financial viability of the City. The Auditor General performs post audits, which means that its staff reviews audit-related decisions and transactions after they have occurred. Therefore, the scope of the audit will not include events that are anticipated to occur in the future related to the wastewater treatment plant.

Financial Audit

The City has obtained annual financial audits of its accounts and records by an independent certified public accountant (CPA). The City has submitted the audit reports to the Auditor General's Office in accordance with Section 218.39(1), *Florida Statutes*.⁴¹ The most recent financial audit report submitted to the Auditor General is for the 2021-22 fiscal year and included one finding.⁴² For the third consecutive year, the auditors reported a finding related to the City's bank reconciliation process as either a

³⁶ Tom McLaughlin, *A court battle is brewing over Milton's wastewater plant. Who's suing and what's at stake*, Pensacola News Journal, February 2, 2023 (on file with the Committee).

³⁷ Agenda Packet, Special City Council Meeting on July 22, 2023, available at: <https://www.miltonfl.org/386/City-of-Milton-Meetings> (last visited October 27, 2023).

³⁸ *Id.*

³⁹ Minutes, Special City Council Meeting on July 22, 2023, available at: <https://www.miltonfl.org/386/City-of-Milton-Meetings> (last visited October 27, 2023).

⁴⁰ Annie Blanks, *Milton's new wastewater plant: Everything you need to know about the project and its future*, Pensacola News Journal, May 21, 2021 (on file with the Committee).

⁴¹ 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.

⁴² *Schedule of Findings and Responses, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022*, page 95.

significant deficiency or a material weakness.^{43 44 45 46} City management concurred with the finding and provided its plan to correct the finding.^{47 48}

Summary of Certain Financial Information Included in the City's Audit Report:

At fiscal year-end:

- The City's Total Net Position was \$50,429,495, which was comprised of \$15,261,750 for the Governmental Activities⁴⁹ and \$35,167,755 for the Business-Type Activities.^{50 51} This is an increase of 12.89% for Total Net Position, 20.5% for Governmental Activities, and 9.88% for Business-Type Activities from the prior fiscal year-end.⁵²
- Of the approximately \$50 million of Total Net Position, "\$22 million represents net investment in capital assets (e.g. land, infrastructure, building, machinery and equipment), \$11 million is restricted for future obligations, and \$17 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors."⁵³
- The City's governmental funds⁵⁴ reported combined ending fund balances of \$9 million, an increase of \$1 million from the prior year.⁵⁵ Of this, \$6.3 million constitutes unassigned fund balance, which

⁴³ This repeat finding is expected to be reported to the Committee in accordance with Section 218.39(8), *Florida Statutes*, during a fall 2023 Committee meeting. The Committee is expected to direct staff to send a letter to the City to request an updated status of its effort to correct the finding.

⁴⁴ See *supra* note 42.

⁴⁵ Throughout the year, the City's bank reconciliation for the pooled cash accounts did not agree to the general ledger balances. At fiscal year-end, an unreconciled difference of \$20,000 existed. The auditors recommend that management review the bank reconciliation process and establish set procedures for monitoring and reconciling the pooled cash accounts on a timely basis.

⁴⁶ A significant deficiency is "a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance." [Note: A material weakness is "a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is 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 October 31, 2023).

⁴⁷ See *supra* note 42.

⁴⁸ The City's response: "We agree with the finding as noted... and will incorporate additional reviews into the monthly reconciliation process to ensure the unreconciled differences are evaluated and corrected on a monthly basis."

⁴⁹ Governmental activities of the City include general government (City Clerk, City Council, City Manager, human resources, finance, purchasing, fleet maintenance, service maintenance, administration, public works and non-departmental expenses), public safety (police and fire), transportation (streets), economic environment, culture and recreation (parks), special revenue (Police Special Investigations, Red Light Camera Operations), capital projects and debt service. Source: *Management's Discussion and Analysis, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022*, page 5.

⁵⁰ Business-Type activities of the City include natural gas, water and sewer, sanitation, Sundial utilities, marina, and stormwater. Source: *Management's Discussion and Analysis, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022*, page 5.

⁵¹ *Statement of Net Position, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022*, page 17.

⁵² Calculations based on information in *Statement of Activities, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022*, page 18.

⁵³ *Management's Discussion and Analysis, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022*, page 4.

⁵⁴ Governmental Funds are used to account for activities primarily supported by taxes, grants, and similar sources.

⁵⁵ See *supra* note 53, page 13.

is available for spending at the City Council's discretion.⁵⁶ The remaining fund balance is restricted or assigned for various purposes and obligations.⁵⁷

For the fiscal year:

- General Fund: Total revenues, primarily comprised of taxes, were \$7,691,161; total expenditures were \$11,331,151. The excess of expenditures over revenues of \$3,639,990 was offset by debt proceeds of \$657,450 and transfers in of \$4,081,264.⁵⁸ Transfers in include funds transferred from the Natural Gas Fund, the Water and Sewer Fund, and the Sanitation Fund.⁵⁹
- "All of the City's debt represents loans secured solely by specified revenue sources (i.e., utility and tax revenues). The City has no general obligation or special assessment debt."⁶⁰

Major Proprietary Funds⁶¹

The City operates four major enterprise funds: Natural Gas, Water and Sewer, Sanitation, and Sundial Utilities.⁶² Summary information related to the three largest of these funds is provided on the next page.⁶³

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Statement of Revenues, Expenditures and Changes in Fund Balance, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022, page 21.*

⁵⁹ *Note 12 to the Financial Statements, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022, page 67.*

⁶⁰ *See supra* note 53, page 15.

⁶¹ Proprietary funds focus on the determination of net income, changes in net position, financial position, and cash flows. All of the City's proprietary funds are enterprise funds, as fees are charged to external users for services. Source: *Note 1 to the Financial Statements, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022, page 35.*

⁶² The Sundial Utilities Fund accounts for wastewater services provided to residents of certain subdivisions around the Bagdad, Florida area. Source: *Note 1 to the Financial Statements, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022, page 35.*

⁶³ *Statement of Revenues, Expenses and Changes in Net Position, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022, page 26.*

Fiscal Year Ended September 30, 2022	Water and Sewer Fund	Natural Gas Fund	Sundial Utilities Fund
Operating Revenues – Charges for services	\$8,427,555	\$4,972,515	\$1,980,639
Total Operating Expenses	\$6,003,538	\$3,627,022	\$534,262
Operating Income	\$2,424,017	\$1,345,493	\$1,446,377
Total Non-Operating Revenues (Expenses) ⁶⁴	\$381,970	\$28,392	\$51,692
Capital Contributions	\$1,226,136 ⁶⁵	\$0	\$0
Transfers out	(\$2,910,143)	(\$875,708)	\$0
Change in Net Position	\$1,121,980	\$498,177	\$1,498,069
Net Position at Beginning of Year	\$26,557,078	\$2,327,098	\$873,973
Net Position at End of Year	\$27,679,058	\$2,825,275	\$2,372,042

For the five prior fiscal years, the Water and Sewer Fund transferred an average of \$2,419,989 each year to the City’s General Fund.^{66 67} Financial information for the Water and Sewer Fund, including the operating revenue (charges for water and sewer services), and the amounts transferred to the City’s General Fund for this period, is provided below.

Water and Sewer Fund

	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	Average
Operating Revenue – Charges for Services	\$ 8,427,555	\$ 7,882,948	\$ 7,811,486	\$ 7,406,516	\$ 7,249,743	\$ 7,755,650
Operating Income	\$ 2,424,017	\$ 2,250,845	\$ 2,350,111	\$ 1,752,634	\$ 1,368,022	\$ 2,029,126
Capital Contributions ⁶⁸	\$ 1,226,136	\$ 1,763,912	\$ 1,157,652	\$ 922,637	\$ 649,904	\$ 1,144,048
Transfers Out	\$ 2,910,143	\$ 2,335,448	\$ 2,335,448	\$ 2,352,139	\$ 2,166,768	\$ 2,419,989

⁶⁴ Non-Operating Revenues (Expenses) includes interest expense, interest income, and grant income.

⁶⁵ The capital contributions were related to impact fees and capital grant funding for engineering fees associated with the planned new wastewater treatment plan. Source: *Note 10 to the Financial Statements, Financial Statements and Supplementary Information, City of Milton, Florida for the fiscal year ended September 30, 2022*, page 67.

⁶⁶ The City’s annual financial audit reports for the FY 2017-18 through the FY 2021-22 are available at: https://flauditor.gov/pages/mun_efile%20pages/milton%20city%20of.htm (last visited October 31, 2023).

⁶⁷ Municipalities that operate public utilities, such as electric, water, and sewer, commonly transfer funds to their respective general fund. There is no prohibition against such transfers.

⁶⁸ Capital contributions were related to impact fees (all five fiscal years) and also to capital grant funding for engineering fees associated with the planned new wastewater treatment plan (FY 2021-22 and FY 2020-21). Source: Notes to the Financial Statements in the City’s Financial Audit Reports for FY 2017-18 through FY 2021-22 located at: https://flauditor.gov/pages/mun_efile%20pages/milton%20city%20of.htm.

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. 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 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 Milton, 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 Senator Broxson 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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2 Audit Request:
City of Pahokee



October 4, 2023

Honorable Mike Caruso, Chairman
Joint Legislative Auditing Committee
876 Pepper Building
111 W. Madison Street
Tallahassee, FL 32399-1400

Dear Chairman Caruso:

I am submitting a request for an audit of the City of Pahokee, Florida, on behalf of the residents of the City of Pahokee. As you know, thanks to redistricting in 2020, I was elected to represent all the residents of State House 94, which includes most of rural north Palm Beach County and all the Glades, including the city of Pahokee, in November of 2022.

There are many, many allegations and forms of evidence which appear to show mishandling state funds in the form of grants to the City of Pahokee for the rehabilitation of the restaurant campground, and docks at the Pahokee Marina. There were two grants for \$1.2 million and \$990,000 to be used for Marina rehabilitation.

The City of Pahokee falsified documents sent to the Department of Economic Opportunity, stating that rehabilitation was completed, when in fact the money was misspent, and the Marina is still not operational. This has resulted in an underuse of the facilities by the general public.

By comparison the Torry Island Campground in Belle Glade is completely booked for the winter season, and generates a net annual income of over \$1,000,000. The Pahokee facility loses money for the City, and has been doing so for over 12 years.

The City of Pahokee is currently operating the restaurant, campground and marina under a Temporary Use Agreement with DEP. This Agreement is set to expire January 31, 2024, for failure to properly maintain and operate the Pahokee Marina, restaurant, and campgrounds.

In September 2023, the City of Pahokee signed a contract with H. Kelly Marine to rehabilitate piers D,E, and F of the Pahokee Marina boat docks, without a Request For Proposal. The contract for \$570,000 will replace wood decking and stringers for piers D, E, and F. These piers will still be inoperable, with four deficiencies still remaining. They are listed below:

- 1) No electricity to docks.
- 2) No operable pump-out for onboard sewage.
- 3) No potable water, and no water for washdown.
- 4) No fire lines in case of fire on these docks.

Given the nature of past infractions, I am requesting the committee move to order an audit of the City of Pahokee by the Auditor General.

Sincerely,


Representative Rick Roth

STAFF ANALYSIS

Date: November 27, 2023

Subject: Request for an Audit of the City of Pahokee

Analyst Coordinator

DuBose^{KD} DuBose^{KD}

I. Summary

The Joint Legislative Auditing Committee (Committee) has received a request from Representative Rick Roth to have the Committee direct the Auditor General to conduct an audit of the City of Pahokee.

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 Pahokee

Representative Roth has requested the Committee to direct an audit of the City of Pahokee (City)¹ He stated that “[t]here are many, many allegations and forms of evidence which appear to show mishandling

¹ Letter from Representative Rick Roth to Honorable Mike Caruso, Chairman, Joint Legislative Auditing Committee, dated October 4, 2023 (on file with the Committee).

state funds in the form of grants to the City of Pahokee for the rehabilitation of the restaurant, campground, and docks at the Pahokee Marina. There were two grants for \$1.2 million and \$990,000 to be used for Marina rehabilitation.² The City of Pahokee falsified documents sent to the Department of Economic Opportunity, stating that the rehabilitation was completed, when in fact the money was misspent, and the Marina is still not operational... Given the nature of past infractions, I am requesting the [C]ommittee move to order an audit of the City of Pahokee by the Auditor General.”³

Background

The City of Pahokee is a municipal corporation organized pursuant to *Chapter 9872, Laws of Florida*, in 1923.⁴ It is located in Palm Beach County, on the southeastern edge of Lake Okeechobee and has an estimated population of 5,579.⁵ The City is located in Florida’s South Central Rural Area of Opportunity.⁶ Rural Areas of Opportunity (RAO) are rural communities, or a region composed of rural communities, that have been adversely affected by extraordinary economic events or natural disasters.⁷ The Governor may, by executive order, designate up to three RAOs and may waive criteria of any economic development incentive for these communities.⁸

The City Commission is the legislative body of City Government.⁹ The five commissioners, including a mayor-commissioner, are elected at large by popular vote and serve a three-year term.¹⁰ The City operates under a commission-manager form of government.¹¹ The Mayor is the ceremonial head of the City, presides over council meetings, and makes appointments to boards.¹² The City has two charter officers, the City Manager and the City Clerk, who are appointed by the City Commission.¹³ In addition, the City Commission appoints the City Attorney.¹⁴ The City Manager is the chief administrative officer of the City and is fully responsible for City administration.¹⁵ The City provides a full range of municipal services including law enforcement, fire control, roads and streets, culture and recreation, public improvements, planning and zoning, marina and campground, garbage and solid waste, cemetery, and

² *Id.*

³ *Id.*

⁴ Originally, it was known as the Town of Pahokee. *Chapter 18759, Laws of Florida* (1937) abolished the Town of Pahokee and created the City of Pahokee.

⁵ University of Florida, College of Liberal Arts and Sciences, Bureau of Economic and Business Research, *Florida Estimates of Population by County and City 2022 (Table 1 only)*, page 14, available at:

<http://edr.state.fl.us/Content/population-demographics/data/Estimates2022.pdf> (last visited November 16, 2023).

⁶ FloridaCommerce website, available at: <https://floridajobs.org/community-planning-and-development/rural-community-programs/rural-areas-of-opportunity> (last visited November 16, 2023).

⁷ *Id.*

⁸ *Id.* The Governor has designated two additional RAOs, the Northwest RAO and the North Central RAO. Some of the economic development incentives available include the Qualified Target Industry Tax Refund Program, the Quick Response Training Program, certain transportation projects, the brownfield redevelopment bonus refund, and the rural job tax credit programs.

⁹ City’s website, available at: <https://www.cityofpahokee.com/mayor-city-commission> (last visited November 16, 2023).

¹⁰ *Pahokee, FL Code of Ordinances, Charter Article II, Sections 2.01 and 2.02*, available at:

https://library.municode.com/fl/pahokee/codes/code_of_ordinances (last visited November 16, 2023).

¹¹ *Id.*, Charter Article I, Section 1.01.

¹² *See supra* note 9.

¹³ *See supra* note 10, Charter Article III, Section 3.01.

¹⁴ *Id.*, Charter Article III, Section 3.06.

¹⁵ *See supra* note 9.

general administrative services.¹⁶ The City has had an inter-local agreement with Palm Beach County (County) to provide fire suppression, emergency medical services, special operations, hazardous materials response and mitigation, various types of inspections, and all other emergency and non-emergency services.¹⁷

Concerns

City's Marina, Campground, and Restaurant

The City's marina, campground, and restaurant are located on land owned by the State of Florida.¹⁸ This land is managed by the Department of Environmental Protection's (DEP) Division of State Lands, with transactions subject to approval by the Governor and Cabinet sitting as the Board of Trustees of the Internal Improvement Trust Fund (Board) for the State of Florida.¹⁹ The City entered into a submerged lands lease for the marina and an uplands²⁰ lease for the property on which the campground and restaurant are located.²¹ The City operates the marina and campground and has entered into a sublease with a private corporation to operate the restaurant.²²

State Grants for Marina Area Improvements

In 2017 and 2018, the City entered into grant agreements with the Department of Economic Opportunity (DEO), now the Department of Commerce (also known as FloridaCommerce), for improvements to the City's marina.²³ Both grants were cost reimbursement agreements.²⁴

The first agreement, for an amount up to \$1.2 million, was for the period from July 1, 2017 through June 30, 2018.²⁵ Per the agreement, [t]he Grantee [City] envisions this project as a destination upgrade to continue to motivate tourists, environmentalists, campers, and fishermen to visit the City. The improvements will facilitate safe access to and from the Marina Campground site with ample lighting

¹⁶ Note 1 to the Financial Statements, *City of Pahokee, Florida Annual Audit Report, Fiscal Year ended September 30, 2020*, page 33.

¹⁷ Note 15 to the Financial Statements, *City of Pahokee, Florida Annual Audit Report, Fiscal Year ended September 30, 2020*, page 68. The City first entered into the inter-local agreement in 2006, and the agreement has been amended and extended since. The audit references the cost for the year ended September 30, 2020 (the audit period); the City has not submitted more recent audit reports with updated information.

¹⁸ Leases between the Board and the City: parent lease 3471 (restaurant and campground) and lease 500224016 (marina). The sublease to the parent lease is between the City and JPDT Holdings Corporation.

¹⁹ Section 253.02(1), *Florida Statutes*.

²⁰ Per the DEP's website: "For the Division of State Lands' purposes, uplands are defined as those lands above the mean high-water line (or ordinary high-water line), title to which is vested in the [Board]."

²¹ In 1956, the Board issued a Use Permit to the City for the use and control of a parcel of Lake Okeechobee reclaimed lake bottom related to an existing breakwater, on behalf of the public, to afford protection to marine vessels for navigation, refuge, wharfage, mooring, docking, and servicing. In 2003, the Use Permit was converted to a submerged lands lease. [Source: Memorandum to DEP management staff from Rene Lewis, Director, Office of Cabinet Affairs, dated December 3, 2019 (on file in Committee office)]. The uplands lease dates back to 1986. [Source: Memorandum to DEP management staff from Justin Davis, Director, Office of Cabinet Affairs, dated March 29, 2022 (on file in Committee office)].

²² On March 29, 2022, the Board approved a request for: (1) determination that a private sublease between the City and JPDT Holdings Corporation is not contrary to the public interest; (2) approval of a bid to redevelop and operate the subleased premises for profit; and (3) approval of a ten-year sublease, with two, five-year renewal options. The corporation has executed a lease with the City and opened the restaurant, Muck Tavern.

²³ Grant Agreements, State of Florida, Department of Economic Opportunity Numbers HL081 and SL041 (on file with the Committee). The grants were funded by appropriations in the 2017-18 (line 2224M) and 2018-19 (line 2233A) General Appropriations Acts.

²⁴ *Id.*

²⁵ *Id.*

and parking. The improvements will be used to rebrand the City and enhance and foster other business opportunities. The goal is to have a secure fishing pier and campground facility that displays the Lake Okeechobee and fishing industry history of the City.”²⁶

The second agreement, for an amount up to \$990,000, was for the period from July 1, 2018 through June 30, 2019.²⁷ It was for “infrastructure enhancements to the Pahokee Marina Improvements Project... [to] ensure continued sustainability of the tourists, environmentalists, campers, and fishermen that frequent the City.”²⁸

Regarding these agreements, the following information was provided by FloridaCommerce:²⁹

“2017-2018 General Appropriations of \$1,200,000

The City... received \$1,200,000, through a member project appropriation to assist in the creation of a marina facility on the existing grounds of the Pahokee Marina Campground site. The City requested an advance payment timeline for this project, per the requirements of the agreement, the submitted documentation was reconciled before the close out of the project. The Palm Beach County Office of Inspector General conducted a review of the City...’s handling of the grant funds. As a response to the report provided by Palm Beach County, [Florida]Commerce issued [a] decision letter...³⁰

2018-2019 General Appropriations of \$990,000

The City... received... \$990,000, through a member appropriation, for infrastructure enhancements to the Pahokee Marina Improvements Projects. Member project agreements are based on the scope of work outline in member project forms. The City requested an advance payment timeline for the project, per the requirements of the agreement, the submitted documentation was reconciled before the close out of the project. Based on the documentation, the combined payments made by [the] City... to external vendors exceeded the \$990,000 grant, the City... was only provided the \$990,000 as the reimbursable amount per the agreement. [Florida]Commerce’s review of this project [determined that] the work was performed and there were no overpayments made.”

FloridaCommerce was contacted by a constituent who had concerns about the project.³¹ Its Inspector General looked into the concerns internally; however, no official report was issued.³² The Inspector

²⁶ Grant Agreement, State of Florida, Department of Economic Opportunity # HL081, pages 22-23 (on file with the Committee). The agreement states that the City shall purchase and install the following items: lighting, control panel and pad, and camera security system; construction materials for fishing pier; construction materials for the Pavilion; pre-fabricated restrooms; and security fencing (seawall) and gate. In addition, the City shall pave and pour concrete for the construction of the parking lot, and perform upgrades to the petroleum pump systems, restrooms, and laundry rooms.

²⁷ Grant Agreement, State of Florida, Department of Economic Opportunity Number SL041 (on file with the Committee).

²⁸ *Id.*, page 16. The agreement states that the City shall purchase and install construction material for the fishing pier and the Marina Dock, pour concrete for the construction of the parking lot, perform upgrades to the restrooms, install landscaping, and install or perform various specified items or activities, such as sidewalks, irrigation system, and erosion control.

²⁹ Email from FloridaCommerce staff to Committee staff, dated November 6, 2023 (on file with the Committee).

³⁰ Management Decision Letter from William Currie, Chief Financial Officer, Department of Economic Opportunity, to Mr. Keith Babb, Mayor, City of Pahokee, dated May 3, 2021 (on file with the Committee). The letter, required by Rules of the Auditor General, stated that the DEO considered the relevant single audit finding resolved. The finding, reported in the City’s 2018-19 fiscal year audit report, related to a contractor’s change order that was presented and approved by the City Commission past the grant deadline.

³¹ Phone call with FloridaCommerce staff on November 8, 2023.

³² *Id.*

General informed the constituent that his office would cooperate with law enforcement, but no such request was made.³³

In 2020, a then Palm Beach County Commissioner who reportedly had much to do with helping the City get the DEO grants stated “I have concerns about how the state funding has been spent by the [C]ity... I believe that the people of Pahokee deserve a refurbished, open marina, restaurant and campground, and there’s no reason that should not have happened by now. And I am hopeful we can get to where we can find out where these dollars... have been spent, and determine what we need to move forward to bring this project to fruition.”^{34 35}

DEP Oversight of the Marina Area

The DEP has documented the City’s failure to maintain the marina area property in compliance with the terms of the leases as described below:

- March 2018: “The [DEP] inspected the submerged lands adjacent to the Property and discovered... [that t]he [City] failed to maintain the leased premises in good condition, keeping the structures and equipment in a good state of repair in the interest of public health, safety and welfare, in violation of [a] sovereign submerged lands lease condition...”³⁶
- April 2021: The DEP inspected the submerged lands again and found that the violation had not been resolved.³⁷
- May 2021: The DEP sent the City a Compliance Assistance Offer (CAO) Letter to resolve the violation and requested additional information to determine if other violations existed.³⁸ For over five months, the City either repeatedly failed to respond to the CAO Letter or a subsequent warning letter, or it provided an incomplete response.³⁹
- November 2021: The City provided an official response to the DEP’s request for additional information required for the CAO Letter.⁴⁰ Based on the DEP’s review of the City’s responses, it discovered that the City continued to fail to maintain the leased property in good condition and had two additional violations.⁴¹
- January 2022: The DEP requested additional information from the City regarding how it would mitigate and resolve the violation.⁴² The City failed to respond by March 2022.⁴³

³³ *Id.*

³⁴ Chris Felker, *Pahokee to tell state it wants a new marina partner*, South Central Florida Life, August 6, 2020, available at: <https://www.southcentralfloralife.com/stories/pahokee-to-tell-state-it-wants-new-marina-partner.9503> (last visited November 26, 2023).

³⁵ In August 2020, the Commissioner submitted a request to the Committee requesting an audit pertaining to the grant funds, as well as any additional review of the City’s financial practices deemed necessary. Letter from Melissa McKinlay, Commissioner, Palm Beach County, District 6, to Senator Jeff Brandes and Representative Jason Fischer, Alternating Chairs, Joint Legislative Auditing Committee, dated August 5, 2020 (on file with the Committee). The Committee does not have the authority to direct an audit based on a request from an individual commissioner.

³⁶ Notice of Violation, Orders for Corrective Action, and Administrative Fine Assessment, Board of Trustees of the Internal Improvement Trust Fund, Petitioner, vs. City of Pahokee, Respondent, March 24, 2022, page 2 (on file with the Committee).

³⁷ *Id.*

³⁸ *Id.*, page 3.

³⁹ *Id.*, pages 3-4.

⁴⁰ *Id.*, page 4.

⁴¹ *Id.* The additional violations related to restrictions for occupancy of liveaboards (a boat in a marina that individuals use as their primary residence) and notifications to wet slip occupants (boat is moored on the water) regarding requirements to use the sewage pump out facilities.

⁴² *Id.*, page 5.

⁴³ *Id.*

- March 2022: The DEP issued a Notice of Violation, Orders for Corrective Action, and Administrative Fine Assessment.⁴⁴ The City was authorized to request a hearing within 20 days of its receipt of the order; otherwise, the Orders for Corrective Action would become final.⁴⁵ The City did not request a hearing.⁴⁶
- April 2022: The DEP issued a Final Order. It specified the required action the City must complete and provided a timeframe.⁴⁷ The City had a right to appeal the Final Order within 30 days of its effective date.⁴⁸
- May 2022: The City notified the DEP that it was appealing the Final Order.⁴⁹
- May 2023: The DEP issued a Consent Order and Temporary Use Agreement.⁵⁰ The DEP and the Board found that the City violated Florida Administrative Code and a lease condition by failing to maintain the leased premises in good condition, specifically docks D, E, and F.⁵¹ All parties agreed that: (1) the City shall complete all repairs to these docks no later than January 31, 2024; (2) if the City fails to complete all repairs by this date, it shall, within 180 days, remove all structures from the Sovereign Lands at the City's expense; and (3) the City agrees to pay the DEP stipulated penalties in the amount of \$500 per day for each day the City fails to timely comply with any of these requirements.⁵² In addition, the City is granted temporary use of the structures located on Sovereign Lands until March 31, 2024.⁵³

The DEP appears to have provided the City with reasonable opportunities to become compliant with the terms of the leases. However, the City is at risk of losing its use of the marina area properties if it does not complete all required repairs by January 31, 2024.

Other Concerns and Information

The Office of the Palm Beach County Inspector General (Inspector General) was created and established in the Palm Beach County Code to: (1) provide independent oversight of County and Municipal operations; (2) detect and prevent fraud, waste, mismanagement, misconduct, and other abuses by elected and appointed officials and employees and specified other parties doing business with the County or a municipality and/or receiving County or municipal funds; promote economy, efficiency and effectiveness in government; and conduct audits and investigations of, require production of documents from, and receive full and unrestricted access to the records.⁵⁴ The Inspector General has issued the following reports, related to the City, in the past few years:

⁴⁴ See *supra* note 36.

⁴⁵ *Id.*, pages 8-12.

⁴⁶ Final Order, Board of Trustees of the Internal Improvement Trust Fund, Petitioner, vs. City of Pahokee, Respondent, April 22, 2022, page 1 (on file with the Committee).

⁴⁷ *Id.*, pages 2-4.

⁴⁸ *Id.*, page 5.

⁴⁹ Email from Rodney Lucas, Interim City Manager, City of Pahokee, to the [DEP] Agency Clerk dated May 9, 2022 (on file with the Committee).

⁵⁰ Consent Order and Temporary Use Agreement, DEP and Board of Trustees of the Internal Improvement Trust Fund, Complainant, vs. City of Pahokee, Respondent, May 12, 2023 (on file with the Committee).

⁵¹ *Id.*, page 2.

⁵² *Id.*, page 3.

⁵³ *Id.*, pages 2-3. The City's lease for the property expired on May 13, 2023. The Final Order states that "[t]he [DEP] and the Board cannot renew the Lease until the facility returns to compliance with the terms of the Lease."

⁵⁴ Office of Inspector General Palm Beach County website, Who Are We? tab, available at: <https://www.pbcgov.org/oig/whoarewe.htm> (last visited November 24, 2023).

- **Holiday Schedule and Bonus Pay:** The Inspector General received a complaint that in 2017 the then City Manager “inappropriately closed City Hall and gave City employees paid vacation without authorization from the City Commission... [and] improperly awarded cash bonus to all City Staff in 2016 and 2017 without City Commission authorization.⁵⁵ The Inspector General determined that both allegations were supported.⁵⁶
- **Review of Technomarine Construction, Inc. (Technomarine) Contracts:** The Inspector General received a complaint alleging that the then City Manager authorized City staff to pay \$150,000 to Technomarine for work at the City’s marina that had not been completed.⁵⁷ Technomarine subsequently went bankrupt, and the City was left with a monetary loss.⁵⁸ The marina project was financed with state grant funds the City received from the Florida Department of Economic Opportunity. The Inspector General determined that the allegation was substantiated.⁵⁹ “The City violated the grant agreement because 1) the City did not request permission to make advanced payments to Technomarine, 2) the City paid Technomarine even though the City was on notice that the work outlined in Technomarine’s pay application for \$150,000 had not been completed, 3) the payment... was not supported by the documentation submitted to the City with Technomarine’s payment application..., and 4) the City used grant funds to pay for services that were not competitively bid, as required by the City’s procurement code.” The Inspector General considered the \$150,000 to be questioned costs.⁶⁰
- **Inappropriate Purchasing Card Expenditures:** The Inspector General received a complaint alleging that the then City Manager made purchases using the City’s credit card between June 2015 and May 2019 in violation of City policies.⁶¹ The Inspector General determined that the allegation was supported. The investigation identified \$5,840.92 for which the City Manager should reimburse to the City.⁶² In addition, charges totaling \$15,941.08 are considered to be questioned costs because adequate documentation or evidence of a public purpose was not available.⁶³
- **Sale of Surplus Property:** The Inspector General received a complaint from the City’s Mayor alleging that the City’s former City Manager “improperly instructed City staff to sell two City-owned all-terrain vehicles...using an employee-only bidding process”⁶⁴ and that the former City

⁵⁵ *Investigative Report 2018-004, City of Pahokee Holiday Schedule and Bonus Pay*, Office of Inspector General Palm Beach County, May 6, 2019, pages 1-2, available at: https://www.pbcgov.org/oig/docs/reports/05-06-19-Pahokee_Holiday_Schedule_and_Bonus_Pay-2018-0004.pdf (last visited November 26, 2023).

⁵⁶ *Id.*

⁵⁷ *Contract Oversight Report CA-2019-0074, Date Issued: February 11, 2020, City of Pahokee – Review of Technomarine Construction, Inc. Contracts*, page 1, available at:

https://www.pbcgov.org/oig/docs/reports/02-11-20_Pahokee_Technomarine_Report_CA-2019-0074.pdf

(last visited November 26, 2023).

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.*, page 2. The report states that “[q]uestioned costs can includ[e] costs or financial obligations incurred pursuant to: a potential violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds; a finding that, at the time of the OIG [Office of Inspector General] activity, such cost or financial obligation is not supported by adequate documentation; or, a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of potential fraud or waste.”

⁶¹ *Investigative Report 2019-0005, City of Pahokee Inappropriate Purchasing Card Expenditures, June 24, 2020, Office of Inspector General Palm Beach County*, page 1, available at: https://www.pbcgov.org/oig/docs/reports/06-24-20-Pahokee-City_Credit_Card_Investigative_Report-2019-0005.pdf (last visited November 26, 2023).

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Investigative Report 2022-0012, City of Pahokee Sale of Surplus Property, September 29, 2023*, Office of Inspector General Palm Beach County, page 1, available at:

Attorney... and [former City Manager], using an intermediary, purchased the vehicles. The Inspector General determined that the allegation was supported and stated “[t]he totality of conduct by then-City Manager... reflects a blatant lack of responsibility, fairness, accountability, and basic stewardship of taxpayer dollars.”⁶⁵

The Inspector General’s current fiscal year audit plan includes an audit of the City’s accounts payable expenditures and cash disbursements.⁶⁶ This audit was initiated in the prior fiscal year, based on a request from the Inspector General’s management team, but has not been completed.⁶⁷ The objectives are to determine if: (1) controls are adequate for accounts payable expenditures and cash disbursements; (2) control procedures are adequate to ensure that expenditures/cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment; and (3) purchases and invoices are properly documented and approved to avoid possible fraud, waste, and abuse.⁶⁸

Financial Audit

Contrary to law, the City has not recently obtained an annual audit of its accounts and records by an independent certified public accountant (CPA), as required by Section 218.39(1), *Florida Statutes*. The two most recent audit reports are outstanding. The audit reports for the 2020-21 and 2021-22 fiscal years were due on June 30, 2022, and June 30, 2023, respectively. The City has indicated that it expects to submit these reports by December 31, 2023 (2020-21 fiscal year) and March 31, 2024 (2021-22 fiscal year).⁶⁹

The City has a long history of failing to timely submit its required financial reports.⁷⁰ As shown in the following table, for the past 18 fiscal years, the City submitted its audit report to the Auditor General by the statutory due date only three times.⁷¹ During the remaining years, the City submitted the audit report from one month to almost two years late.

https://www.pbcgov.org/oig/docs/reports/09-29-23-City_of_Pahokee_Sale_of_Surplus_Property-2022-0012.pdf (last visited November 26, 2023).

⁶⁵ *Id.*, page 2.

⁶⁶ 2024-AP-0001 *Fiscal Year 2024 Annual Risk Assessment and Audit Plan*, October 2, 2023, Office of Inspector General Palm Beach County, pages 3 and 8, available at: https://www.pbcgov.org/oig/docs/reportsinternal/FY2024_Annual_%20Risk_Assessment_and_Audit_Plan-2024-AP-0001.pdf (last visited November 26, 2023).

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ Letter from Rodney Lucas, City Manager, City of Pahokee, to the former Chairs of the Joint Legislative Auditing Committee, dated October 6, 2023 (on file with the Committee).

⁷⁰ 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 report and AFR each year.

⁷¹ Source: Committee’s database. The database information dates back to the 2004-05 fiscal year.

City of Pahokee – Timeliness of Audit Report Submissions				
	Fiscal Year	Audit Report Due Date	Audit Report Received Date	Number of Days Late
1	2004-05	9/30/2006	9/28/2006	0
2	2005-06	9/30/2007	2/27/2009	516
3	2006-07	9/30/2008	9/28/2010	728
4	2007-08	9/30/2009	1/11/2011	468
5	2008-09	9/30/2010	9/1/2011	336
6	2009-10	9/30/2011	2/9/2012	132
7	2010-11	6/30/2012	8/2/2012	33
8	2011-12	6/30/2013	6/30/2013	0
9	2012-13	6/30/2014	6/30/2014	0
10	2013-14	6/30/2015	10/14/2015	106
11	2014-15	6/30/2016	6/9/2017	344
12	2015-16	6/30/2017	12/22/2017	175
13	2016-17	6/30/2018	3/21/2019	264
14	2017-18	6/30/2019	3/3/2020	247
15	2018-19	6/30/2020	9/3/2020	65
16	2019-20	6/30/2021	4/8/2022	282
17	2020-21	6/30/2022	Not Submitted Yet	515*
18	2021-22	6/30/2023	Not Submitted Yet	150*

*As of 11/27/2023

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*. Most recently, on February 16, 2023, the Committee directed action against the City for its failure to file the required reports for the 2020-21 fiscal year.⁷² This action involved directing the Department of Revenue and the Department of Financial Services to withhold any state funds that were not pledged for bond debt service that the City would have otherwise been entitled to received. As of November 27, 2023, the Department of Revenue has withheld \$460,598.94 from the City.⁷³ While the City may be eligible to receive a portion of these funds, the majority of these funds will not be available to be distributed to the City.⁷⁴

Although delinquent, the City’s most recent audit report, for the 2019-20 fiscal year, was submitted to the Auditor General’s Office, as required by Section 218.39(1), *Florida Statutes*.⁷⁵ The auditors issued an unmodified opinion regarding the financial statements for governmental activities, each major governmental funds (general fund, debt service fund, and three additional funds).⁷⁶ However, the

⁷² Committee Meeting Summary for February 16, 2023; available at:

<http://www.leg.state.fl.us/Data/Committees/Joint/JCLA/Meetingsummaries/021623.pdf> (last visited November 9, 2023).

⁷³ Source: Periodic emails from the staff of GTA/Refunds and Revenue Accounting in the Department of Revenue to Committee staff. The current withholding began in April 2023. Previously, based on two prior years’ delinquent reports, the City lost approximately \$132,600 in state funds that it would have otherwise received.

⁷⁴ The Department of Revenue is withholding Municipal Revenue Sharing and Half-Cent Sales Tax funds from the City. Certain Municipal Revenue Sharing funds are eligible to be released to the City if it files the required reports prior to the end of the state’s fiscal year in which it was withheld. Half-Cent Sales Tax funds once withheld are transferred to the state’s General Revenue Fund pursuant to Section 218.63, *Florida Statutes*, and are not available to be released to the City. If DFS withholds any grant funds from the City, these funds will be released to the City once the required reports are filed.

⁷⁵ 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.

⁷⁶ 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 governmental activities, and each major governmental fund of the City as of the fiscal year-end, and the respective changes in financial position and, where applicable, cash flows

auditors qualified their opinion for the business-type activities, the Marina and Campground Fund, and the Cemetery Fund not only for the 2019-20 fiscal year, but also for at least the four preceding fiscal years.⁷⁷

The audit report included the following 14 findings:

*Financial Statement Findings*⁷⁸

Number	Finding
2010-01 <i>Material Weakness</i> ⁷⁹	The City did not perform a physical count of inventories and has not maintained perpetual inventory records for the Cemetery Fund (Fund). Also, the City has not established adequate controls over the completeness of revenues and receivables for the Fund. As a result, the auditors were unable to form opinions regarding the amounts of inventories, accounts receivable, service revenue, and cost of goods sold for the Fund.
2014-01 <i>Material Weakness</i>	The auditors noted there was a lack of oversight of the financial reporting process. Transactions were not properly recorded in the general ledger; consequently, numerous audit adjustments were required to correct the financial records.
2014-02	The auditors noted that the audit reports and the Annual Financial Reports filed with the Florida Department of Financial Services for the fiscal years ended September 30, 2017 through September 30, 2020, were not filed timely.
2014-03	Certain functions in the General Fund had expenditures in excess of appropriations, and total expenditures of the General Fund exceeded total appropriations. Florida Statutes prohibit expenditures in excess of appropriations.
2014-04	During testing of credit card activity the auditors noted the following issues: (1) Some payments were not made timely resulting in the payment of late fees and finance charges; and (2) Accounting records did not identify the public purpose for certain transactions. The auditors noted that the City has updated its Credit Card policy and procedure to provide direction to users.
2015-01 <i>Material Weakness</i>	The City has not established adequate controls over the completeness of revenues and unearned revenues for the Marina and Campground Fund (Fund). As a result, the auditors were unable to form opinions regarding the amounts of service revenue and unearned revenue for the Fund. The auditors noted that controls over Fund revenue have improved with updated policies and procedures.

thereof for the year ended in accordance with accounting principles generally accepted in the United States. Source: *Independent Auditor’s Report, City of Pahokee, Florida Annual Audit Report, Fiscal Year ended September 30, 2020*, page 8.

⁷⁷ The auditors basis for the qualified opinion for these opinion units was that the “City has not performed a physical count of inventories and has not maintained perpetual inventory records for the Cemetery Fund. The City also has not established adequate controls over the completeness of revenues and receivables of the Cemetery Fund. The amount by which these items would affect the assets, net position, revenue, and expenses of the Cemetery Fund and the business-type activities could not be determined. The City has not established adequate controls over the completeness of revenues and unearned revenues for the Marina and Campground Fund. The amount by which these items would affect the assets, liabilities, net position, and revenues of the Marina and Campground Fund and the business-type activities could not be determined.” Other than the possible effects of these issues, it is the auditors opinion that the related financial statements present fairly, in all material respects, the financial position of the Cemetery Fund, Marina and Campground Fund, and the Business-type Activities of the City as of the fiscal year-end and the changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States. Source: *Independent Auditor’s Report, City of Pahokee, Florida Annual Audit Report, Fiscal Year ended September 30, 2020*, page 8.

⁷⁸ *Schedule of Findings and Questioned Costs, City of Pahokee, Florida Annual Audit Report, Fiscal Year ended September 30, 2020*, pages 96-105.

⁷⁹ 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 October 20, 2023).

Number	Finding
2016-01 <i>Material Weakness</i>	In prior years, the auditors noted that the City had not adequately trained staff to implement purchasing procedures and management has not adequately monitored the purchasing process. For the current year, the auditors noted that controls over these procedures have improved; however, an issue was noted. ⁸⁰
2016-02	In prior years, the auditors noted that the City had not complied with purchasing procedures. For the current year, the auditors noted that controls over these procedures have improved; however, an issue was noted. ⁸¹
2017-01	The Marina and Campground Enterprise Fund has experienced operating losses for many years, and the Cemetery Enterprise Fund has frequently experienced operating losses. As of September 30, 2020, both funds reported a deficit in unrestricted net position. As of September 30, 2020, advances from the General Fund totaled \$174,827 for the Marina and Campground Enterprise Fund and \$412,370 for the Cemetery Enterprise Fund.
2017-03 <i>Material Weakness</i>	In prior years, the auditors noted there was inadequate communication between personnel performing the accounting function and personnel managing grants. For the current year, the auditors noted that controls over these procedures have improved; however, an issue was noted. ⁸²
2017-04	In prior years, the auditors noted that the City recorded infrastructure surtax revenues and expenditures in the General Fund. For the current year, the auditors noted that the City created a Capital Projects Fund to record infrastructure surtax activity; however, there are still some transactions recorded in the General Fund.
2018-01 <i>Material Weakness</i>	The auditors noted that the City had not incorporated auditor adjustments identified in prior year audits to the City's general ledger. They further noted that, with the assistance of an outside consultant, there were fewer adjustments to fund balance for the 2019-20 fiscal year.
2019-001 <i>Material Weakness</i>	Adequate and complete accounting records and internal controls are required for the proper preparation of financial statements and to reduce the risk of material misstatements. A material adjustment related to a promissory note was required to be recorded to the financial statements during the audit.

*State Award Findings and Questioned Costs*⁸³

Number	Finding
2019-0022 <i>Material Weakness</i>	A change order from the contractor performing work funded by a marina reconstruction state grant award was approved by the City Commission on September 24, 2019, which was after the August 31, 2019 obligation date in the amendment to the grant agreement. Therefore, the auditors identified \$125,093 in questioned costs. ⁸⁴ The audit finding states that the current year status is fully implemented; however, the Management Letter states that the finding still applies. ⁸⁵

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.⁸⁶ The auditors identified the following findings related to improving financial management: 2014-03, 2014-04, 2017-1, 2017-03, 2017-04, and 2018-01.⁸⁷

All of the audit findings in the table above were also reported in one or more prior audit reports.⁸⁸ Twelve of the findings were reported in at least three successive audit reports, and two findings were reported for the second time.⁸⁹ Any audit findings that are included in 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 the Committee's involvement. The first step authorized in the process for

⁸⁰ Committee staff note: The audit report does not included details about the issue.

⁸¹ *Id.*

⁸² *Id.*

⁸³ See *supra* note 78, page 106.

⁸⁴ For an explanation of questioned costs, see note 60.

⁸⁵ *Management Letter, City of Pahokee, Florida Annual Audit Report, Fiscal Year ended September 30, 2020*, page 110.

⁸⁶ *Id.*

⁸⁷ *Id.* [Note: The *Management Letter* also includes finding number 2017-02, which in prior years related to management not providing adequate and timely financial information to the City Commission. However, this finding is not included in the *Schedule of Findings and Questioned Costs* (see *supra* note 78).]

⁸⁸ *Id.*, pages 109-110.

⁸⁹ *Id.*

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. Most recently, in June 2022, the Committee requested a status update for the twelve findings noted above that had been reported in at least three successive audit reports.⁹⁰

Committee staff compared the City's most recent audit finding status response, dated July 28, 2022, to its responses from the prior years for the same findings. Based on this review, it appears that City has not demonstrated its commitment to correcting long-term, repeat audit findings. For example, for the finding that has been reported in the City's audit report for the most consecutive years, finding 2010-01,⁹¹ which relates to the Cemetery Fund, the City provided the following responses, in part:

- May 2014: "The City has engaged... the services of an outside Certified Public Accountant to assist the City with... physical counts of inventories for the Cemetery... [and] also purchased a software package that will assist with correcting this finding."⁹²
- August 2015: "The City is in the process of implementing the inventory software that has been purchased... [t]he software is expected to address the control issues and alleviate the finding... [t]he City has also engaged an outside CPA to assist in alleviating this finding..."⁹³
- July 2016: "The City is in the process of implementing new inventory software that has been purchased... [t]he software is expected to address the control issues and alleviate the finding..."⁹⁴
- April 2018: "The City is implementing a new inventory software system that has been purchased... [t]he City has had staff turnover at the Cemetery... [t]he software is expected to address the control issues and alleviate discrepancies."⁹⁵
- July 2021: "The City will include in its Capital Improvement Program... an inventory management software for the Cemetery to be obtain[ed] in FY22 budget year... [g]oing forward the recommendation of an annual inventory will be implemented."⁹⁶

⁹⁰ Because the City has been very delinquent in submitting its required financial reports for so many years, the City has rarely been included on the Auditor General's initial notification to the Committee regarding municipalities with audit findings reported in three successive audit reports. This is the notification, with the list of municipalities and the findings, included in the Committee meeting packet for the members to consider taking action. As part of the motion for the Committee to direct staff to send a letter to entities to request a status update of the audit finding, the members also direct staff to send a letter to all entities included on additional notifications received from the Auditor General for late filed audit reports. While the municipalities and findings included on the Auditor General's second notification to the Committee do not appear in a Committee meeting packet, the Committee's letters to and responses from these municipalities for recent years are accessible from the Committee's website, available at: http://www.leg.state.fl.us/cgi-bin/View_Page.pl?File=correspondence.cfm&Directory=committees/joint/Jcla/&Tab=committees&EntityTypeId=12#corrMenu (last visited November 27, 2023). To view correspondence related to the City, scroll to the bottom of the page, select "Municipalities, and then select "Pahokee."

⁹¹ The numbering scheme used by the audit firm indicates that this finding has likely been reported since the 2009-10 fiscal year.

⁹² Letter from Colin Walkes, Mayor, City of Pahokee, to The Honorable Lake Ray, Chair, Joint Legislative Auditing Committee, dated May 8, 2014 (on file with the Committee).

⁹³ Letter from Colin Walkes, Mayor, City of Pahokee, to The Honorable Joseph Abruzzo, Chair, Joint Legislative Auditing Committee, dated August 5, 2015 (on file with the Committee).

⁹⁴ Letter from Keith W. Babb, Mayor, City of Pahokee, to The Honorable Daniel Raulerson, Chair, Joint Legislative Auditing Committee, dated July 11, 2016 (on file with the Committee).

⁹⁵ Letter from Keith W. Babb, Mayor, City of Pahokee, to The Honorable Jennifer Sullivan, Chair, Joint Legislative Auditing Committee, dated April 9, 2018 (on file with the Committee).

⁹⁶ Letter from Rodney Lucas, Interim City Manager, City of Pahokee, to The Honorable Dennis Baxley, Chair, Joint Legislative Auditing Committee, dated July 9, 2021 (on file with the Committee).

- July 2022: “The City will include in its Capital Improvement Program... an inventory management software for the Cemetery to be obtained in the FY2023 budget year.”⁹⁷

While this audit finding has been reported to the Committee more than any of the other current audit findings that have occurred in three or more consecutive years, the City’s status update to other audit findings also included similar or identical statements for multiple years.

Summary of Certain Financial Information Included in the City’s Audit Report for the Fiscal Year ended September 30, 2020:

At fiscal year-end:⁹⁸

- The City’s net position (sum of assets and deferred outflows of resources minus the sum of its liabilities and deferred inflows of resources) was \$14,976,901. The City’s unrestricted net position was \$1,420,529; these funds may be used to meet the City’s ongoing obligations to citizens.
- The net position for the Governmental Activities increased by \$1,067,035.
- The net position of the Business-type Activities decreased by \$1,074,208. The decrease was a result of construction in progress with the marina being transferred into service and the assets being depreciated.
- The Business-type Activities revenues decreased by \$954,949; the decrease was the result of fewer grant revenues in the fiscal year.
- The total net cost of all City programs was \$2,622,295; this is a decrease of \$460,522 from the prior fiscal year.
- The City’s long-term liabilities totaled \$707,868, a decrease of \$176,073 during the current fiscal year; all long-term liabilities, compensated absences, and OPEB increased from the prior fiscal year.

During the fiscal year:⁹⁹

- The City’s total revenues were \$5,845,785; of which \$5,480,538 was for the Governmental Activities and \$365,247 was for the Business-type Activities.
- The City’s total expenses were \$5,852,958; of which \$4,309,384 was for the Governmental Activities and \$1,543,574 was for the Business-type Activities.

In accordance with the *Rules of the Auditor General*, the auditors are required to determine whether or not the City met any conditions of a financial emergency, as specified in Section 218.503(1), *Florida States*.¹⁰⁰ The auditors determined that the City did not meet any such conditions.¹⁰¹

⁹⁷ Letter from Rodney Lucas, Interim City Manager, City of Pahokee, to the Honorable Ardian Zika, Chair, Joint Legislative Auditing Committee, dated July 28, 2022 (on file with the Committee).

⁹⁸ *Management’s Discussion and Analysis, City of Pahokee, Florida Annual Audit Report, Fiscal Year ended September 30, 2020*, page 12.

⁹⁹ *Id.*, page 16.

¹⁰⁰ *Management Letter, City of Pahokee, Florida Annual Audit Report, Fiscal Year ended September 30, 2020*, page 110. Financial emergency conditions include, in part, the failure to pay due to lack of funds, wages and salaries owed to employees, retirement benefits owed to former employees, and payroll taxes and uncontested claims from creditors within 90 days, and bond debt service payments when due.

¹⁰¹ *Id.*

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 Pahokee, 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 Roth 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.

**3 Winter Springs
Audit Report**

CITY OF WINTER SPRINGS
OPERATIONAL AUDIT
REPORT No. 2024-036

LEGISLATIVE AUDITING COMMITTEE
DECEMBER 4, 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 City of Winter Springs.
- ❖ Our audit focused on selected City processes and administrative activities during the period October 2021 through December 2022.
- ❖ In October 2023, we issued our operational audit report No. 2024-036 with 8 audit findings.

AUDIT FINDINGS

Finding 1: Wastewater System Operations

The City continues to incur fines and penalties for wastewater treatment violations.

- Florida Department of Environmental Protection warning letters and consent orders:
 - March 2021 warning letter and consent order.
 - April 2021 warning letter and consent order.
 - June 2022 warning letter.
 - May 2023 warning letter.
- Since December 2021, total costs and penalties to resolve consent orders totaled \$318,372, of which the City incurred \$68,100 and the contractor incurred \$250,272.

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AUDIT FINDINGS

Finding 2: Water Utility Contract Monitoring

The City should improve its water utility contract monitoring processes.

- October 2019 contract required the City to retain engineering firm to conduct periodic inspections and performance audits.
- The City did not engage an engineer to perform as-needed projects related to its water utility until July 2021, approximately 20 months after the contract date.
- Pursuant to the engineering firm contract, a performance audit was completed in August 2023.
- As of September 2023, there was no evidence of any periodic inspections.

4

AUDIT FINDINGS

Finding 3: Infrastructure Sales Surtax

The City's use of consent agendas to revise the project list provided to the public in advance of the voter referendum approving the local government infrastructure sales surtax reduced transparency by depriving the opportunity for public information and discussion. In addition, the City did not provide for separate accountability of transferred sales surtax moneys.

- Of \$19.1 million available sales surtax collections and earnings thereon, the City:
 - Expended \$7.2 million for projects, such as road resurfacing projects, patrol and fleet vehicles, equipment, and building rehabilitation, not on the initial project list.
 - Budgeted \$3.5 million for City Hall generator and indoor gymnasium, which were also not on the project list.
 - Transferred \$2 million to the Water and Sewer Utility Fund.

5

AUDIT FINDINGS

Finding 4: Public Records Requests

Contrary to State law, the City did not estimate fees assessed to fulfill public records requests requiring extensive information technology resources or clerical or supervisory assistance based on actual costs. In addition, the City did not always promptly respond to public records requests.

6

AUDIT FINDINGS

Finding 5: Procurement

Contrary to City ordinances, the City Manager had not established written uniform purchasing policies and procedures, and the City did not always competitively procure goods and services in accordance with City ordinances.

7

AUDIT FINDINGS

Finding 6: Purchase Cards

Although the City's cardholder agreement requires purchase card (P-card) expenditures be pre-approved by supervisory personnel, City records did not demonstrate that pre-approval was obtained. In addition, the City had not established comprehensive P-card policies and procedures to provide effective controls over the accountability and use of the cards.

8

AUDIT FINDINGS

Finding 7: Management Turnover

The City experienced significant turnover in key management positions from April 2019 through February 2023.

Finding 8: Anti-Fraud Policy

The City needs to establish policies and procedures for communicating, investigating, and reporting known or suspected fraud.

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FLAUDITOR.GOV

10

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-036
October 2023

CITY OF WINTER SPRINGS



Sherrill F. Norman, CPA
Auditor General

City Commissioners, Mayor, and City Manager

During the period October 2021 through December 2022, Kevin McCann served as City of Winter Springs Mayor, Shawn Boyle served as City Manager, and the following individuals served as City Commissioners:

	<u>District No.</u>
Matt Benton	1
Victoria Colangelo from 11/14/22	2
Kevin Cannon through 11/13/22: (Deputy Mayor 12/13/21, through 11/13/22)	2
Ted Johnson (Deputy Mayor through 12/12/21)	3
Cade Resnick from 11/14/22	4
TiAnna Hale through 11/13/22	4
Rob Elliott (Deputy Mayor from 11/14/22)	5

The team leader was Keith Auyang, CPA, and the audit was supervised by Jeff Brizendine, CPA.

Please address inquiries regarding this report to Derek Noonan, CPA, Audit Manager, by e-mail at dereknolan@aud.state.fl.us or by telephone at (850) 412-2864.

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CITY OF WINTER SPRINGS

SUMMARY

This operational audit of the City of Winter Springs (City) focused on selected City processes and administrative activities. Our audit disclosed the following:

Finding 1: The City continues to incur fines and penalties for wastewater treatment violations.

Finding 2: The City should improve its water utility contract monitoring processes.

Finding 3: The City's use of consent agendas to revise the project list provided to the public in advance of the voter referendum approving the local government infrastructure sales surtax reduced transparency by depriving the opportunity for public information and discussion. In addition, the City did not provide for separate accountability of transferred sales surtax moneys.

Finding 4: Contrary to State law, the City did not estimate fees assessed to fulfill public records requests requiring extensive information technology resources or clerical or supervisory assistance based on actual costs. In addition, the City did not always promptly respond to public records requests.

Finding 5: Contrary to City ordinances, the City Manager had not established written uniform purchasing policies and procedures, and the City did not always competitively procure goods and services in accordance with City ordinances.

Finding 6: Although the City's cardholder agreement requires purchase card (P-card) expenditures be pre-approved by supervisory personnel, City records did not demonstrate that pre-approval was obtained. In addition, the City had not established comprehensive P-card policies and procedures to provide effective controls over the accountability and use of the cards.

Finding 7: The City experienced significant turnover in key management positions from April 2019 through February 2023.

Finding 8: The City needs to establish policies and procedures for communicating, investigating, and reporting known or suspected fraud.

BACKGROUND

The City of Winter Springs (City) was originally incorporated in 1959 as the Village of North Orlando. In 1972, the Village of North Orlando was abolished, and the City of Winter Springs was established. The City, located in Seminole County (County), had an estimated population of 39,038 as of April 1, 2022.¹ The City Commission, composed of five elected Commissioners and a separately elected Mayor, govern the City. The Mayor is recognized as the head of City government but does not vote except in cases of a City Commission tie vote.² The City Commission is responsible for enacting ordinances, resolutions,

¹ *Florida Estimates of Population 2022*, Bureau of Economic and Business Research College of Liberal Arts and Sciences University of Florida.

² Part 1, *Charter*, Article IV, *Governing Body*, Section 4.01, City of Winter Springs Code of Ordinances, *Composition; qualification of members; and commission districts*.

and policies governing the City, as well as appointing the City Manager. The City Manager serves as the Chief Administrative and Executive Officer and is responsible for the administration of all City affairs.

The City provides a full range of services including public safety, sanitation, recreational and cultural activities, public improvements, planning, zoning, highways and streets, and general administrative services. In addition, the City provides water, wastewater, reclaimed and stormwater utilities.³ In October 2019, the City outsourced its water operations to a water utility contractor through execution of a 5-year contract with an unspecified number of optional 1-year renewals.

FINDINGS AND RECOMMENDATIONS

Finding 1: Wastewater System Operations

The City owns two wastewater reclamation facilities to treat sewage. The facilities are referred to as the East WRF and West WRF and, pursuant to an October 2019 contract, a contractor maintains the facilities and manages the day-to-day operations. The contractor's responsibilities include providing certified and qualified personnel to operate the facilities, performing preventative maintenance on the equipment and facilities, and conducting laboratory testing and sampling required by Federal and State laws and regulations. The City's contractual responsibilities include funding capital expenditures; maintaining all existing facility warranties, guarantees, easements and licenses; and retaining the services of an independent engineering firm to conduct period inspections and performance audits of the contractor's performance under the agreement. The contract contains liability clauses that specify that the City is liable, as the owner of the water system, for fines or civil penalties imposed by a regulatory or enforcement agency, except in the cases of the contractor's negligence or willful misconduct.

In March 2021, the Florida Department of Environmental Protection (FDEP) sent a warning letter to the City regarding the West WRF. The letter indicated that FDEP personnel noted numerous violations during several inspections conducted in January and February 2021, including:

- A fish kill attributed to an unauthorized wastewater discharge.
- Unknown treatment flows that bypassed filtration and disinfection systems.
- Inoperable wastewater treatment systems.

In April 2021, the FDEP sent a second warning letter delineating East WRF violations noted during an FDEP compliance evaluation in March 2021, including:

- Incomplete wastewater treatment calibration procedures.
- Excessive bacteria levels in wastewater.
- Malfunctions in the wastewater air distribution system.

In response to the warning letters, the City signed two consent orders with the FDEP in December 2021 agreeing to complete corrective actions related to the numerous violations of FDEP rules⁴ regulating

³ The City has three water treatment plants and two wastewater reclamation facilities, all built in 1972 and 1973.

⁴ Various Florida Department of Environmental Protection (FDEP), including FDEP Rules, Chapters 62-604, 610, and 620, Florida Administrative Code.

wastewater and reclaimed water systems. In addition, the consent orders required the City to either pay civil penalties of \$149,418 and \$20,396 associated with the West WRF and East WRF violations, respectively, or implement FDEP-approved pollution prevention projects in lieu of paying the civil penalties.

As of June 2023, the City had implemented several corrective actions to satisfy consent order requirements. For example, the City:

- Plugged a pipeline at the West WRF that had drained treated sewage into an abandoned golf course pond.
- Implemented a pollution prevention program modernizing the supervisory control and data acquisition system at the West WRF to be executed and funded by the City's contractor.
- Provided evaluations, design modifications, construction permits, and certificates of completion to remedy the excessive debris in a basin at the East WRF.
- Implemented a pollution prevention program at the City Center Stormwater Pond related to the East WRF to be executed and funded by the City's contractor.

Notwithstanding these actions, the FDEP issued two additional warning letters to the City regarding further potential wastewater-related violations of FDEP rules. Specifically:

- On June 9, 2022, the FDEP indicated that, on March 8, 2022, it received notice that the East WRF had an unpermitted sanitary sewer overflow of approximately 750 gallons, which was an unauthorized wastewater discharge caused by an electrical power outage. Although the FDEP did not require the City to take any corrective actions, the FDEP assessed, and the City's contractor paid, \$4,250 for civil penalties and investigative costs incurred by the FDEP to conduct its investigation.
- On May 26, 2023, the FDEP indicated that, in response to a complaint, it conducted an inspection on May 19, 2023, of the West WRF that disclosed four violations regarding wastewater and reclaimed water systems. The City responded to the warning letter on July 10, 2023, providing its explanations and corrective actions taken, and the FDEP indicated that the warning letter had been resolved as of July 28, 2023.

Since December 2021, total costs and civil penalties paid to the FDEP to resolve the consent orders and warning letters, including costs of projects in lieu of civil penalties, totaled \$318,372, of which the City incurred \$68,100 and the contractor incurred \$250,272.

As owner of the wastewater reclamation facilities, the City is ultimately responsible for ensuring that State regulations governing the operation of water facilities are followed and that water quality is protected. As discussed in Finding 2, the City's noncompliance with certain contract provisions and contract and contractor performance monitoring deficiencies may have contributed to the violations noted by the FDEP.

Recommendation: The City should ensure that wastewater reclamation facilities operate in accordance with applicable FDEP rules.

Finding 2: Water Utility Contract Monitoring

The City is responsible for monitoring and enforcing contractual terms and conditions to ensure that contract deliverables are appropriately provided, and any regulatory requirements are satisfactorily met.

As indicated in Finding 1, in October 2019, the City entered into a contract for the operation, maintenance, and management of the City's water, wastewater, reclaimed and stormwater (water) utilities.

The contract requires the City to retain the services of an independent engineering firm with expertise in water, sewer, reclaimed and stormwater utility operations maintenance and management to conduct periodic inspections and performance audits of the water utility contractor's performance under the contract. Such inspections and audits are to be scheduled by the City annually or as otherwise deemed warranted by the City.

In December 2020, the City issued a request for qualifications (RFQ) for civil engineering continuing services to be determined by the City on an individual task order basis. Such services included various aspects of the City's operations and services for its water utility, such as stormwater engineering, water quality studies and design, flood control, stormwater master planning, potable water treatment engineering, sewer and reclaimed water treatment engineering, and general site planning and design for municipal facilities. Effective June 4, 2021,⁵ approximately 20 months after the effective date of the contract with the water utility contractor, the City entered into a contract with an engineering firm for civil engineering continuing services for projects related to its water utility on an as-needed, task-oriented basis.

Based on our discussions with City personnel and review of City records, the City's efforts to monitor the water utility contractor's performance included the receipt of monthly status reports, periodic meetings with the contractor, and the performance of periodic water quality testing that the FDEP reviewed to ensure that water quality consistently met State standards. In response to our requests for task orders made by the City to periodically evaluate and conduct performance audits of the contractor's performance, City personnel indicated that the engineering firm had provided a scope of services⁶ dated June 22, 2021, indicating that, upon receipt of a notice to proceed from the City, an operational audit⁷ would be completed within 16 weeks. On July 12, 2021, the City approved the scope of services and issued a purchase order on July 21, 2021. The City received the audit report over 2 years later on August 25, 2023, and, according to City personnel, the delay was primarily caused by impacts on the City from hurricanes in September 2022 and November 2022. Our review of the audit report disclosed findings that may have contributed to the wastewater violations discussed in Finding 1. For example:

- Aging utility facilities led to unexpected maintenance projects, including emergency repairs.
- Communication protocols were not always followed when abnormal or emergency events occurred.
- Computer software used to monitor process performance and track maintenance events was not always functional due to program modifications. Additionally, the work order system used to schedule preventative maintenance tasks was not always utilized to document corrective

⁵ The City had previously contracted with the same engineering firm in September 2018, with a primary focus on water quality improvements, and the City contracted with the same firm in December 2020 pursuant to the RFQ process for a separate continuing services contract for engineering services.

⁶ The scope of services indicated that the audit was to evaluate permit and contractual compliance, work practices, communication protocols, procedures and documentation, and operation and maintenance practices compared to industry practices.

⁷ The term "operational audit" was meant to be synonymous with the term "performance audit" included in the City's contract with the water utility contractor.

maintenance procedures, and a spare parts inventory was not actively maintained, which led to delays in maintenance and repair projects.

According to the City's Director of Utilities, the audit findings would be discussed with the contractor to ensure the prompt correction of the deficiencies noted.

Although we requested, we were not provided evidence that the City scheduled any other periodic inspections or audits of the contractor's performance. In addition to the engineering firm's delay in providing the above-mentioned audit report, the City's delay in procuring independent engineering firm services may have contributed to the wastewater violations discussed in Finding 1. Absent effective contract monitoring, including periodic evaluations of contractor performance, the City has limited assurance that the water utility contractor is complying with State laws, State rules, and contract terms and that any noncompliance is timely detected.

Recommendation: The City should develop policies and procedures to more effectively monitor contractor compliance with contract terms and applicable State laws and rules. Such policies and procedures should ensure that contractor performance is evaluated periodically, but no less frequently than annually. In addition, the City should ensure that its contracted engineer conducts periodic inspections of the water utility contractor's performance in accordance with the water utility contract requirements.

Finding 3: Infrastructure Sales Surtax

Pursuant to State law,⁸ Seminole County (County) enacted an ordinance⁹ authorizing the imposition of a 1 percent local government infrastructure sales surtax (sales surtax) to provide acceptable levels of service for public transportation system infrastructure, pedestrian access and mobility facilities, trails, and stormwater management facilities, as well as other public infrastructure and other infrastructure uses as authorized by law. Seminole County, the School Board of Seminole County, and the seven County municipalities approved an interlocal agreement in March 2014 to govern the distribution of the infrastructure sales surtax collected during the period January 1, 2015, through December 31, 2024.

In accordance with the interlocal agreement, the City submitted a list of 40 proposed projects for roadway infrastructure improvements, pedestrian trails, sidewalks, road resurfacing, bridge replacement and repair, stormwater improvements and pipe relining, with preliminary costs totaling \$19 million. The three categories of listed proposed projects with the largest dollar amounts were:

- Road resurfacing, \$5.2 million.
- Bridge replacement and repair, \$4.0 million.
- Roadway improvements (other than resurfacing), \$3.5 million.

To inform the public about the infrastructure sales surtax, the County maintained a Web site that included the interlocal agreement and the City's project list. As of December 31, 2022, City records indicated that the City had received and deposited into its Road Improvements Special Revenue Fund \$18.4 million of the sales surtax collections, and the City's investment earnings on those collections totaled approximately \$700,000, for a total of \$19.1 million available sales surtax collections and investments earnings. From

⁸ Section 212.055(2)(a)1, Florida Statutes.

⁹ Seminole County Ordinance No. 2014-8. Seminole County voters approved the sales surtax referendum on May 20, 2014.

this amount, the City had expended \$7.9 million and transferred an additional \$2 million to the Water and Sewer Utility Fund for infrastructure projects.

The interlocal agreement allows for the project list to be revised only after approval by the governmental entity controlling the project following a noticed public meeting. City Commission meeting agendas include consent agenda items that may be collectively approved by the City Commission in one motion and without individual discussion; however, any City Commissioner may request an item be removed from the consent agenda for individual discussion and action. Our examination of City Commission meeting minutes and City records disclosed that the City Commission approved the following revisions to the project list at publicly noticed meetings as part of the meeting consent agendas without individual discussion:

- On July 13, 2020, the City Commission reallocated \$10 million from “bridge repairs/retrofits, residential road resurfacing, sidewalks, and new roadway projects” to “water/wastewater projects, parks and trails, patrol and fleet vehicles, equipment, and building rehabilitation projects.”
- On March 13, 2023, the City Commission reallocated \$2.8 million from “water/wastewater, parks and trails, patrol and fleet vehicles, and equipment projects” to “residential road resurfacing projects.”

From the \$12.8 million reallocated, the City expended \$7.2 million for projects that were not on the initial project list, including \$3.5 million for residential road resurfacing projects; \$2.3 million for patrol and fleet vehicles, equipment, and building rehabilitation projects; and approximately \$925,000 on the Central Winds parking lot and acquisition of land. As of December 2022, City records indicated that an additional \$3.5 million of the sales surtax collections were budgeted for a second City Hall generator and indoor gymnasium, which were also not included on any approved project lists, as amended.

In addition, although the \$2 million transferred from the Road Improvements Special Revenue Fund to the Water and Sewer Utility Fund was allocated to a utility fund that periodically incurs infrastructure expenses potentially allowable under State law,¹⁰ as of August 2023, City Water and Sewer Utility Fund accounting records did not separately identify expenses financed from the sales surtax proceeds. Consequently, City records do not demonstrate that the \$2 million of transferred sales surtax moneys were used, or earmarked to be used, for specific projects included on the amended project lists or other allowable sales surtax purposes.

Insofar as the sales surtax project list was made available to the public in March 2014,¹¹ voters may have reasonably expected the sales surtax collections to be expended on project list items when they voted for the sales surtax referendum on May 20, 2014. Our examination of City records supporting 38 selected sales surtax expenditures totaling \$7.5 million incurred during the period January 1, 2015, through March 10, 2023, disclosed that the expenditures were generally consistent with State law. However, although the interlocal agreement allows the City and the other signatories to change the project list, the City’s decisions to expend sales surtax collections on alternate projects may erode public trust that the moneys will be expended in accordance with voter expectations at the time of the referendum.

¹⁰ Section 212.055(2)(d)1., Florida Statutes

¹¹ Seminole County Government Public Works Department Web page – *One Cent Tax 2014*.

In addition, the inclusion of significant sales surtax reallocations in the City Commission consent agenda reduced transparency by depriving the opportunity for public information and discussion. In May 2023, the County's Inspector General issued an audit report¹² of the sales surtax allocations to the City with a similar finding. In response to that audit, the City indicated that its Mayor or Commissioners had the opportunity to remove consent items from the consent agenda for discussion, and that the public meetings have two opportunities for public comment on the consent agenda items. The City further indicated that future project list revisions may be excluded from the consent agenda.

Excluding infrastructure sales surtax reallocations from the City Commission consent agenda would increase the opportunity for public discussion of the City's intent and rationale for revising the project list and improve transparency of City decisions involving the expenditure of sales surtax moneys.

Recommendation: The City should establish policies and procedures that:

- **To provide for City Commission and public discussion, require and ensure that items with significant financial impacts or high public interest, such as the infrastructure sales surtax, are included in the agenda as discussion items, rather than consent agenda items.**
- **To the extent practical, ensure that sales surtax collections be expended in accordance with public expectations.**
- **Provide separate accountability for the expenditure of sales surtax collections transferred from the Road Improvements Special Revenue Fund to other City funds.**

Finding 4: Public Records Requests

Except as otherwise provided in the Constitution of the State of Florida, pursuant to the State's Sunshine Law,¹³ the City is required to provide public records for inspection upon request. State law¹⁴ authorizes the City to charge a reasonable fee based on costs incurred if the nature or volume of public records requested to be inspected or copied requires extensive use of information technology (IT) resources or extensive clerical or supervisory assistance. In addition, a City resolution¹⁵ allows a fee, based on the labor costs actually incurred or attributed to City personnel, to be charged if fulfillment of the request is estimated to require more than 30 minutes of labor.

According to City personnel, upon receipt of a request for public records, the City Clerk meets with appropriate City personnel, such as department heads, to discuss where the requested records are stored and to estimate the time required to collect, duplicate, and review the records prior to releasing them to the requestor. If it is determined that the request will involve extensive City personnel effort,¹⁶ the City Clerk will invoice the requestor for the estimated cost to provide the requested public records and require a prepaid deposit for half the cost. If the request does not require extensive resources, the City will complete the request free of charge. For requests received by e-mail, City personnel send an

¹² Seminole County Clerk of the Circuit Courts and Comptroller report No. 040323, *Audit of Inter-local 3rd Generation 1 Cent Tax Allocation, City of Winter Springs*.

¹³ Section 286.011(1) and (2), Florida Statutes.

¹⁴ Section 119.07(4)(d), Florida Statutes.

¹⁵ City of Winter Springs Resolution No. 2013-07.

¹⁶ According to City personnel, in practice, the term "extensive" means that more than 30 minutes of employee effort will be required to fulfill a request. City of Winter Springs Resolution No. 2013-07 indicates that public records requests requiring 30 minutes or less of response time will be fulfilled at no cost to the requestor.

e-mail to the requestor confirming receipt of the request but do not provide an estimated completion date for fulfillment of the request.

According to City records, the City received 217 public records requests during the period October 1, 2021, through December 31, 2022. For 211 of the requests, City personnel determined that extensive resources would not be required, and no costs were estimated and assessed to the requestors. However, our examination of City records documenting these public records requests noted that 38 requests were completed 11 to 87 business days, or an average of 29 business days after receipt of the requests. In response to our requests for explanations for the lengthy response times, City personnel identified the need to conduct official City business, staff work schedules, vacations, employee turnover, and training as factors contributing to the number of days needed to complete a public records request. Although the City has written procedures addressing request fulfillment, the procedures do not specify a time frame for completing public records requests or that requestors be notified when delays occur. In addition, the City did not have records showing actual employee time spent responding to the public records requests because the City does not have policies and procedures requiring the tracking of actual time spent fulfilling public records requests.

For the remaining 6 requests, City personnel invoiced the requestors amounts ranging from \$21 to \$3,895 based upon estimated costs for the time anticipated to be incurred by the City Manager, Public Works Director, various clerks, and IT personnel to satisfy the requests. Deposits for 2 of the 6 requests were paid and the requests were timely fulfilled, the requestor rescinded 1 of the requests after meeting with City staff, and the other 3 requests were not satisfied as the requestors did not pay the required deposits. In response to our request to review documentation to support the invoiced amounts, City personnel indicated that records demonstrating how the estimated costs were calculated did not exist and that the City does not have any policies or procedures requiring records to be maintained to support the cost estimates.

Prompt responses to public records requests promote good governance and without such, transparency and public trust may be compromised. In the absence of effective policies and procedures to require timely responses to public records requests and to document estimated and actual costs for processing public records requests, City records do not demonstrate City compliance with State law requiring public records be provided upon request and that any amount charged to produce the records was reasonable based on the costs incurred.

Recommendation: The City should enhance its policies and procedures to specify a standard time frame for completion of public records requests and to require requestors be notified when delays will occur. Further, City policies and procedures should require supporting documentation be retained to support the calculation of the estimated and actual costs of responding to public records requests requiring extensive effort.

Finding 5: Procurement

City ordinances¹⁷ require that all City purchases be made pursuant to written uniform purchasing policies and procedures established by the City Manager, permit the City Manager to authorize commodities and

¹⁷ Chapter 2, *Administration*, Article VI, *Finance*, Division 2, City of Winter Springs Code of Ordinances – *Purchasing*.

services purchases of \$50,000 or less, and require City Commission authorization for purchases in excess of \$50,000. The ordinance also specifies that competitive prices for purchases of commodities and services shall be obtained by written bid, quote, or proposal with the purchase or contract awarded to the lowest and best bidder, including for the acquisition of professional services pursuant to direct negotiation, with certain exemptions, for example, emergency and sole source situations.

Although we requested in April 2023, as of August 2023, City personnel had not provided to us the City's written uniform purchasing policies and procedures required by City ordinance. However, we were provided a *Purchasing Policy Summary*,¹⁸ that refers to the purchasing policies and procedures City personnel were unable to locate. Although the *Purchasing Policy Summary* did indicate that purchases of commodities and services in excess of \$50,000 were required to be procured pursuant to a publicly solicited competitive selection process using formal sealed bids or responses to requests for proposal (RFP),¹⁹ and any bid or RFP solicitation is to be awarded to the lowest and best responsive bidder or respondent, City personnel indicated that the *Purchasing Policy Summary* is a guide of recommendations rather than a list of requirements. The lack of the uniform purchasing policies and procedures required by City ordinance may have contributed to the deficiencies discussed below.

During the period October 1, 2021, through September 30, 2022, 59 vendors each received one or more payments collectively exceeding \$50,000 and totaling \$15.7 million. Our review of City records supporting the purchases of goods or services from 14 of those vendors, with payments totaling \$4.9 million, disclosed that:

- The City did not use a competitive selection process to procure temporary labor services for concrete, landscape, and generalized services totaling \$67,339. City personnel indicated that temporary labor, such as concrete laborers and landscape and general helpers obtained from a temporary employment agency, qualifies as professional services and is exempted from competitive selection by City ordinance.²⁰ Notwithstanding, insofar as City ordinances do not define the term "professional services," and the City also lacks policies and procedures that define the term, the basis for concluding that temporary manual labor services constitute professional services and, therefore, are exempt from competitive solicitation, is not apparent.
- At its July 12, 2021, meeting, the City Commission approved the purchase of an irrigation pump for \$67,404 based on three written quotes included in the meeting agenda packet. Although City personnel obtained the three quotes, sealed bids were not solicited as recommended by the City's *Purchasing Policy Summary*.
- In connection with an RFP for communication and branding services, City personnel sought additional guidance from the City Commission during its December 13, 2021, meeting because three proposals, with associated costs ranging from approximately \$48,000 to \$197,000, met the minimum requirements of the RFP but differed in the description of services to be provided. In public debate at that meeting, the City Commission noted that the competing proposals contained significant scope and cost differences but did not direct City personnel to seek additional information from the respondents or attempt to obtain comparable proposals by revising the criteria and reissuing the RFP. Instead, the City Commission instructed City personnel to engage in contract negotiations with a respondent selected based on criteria not specified in the RFP.

¹⁸ City of Winter Springs *Purchasing Policy Summary*, dated October 11, 2018.

¹⁹ City personnel indicated that, in practice, a formal sealed bid process is utilized when a specific good or service and method of delivery is known; otherwise, an RFP process is initiated to obtain and evaluate variable options to best meet the City's needs.

²⁰ Chapter 2, *Administration*, Article VI, *Finance*, Division 2, *Purchasing*, Section 2-152, City of Winter Springs Code of Ordinances – *When written bids are required; waiver; small purchases*.

For example, although the RFP did not include a local preference criterion, one proposal was rejected because a City Commissioner expressed a desire to keep the City's dollars local and noted that the proposal originated from an out-of-State respondent. To ensure that the selection process is fair and transparent, City personnel and the City Commission should only evaluate proposals based on the criteria included in the RFP.

- The City issued a request for qualifications (RFQ) in July 2019 for firms to submit their qualifications to operate the City's water systems. As part of the competitive selection process, the City convened a committee to evaluate the two proposals received based upon the qualifications criteria contained in the RFQ. On October 14, 2019, the Commission selected a vendor²¹ without using one of the City-ordinance-prescribed competitive selection methods (i.e., a sealed bid or an RFP). As the scope of services was clearly defined, the City should have used an RFP, which would have included a pricing component, to solicit proposals to operate the water systems. During the period November 2019 through June 6, 2023, the City paid \$10.6 million to the vendor. In response to our inquiries, City personnel indicated that:
 - The City was motivated to select the most qualified vendor.
 - The price for the services was not a consideration in selecting the vendor.
 - Insofar as the City previously provided these services to its residents, the City was well positioned to select a vendor based on both qualifications and cost.

Notwithstanding, City records did not demonstrate that the City selected the water utility contractor in accordance with City ordinances and at the lowest price consistent with desired quality.

Recommendation: The City Manager should establish written uniform purchasing policies and procedures as required by City ordinance. Such policies and procedures should ensure that purchases are made in accordance with City Commission intent, applicable City ordinances are consistently followed, the purchasing process is fair and transparent, and that commodities and services are obtained at the lowest cost consistent with desired quality.

Follow-Up to Management's Response

Management's response indicates that the City competitively procured goods and services in accordance with City ordinances. However, City ordinances²² require that all City purchases be made pursuant to written uniform purchasing policies and procedures established by the City Manager. As indicated in the finding, City personnel were unable to locate the ordinance-required uniform purchasing policies and procedures; however, they did provide a Purchasing Policy Summary that refers to the missing purchasing policies and procedures. Insofar as the procurements cited in our finding did not comply with the Purchasing Policy Summary requirements, the finding and related recommendation stand as presented.

Finding 6: Purchase Cards

The City established a purchase card (P-card) program²³ to expedite the purchase of certain goods and

²¹ The vendor selected by the City was the same vendor referred to in Findings 1 and 2.

²² Chapter 2, *Administration*, Article VI, *Finance*, Division 2, City of Winter Springs Code of Ordinances – *Purchasing*.

²³ Chapter 2, *Administration*, Article VI, *Finance*, Division 2, *Purchasing*, Section 2-152, City of Winter Springs Code of Ordinances – *When written bids are required; waiver; small purchases*.

services. P-cards²⁴ can provide a cost effective, convenient, and decentralized method for designated employees to make business purchases on behalf of an entity. However, as P-cards are vulnerable to fraud and misuse, it is essential that City policies and procedures provide effective controls over the accountability and use of the cards.

In response to our request for the City's P-card policies and procedures, City personnel indicated that no such policies and procedures had been established and that P-card guidelines were limited to the requirements included on the cardholder agreement, which all cardholders must sign prior to being issued a P-card. The cardholder agreement provides that the cardholder understands and agrees to abide by the following requirements:

- The cardholder bears ultimate responsibility for the card.
- The P-card will not be used for personal expenses and will only be used for official business on behalf of the City.
- The cardholder will ensure that applicable budget is available, and expenses are pre-approved through their manager or supervisor.
- The cardholder will reconcile P-card expenditures and submit original receipts to the Finance Department within 5 business days of the statement date.
- The cardholder will report lost or stolen P-cards immediately to the Finance Department.
- Upon separation from City employment, the cardholder will return the P-card with a final reconciliation of all expenditures prior to departure.

Subsequently, City personnel provided a City Commission resolution²⁵ from 2004 that contained certain elements of a P-card policy. Although the requirements included in the cardholder agreement and the resolution provide some basic guidance on P-card usage, comprehensive written procedures would provide guidelines for staff to reference. Such guidelines could include acceptable uses, allowable vendor types, single purchase limits and restrictions on attempts to evade those limits such as split-invoice or multiple similar purchases, daily and monthly limits, restrictions on sharing P-cards, the process for disputing incorrect charges, the monthly reconciliation process, and supervisory approval and review responsibilities.

During the period October 1, 2021, through December 31, 2022, P-card expenditures by 36 City employees totaled \$347,590. Our examination of City records supporting 30 selected P-card expenditures totaling \$56,233 disclosed that, contrary to the cardholder agreement and resolution, City records did not demonstrate that any of the P-card expenditures had been pre-approved by supervisory personnel. In response to our inquiry, City personnel indicated that pre-approval of an employee's assigned P-card use is verbal and that Finance Department personnel is instructed to identify any questionable charges.

While our examination did not disclose any questionable P-card expenditures, absent comprehensive written policies and procedures to provide effective controls over the accountability and use of the cards

²⁴ Chapter 2, *Administration*, Article VI, *Finance*, Division 2, *Purchasing*, Section 2-152 of the Code of Ordinances uses the term "purchase card," City Resolution No. 2004-11 uses the term "credit card," and the City cardholder agreement uses the term "corporate credit card." In practice, City personnel use these terms interchangeably, with "P-card" being the most commonly used.

²⁵ City of Winter Springs Resolution No. 2004-11.

and documented supervisory pre-approval of expenditures and supervisory review after the expenditures, there is increased risk that unauthorized or inappropriate P-card expenditures could occur without being timely detected.

Recommendation: The City should establish comprehensive written P-card policies and procedures governing all significant aspects of the P-card program. In addition, the City should document the required supervisory pre-approval of P-card expenditures specified in the cardholder agreement.

Finding 7: Management Turnover

The City Manager, department heads, and other key management positions in the City are responsible for designing and implementing effective internal controls and ensuring consistent application of City policies and procedures. The implementation and consistent application of policies and procedures can be particularly challenging when significant turnover in key management positions is experienced.

As illustrated in Table 1, our examination of City records and discussions with City personnel disclosed that the City experienced significant turnover in certain key management positions during the period April 2019 through February 2023.

**Table 1
Turnover in Key Management Positions
For the Period April 2019 Through February 2023**

Position	Number of Resignations	Number of Times Position Was Vacant	Number of Days Position Was Vacant
City Manager	2	-	-
Finance Director	3	1	24
Chief of Police	2	-	-
Director of Public Works	3	2	100
Director of Community Development	3	3	321

Source: City records.

Our examination of City personnel records associated with some resignations disclosed instances of allegations of a negative workplace environment. For example, in December 2019 a former City Clerk cited accusations by Commissioners questioning her loyalty and in July 2022 a former Director of Community Development referred to the “hostile nature” of the working environment at the City. Additionally, in response to our inquiries, City personnel indicated that there were prior instances of Commission interference with City staff and that training regarding City Charter prohibitions against City Commission interference with administration²⁶ is now provided to City Commissioners during their onboarding process. In addition, City personnel indicated higher pay, lifestyle changes, and retirement as common reasons for key management turnover in recent years.

²⁶ Part I, *Charter*, Article IV, *Governing Body*, Section 4.07(c), City of Winter Springs Code of Ordinances – *Interference with Administration*, prohibits the Mayor and City Commissioners from giving orders to City staff subject to the direction and supervision of the City Manager.

During the course of the audit, we also noted that the City's 2021-22 fiscal year financial statement audit, which was due to be filed with the Auditor General and Florida Department of Financial Services on June 30, 2022, had not been completed. As of September 2023, the audit was ongoing and was delayed, in part, because the City Controller was also performing Finance Director duties on an interim basis. Additionally, the City's water contractor sent the City a Notice of Default letter dated August 14, 2023, indicating that the City had not paid \$1.2 million for various invoices, the oldest of which had been unpaid since November 2022. The invoices included \$339,467 related to contractual maintenance and repair, and electricity cost refunds associated with water and sewer utility operations²⁷ and two monthly contract payments totaling \$640,018. According to City personnel, the delays in paying the invoices were, in part, caused by staffing shortages.

Significant turnover in key management positions results in the loss of institutional knowledge and impacts the oversight and consistent application of City policies and procedures and may lead to inefficient operations and reduced service quality. The turnover in key City management positions may have contributed to the control deficiencies and instances of noncompliance disclosed in this report.

Recommendation: To promote efficient operations, deliver high-quality services to residents, and consistently apply City policies and procedures, the City should continue its efforts to train City Commissioners and develop policies and programs that foster a positive work environment and promote stability in key management positions.

Finding 8: Anti-Fraud Policy

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 serve to establish the responsibilities for investigating potential incidents of fraud and taking appropriate action, 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 audit procedures found that the City did implement some elements of a fraud policy, in a related policy,²⁸ essential to aid in the mitigation, detection, and prevention of fraud; however, the policy did not:

- Provide examples of actions constituting fraud.
- Require individuals to communicate and report known or suspected fraud.
- Provide for anonymous reporting of known or suspected fraud.
- Require officials to keep accurate records of reported fraud or suspected fraud.
- Assign responsibility for investigating potential incidents of fraud and taking appropriate action.
- Provide guidance for investigating potential and actual incidents of fraud; reporting evidence obtained by the investigation to the appropriate authorities, which may be City Commission members or the City legal counsel if an incident involves City management; or protecting the reputations of persons suspected but determined not guilty of fraud.

²⁷ Section 8 of the Agreement for Utilities Operations, Maintenance, and Management Services provides that the contractor will be paid for certain maintenance and repair costs and, when applicable, be provided partial electricity cost refunds for utility costs deducted from the contractor's monthly installment payments.

²⁸ Section 50, City of Winter Springs Personnel Manual – *Code of Conduct*.

The lack of a comprehensive fraud policy that includes, for all employees, adequate training on how to recognize potential acts of fraud, as well as a well-defined method for reporting those acts, increases the risk that fraud will go undetected or unreported. In addition, the lack of procedures assigning responsibility for investigating acts of fraud, as well as for the conduct of the investigation, increases the risk that fraud allegations will not be properly investigated.

Recommendation: The City should establish a comprehensive policy and procedures for detecting, communicating, and investigating known or suspected fraud.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity 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 Audit Committee, at its January 26, 2023, meeting, directed us to conduct this operational audit of the City of Winter Springs (City).

We conducted this operational audit from March 2023 through September 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.

This operational audit of the City of Winter Springs focused on selected processes and administrative activities. For those areas addressed by this audit, our objectives 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 the audit period October 2021 through December 2022, and selected City 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, grants, contracts, City ordinances, policies and procedures, and other guidelines, and interviewed City personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Examined minutes of City Commission meetings held during the audit period, and the minutes of selected meetings held prior and subsequent to the audit period, to determine the propriety and sufficiency of actions taken related to the programs, activities, and functions included in the scope of this audit.
- Evaluated the adequacy of City policies and procedures related to identifying potential conflicts of interest. For selected City officials, reviewed Seminole County Supervisor of Elections records, statements of financial interests, and City records to identify any potential relationships that represented a conflict of interest with City vendors.
- Inquired of City personnel to determine whether the City entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period.
- Evaluated the sufficiency of City actions to comply with consent orders issued by the Florida Department of Environmental Protection. Additionally, we evaluated the sufficiency of City monitoring of its water utility contractor.
- From the population of 59 vendors receiving one or more payments collectively exceeding \$50,000 during the period October 2021 through September 2022, examined City records supporting the procurement process for 14 vendors paid \$4.9 million to determine whether the City competitively procured goods and services in accordance with City ordinances.
- Reviewed City records and communications related to a consumptive use permit issued by the St. Johns River Water Management District for irrigation-type water rights associated with a local lake and also an artesian well located on private property. Our review of City records disclosed that the permit issued by the Water Management District to the City in April 2007 lasts for 20 years

and is currently the subject of a legal dispute by the property owners of the artesian well site, which is the appropriate avenue for resolution.

- Examined City records related to public records requests received during October 2021 through December 2022, to determine if City personnel promptly processed such requests and that any fees charged to requestors were properly calculated and in accordance with State law.
- Determined whether the City had established anti-fraud policies and procedures to provide guidance for detecting, communicating, and investigating known or suspected fraud.
- For the population of 19 employees hired at the director position and above between January 2019 through December 2022, examined City documentation to determine whether the employees were hired in accordance with City policies and the employees met the minimum education and experience qualifications established in the City's written job descriptions.
- Reviewed City employment opportunity outreach methods and evaluated the adequacy of such methods to ensure that an adequate number of qualified applicants were made aware of City employment opportunities.
- From the population of 1,716 purchase card (P-card) expenditures between October 2021 and December 2022 totaling \$347,590, examined 30 transactions totaling \$56,233 to determine whether P-card expenditures complied with City policies and procedures and good business practices.
- Prepared a schedule of key City personnel turnover and reviewed exit interviews and resignation letters to ascertain whether the City Commission or its members may have contributed to a negative workplace environment or otherwise took actions that increased employee turnover.
- Examined City records and inquired of City personnel to determine whether the City Commission complied with the City Charter, which requires the City Commission and its members to deal with City officers and employees who are subject to the direction and supervision of the City Manager solely through the City Manager.
- Analyzed changes in City staffing levels and corresponding changes in salaries and benefits for the 2019-20, 2020-21, and 2021-22 fiscal years to determine whether changes in staffing levels and associated costs were reasonable.
- Reviewed the interlocal agreement signed by Seminole County (County), Seminole District School Board, and seven municipalities located within the County to identify key provisions associated with the expenditure of the voter-approved infrastructure sales surtax (sales surtax).
- From the population of 205 sales surtax expenditures incurred during the period January 2015 through March 2023 and totaling \$9.9 million, we examined City records supporting 38 expenditures totaling \$7.5 million to determine whether the expenditures were made in accordance with Section 212.055(2), Florida Statutes, the sales surtax interlocal agreement, and the voter-approved referendum.
- Analyzed City records to determine if the City possesses sufficient financial resources to implement the proposed water, wastewater, and stormwater capital improvement plan.
- In April 2023, reviewed the Web site created by the City's contracted public relations firm to determine whether statements on the Web site to inform the public were materially accurate.
- Examined City records, including City Commission meeting minutes, for the period October 2021 through December 2022, and inquired of City personnel to determine whether any construction or electrical projects with estimated or actual costs exceeding the thresholds specified in Section 255.20, Florida Statutes, were performed using City 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, stylized initial 'S'.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



KEVIN McCANN
MAYOR

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PHILIP HURSH
INTERIM CITY MANAGER

October 13, 2023

Sherill F. Norman, CPA
Auditor General
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: City of Winter Springs Operational Audit – Updated Per Auditor General's Request For Clarification from October 11, 2023 Version Submission

Dear Ms. Norman:

Thank you for your letter dated September 19, 2023 enclosing a list of eight (8) preliminary and tentative audit findings and recommendations resulting from the operational audit of the City of Winter Springs conducted by your office. Upon a thorough evaluation of the findings and recommendations, we appreciate the opportunity afforded the City to submit the enclosed written management response in accordance with section 11.45(4)(d), Florida Statutes.

The City genuinely appreciates the work conducted by the Auditor General Office and the professional manner in which the audit team communicated and worked with City staff. During the audit process, City staff, the City's contracted consultants, and City Attorney have expended a substantial amount of time responding to inquiries and requests for records from the audit team. We believe the experience gained from engaging in the operational audit and implementing your recommendations will help the City further strengthen its policies and procedures and improve operations for the benefit of the citizens of Winter Springs.

Please do not hesitate to contact us if you have any questions or require additional information.

Respectfully submitted,

Kevin McCann, Mayor

Philip Hursh, Interim City Manager

C: City Commission
City Attorney
Enclosure (pages 1-8)

City of Winter Springs' Response to the Florida Auditor General's Preliminary and Tentative Audit Findings

Finding 1 – Wastewater System Operations

Recommendation: The City should ensure that wastewater reclamation facilities operate in accordance with applicable FDEP rules.

Management Response:

Management is committed to operating the City's wastewater reclamation facilities with licensed operators in accordance with applicable FDEP rules. The City will continue to fully cooperate and work with the FDEP, which is the State agency delegated with exclusive jurisdiction to oversee wastewater reclamation facilities pursuant to chapter 403, Florida Statutes. The City communicates regularly with the FDEP and provides all operational reports required by FDEP rules. The City acknowledges that the operation of the almost 50-year-old wastewater treatment plants and related infrastructure has been difficult. In response to the FDEP consent orders referenced in the report, the City completed many repairs and improvements to the wastewater facilities to maintain compliance with State regulations including the installation of new equipment. Several of these improvements were requested by the FDEP, but several of them were also initiated voluntarily by the City for purposes of improving operational reliability. Additionally, the City authorized its consulting engineer to provide enhanced operational and compliance support to the City's contract operator in accordance with two approved task orders: "West WWTP Rehabilitation and Operational Improvements" and "Compliance Engineering Support." These task orders provided authorization for additional design improvements along with direct in-field operational review, guidance, and regulatory coordination with the FDEP. Further, the City has developed an approximate \$100 million plan to replace the two wastewater treatment plants with new facilities that will be more resilient and operationally reliable. In addition, the City is applying for funding with the Florida's State Revolving Fund, as well as actively seeking additional grant funding sources, to fund the design and construction of the new plants. In the coming months, Management will also be finalizing, with the assistance of the City's utilities rate consultant, a utilities rate study and presenting to the City Commission for consideration and approval a comprehensive funding plan to support the long term operational and capital improvement needs of the City's water, sewer and reclaimed utilities systems.

Finding 2 – Water Utility Contact Monitoring

Recommendation: The City should develop policies and procedures to more effectively monitor contractor compliance with contract terms and applicable State laws and rules. Such policies and procedures should ensure that contractor performance is evaluated periodically, but no less frequently than annually. In addition, the City should ensure that its contracted engineer conducts periodic inspections of the water utility contractor's performance in accordance with the water utility contract requirements.

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Management Response:

Management is in agreement with the recommendation. The City, through our consulting engineer, recently completed an operational audit of the current contract operations of the City's water and sewer utilities. To accomplish more frequent oversight and monitoring in the future, the City is currently working with its consulting engineer to finalize a detailed written task order to establish a scope of service and plan to conduct monthly operational inspections and monitoring, instead of annually. The monthly inspection and monitoring will be primarily focused on operational performance, contract compliance, permit compliance and FDEP reporting. The intent of the monthly review plan will be to proactively assist the operator in avoiding problems that could result in non-compliance of FDEP rules and contract requirements, and to strengthen the City's utilities policies and procedures where warranted.

Finding 3 – Infrastructure Sales Surtax

Recommendation: The City should establish policies and procedures:

- **To provide for City Commission and public discussion, require and ensure that items with significant financial impacts or high public interest, such as infrastructure sales surtax, are included in the agenda as discussion items, rather than consent agenda items.**
- **To the extent practical, ensure that sales surtax collections be expended in accordance with public expectations.**
- **Provide separate accountability for the expenditure of sales surtax collections transferred from the Road Improvements Special Revenue Fund to other City funds.**

Management Response:

Management appreciates the recommendation, and remains committed to continue expending infrastructure sales tax funds in a publicly transparent manner and in accordance with law, the public referendum and the 2014 Interlocal Agreement approved by Seminole County, the seven Seminole County cities and School District.

The City acknowledges that the City Commission's current rules of procedure provide two public input opportunities for the public to comment on consent items, and allows a Commissioner to pull a consent item for questioning and comments.¹ Consistent with the Auditor General's recommendation, the City has already committed not to place infrastructure sales tax items on the Commission's consent agenda. On July 10, 2023, the most recent revised project list for the infrastructure sales tax item was placed on the Commission agenda as a regular agenda item for

¹ The Report cites two Commission meetings on July 13, 2020 and March 13, 2023 when the sales surtax project list was revised (as explicitly allowed by the 2014 Interlocal Agreement) on the Consent Agenda without individual discussion. However, a Commissioner did ask questions and discussed with the City Manager the proposed revised project list and available surtax revenues immediately before the Consent Agenda was approved at the July 13, 2020 meeting. (See July 13, 2020 Commission Meeting Audio Recording beginning at 1:10:11 mark).

consideration based on a recent recommendation by the Seminole County Clerk of Court. Placement as a regular agenda item allows even more opportunities for public discussion in addition to the other two opportunities afforded the public to address infrastructure sales tax items under the public input sections on the agenda which occur at the beginning and end of each City Commission meeting.

In addition, regarding public expectations of the sales surtax money, the Report seems to acknowledge, but fails to mention that, the critically important referendum question prepared by the County and approved by the voters stated:

SEMINOLE COUNTY TEN YEAR SALES TAX TO FUND COUNTYWIDE GENERAL GOVERNMENT AND PUBLIC EDUCATION INFRASTRUCTURE

The County, the seven cities in the County and the School Board require revenue for the construction and rehabilitation of roads and transportation facilities; bicycle and pedestrian trails; stormwater facilities; public education facilities; **and other infrastructure uses authorized by law.** Shall the County be authorized to levy a ten (10) year, one cent (1¢) per dollar sales surtax on taxable transactions occurring within Seminole County to become effective on January 1, 2015?

Thus, the referendum approved by the voters authorized expenditures for the construction and rehabilitation of not only roads and transportation facilities; bicycle and pedestrian trails; stormwater facilities; and public education facilities, but also explicitly authorized any “other infrastructure uses authorized by law.” For example, section 212.055(2)(d), Florida Statutes specifically authorizes the expenditure of infrastructure sales tax revenue on a variety of other major capital improvements, including sanitary sewer, solid waste, drainage, potable water, and parks and recreational facilities.

Regarding the transferred \$2 million sales surtax money referenced in the Report, the transferred funds provided funding for critical priority capital repairs and improvements to meet FDEP water and wastewater system regulations, consistent the Auditor General’s recommendation in Finding 1 and in compliance with the type of capital expenditures authorized by Section 212.055(2)(d), Florida Statutes. Additionally, the City did separately account for the \$2 million sales surtax money transfer. The Report does not mention that in this case, the City Commission adopted the Fiscal Year 2020-2021 budget on September 28, 2020 in accordance with the TRIM notice and public hearing procedures under Section 200.065, Florida Statutes. The approved budget explicitly included a separate accounting of the \$2 million transfer from the Infrastructure Surtax fund to the Water & Sewer Utility Fund (See FY Budget 20/21, pgs 103, 130 and 132), and specifically identified and earmarked water and sewer capital improvements to be initiated and funded by the transfer. (See FY Budget 20/21, pgs 103 and 132). On December 14, 2020, the City Commission then approved at a public meeting, a capital expenditure in the amount of \$942,809.98 for a new suction pipe for water treatment plant #1 (See Agenda Item 301). In addition, at its public meeting on July 13, 2020, the City Commission authorized a \$1,920,155.00 capital expenditure for priority infrastructure repairs and upgrades to its aging wastewater utility system. (See Agenda Item 301).

Nevertheless, in furtherance of the Auditor General's recommendation, Management will establish additional reporting procedures to improve the separate accountability of any future expenditure of sales surtax collections transferred from the Road Improvements Special Revenue Fund to other City funds. However, the City maintains it spent and accounted for the sale surtax on permissible infrastructure in compliance with State law.

Finding 4 – Public Records

Recommendation: The City should enhance its policies and procedures to specify a standard time frame for completion of public records requests and to require requestors to be notified when delays will occur. Further, City policies and procedures should require supporting documentation be retained to support the calculation of the estimate and actual costs of responding to public records requests requiring extensive effort.

Management Response:

Management understands the importance of responding to public records requests as required by law. The City has an existing comprehensive public records policy which was adopted by the City Commission by Resolution No. 2013-07. Management acknowledges the position taken by the Auditor General and will begin evaluation of the City's existing public records policy to enhance the policy regarding the calculation and documentation of estimated and actual costs that are collected as special service charges for requests requiring extensive efforts to complete.

Management notes, however, that a "standard time frame" for a completion of public records is not required by law. The Public Records Act does not contain a specific time limit for compliance with public records requests because the time required to respond to a particular request will necessarily vary depending on the nature of the request, volume of documents sought, location of documents, review time required for possible exemptions and redactions, payment of deposits, and other circumstances legally justifying a delay. An average number of business days taken to respond to public records requests received during a certain period does not indicate a lack of transparency when the nature of those requests are not also considered. The custodian of public records must promptly acknowledge requests to inspect or copy records and respond to those requests in good faith. Section 119.07(1), Fla. Stat. However, the Public Records Act contemplates the reasonable custodial delay necessary to retrieve, review, and excise exempt material when responding to a records request. *Tribune Co. v. Cannella*, 458 So.2d 1075, 1078 (Fla. 1984). The Act demands prompt attention and a reasonable response time, not the quickest-possible response time. *Id.* In addition, service charges may take into account the information technology services and labor required to respond to a public records request. Courts have typically found that special service charges which account for the amount of hours required to review the records and the hourly cost of the employees reviewing those records are reasonable.

Management also understands that in some cases due to the nature and volume of records requests, the custodian of records may require a special service charge or a deposit accounting

for some amount thereof to be paid in advance. See e.g., Trout v. Bucher, 205 So. 3d 876 (Fla. 4th DCA 2016) (finding that a deposit of \$189 and payment of an hourly fee in the same amount was reasonable); Morris Pub. Groub, LLC v. State, 154 So. 3d 528 (Fla. 1st DCA 2015) (finding that a \$3000 deposit and ultimate cost of approximately \$6357 to review records was reasonable); City of St. Petersburg v. Dorchester Holdings, LLC, 331 So. 3d 799 (Fla. 2d DCA 2021) (finding that the city's prepayment request of approximately \$6154 did not violate the public records act even where clerk advised that estimated final cost to review may be over \$27,555).

In addition, Management notes that the initial Report was revised regarding the referenced 6 public records requests requiring a deposit. Each of the 6 requestors received a written email from City staff setting forth the deposit amount requested. Two requestors actually paid the deposit and those two requests were timely fulfilled either on the same day the deposit was paid or one day after payment was received. Regarding one of the other 6 requests, the attorney making the request rescinded the request after he and his client had a "productive meeting with Staff" regarding a pending development project. Lastly, City staff partially completed one of the other requests without charge, but the requestor then decided not to respond to a deposit request for the remaining records. Therefore, 214 of the 217 (98.6%) public records requests received during the audit period were fully completed by City staff, and one other request was partially completed without charge before the requestor decided not to pay the deposit for the remainder of the request. Additionally, while the nature and volume of records requests can vary considerably and 38 requests were completed within 11 to 87 business days, Management notes that 175 out of 214 (81.7%) completed requests were handled by the City staff in 10 business days or less.

Finding 5 – Procurement

Recommendation: The City Manager should establish written uniform purchasing policies and procedures as required by City ordinance. Such policies and procedures should ensure that purchases are made in accordance with City Commission intent, applicable City ordinances are consistently followed, the purchasing process is fair and transparent, and that commodities and services are obtained at the lowest cost consistent with desired quality.

Management Response:

Management is in agreement with the recommendation. During the audit process, the City Commission adopted Ordinance No. 2023-05 on June 12, 2023, updating its existing purchasing policies which are set forth in Sections 2-151 and 2-152 of the City Code. The policy now authorizes the City Commission to establish more detailed written uniform purchasing policies and procedures by resolution rather than the City Manager. Simultaneously with the adoption of the Ordinance, the City Commission adopted Resolution No. 2023-20 adopting a comprehensive set of Purchasing Policies and Procedures (consisting of 24 pages) related to numerous procurement methods and procedures which will govern the procurement of supplies,

goods, equipment, contractual services, professional and consultant services, capital improvements, construction and/or any combination of goods and services.

However, Management respectfully disagrees with the finding that that the “the City did not always competitively procure goods and services in accordance with City ordinances.” Section 2-151 of the City Code provides that applicable provisions of the city charter, city ordinance, or state or federal law control the purchases of goods and services. Written uniform purchasing policies and procedures may also be established provided they are consistent and not in conflict with applicable provisions of the city charter, city ordinance, or state or federal law. With respect to several of the purchases referenced in the Report, Management states:

1. Section 2-152(a) of the City Code authorizes purchases of professional services by negotiating directly with a provider for professional services. In addition, although State law establishes procedures for awarding contracts for some kinds of professional services under the Consultants’ Competitive Negotiation Act (“CCNA”), State law does not require the City to competitively select other professional services not covered by the CCNA, including the services of a temporary employment agency. The professional service sought in this case was that of an employment agency able to fulfill a variety of needed positions within the City, not simply the purchase of temporary manual labor. Therefore, the selection of the temporary employment agency was consistent with City ordinance allowing for the direct negotiations for professional services.
2. The irrigation pump purchase for \$67,404 was presented to the City Commission based on three written quotes which is consistent with Section 2-152(a) of the City Code which provides that competitive prices may be obtained by written bid, quote, or proposal. Based on these quotes, the City Commission approved the award of the contract to the lowest and best bidder in accordance with City ordinance.
3. Regarding the selection of a contractor to provide utilities operation, maintenance, and management services, the City used a competitive selection method required by State law. Specifically, the City followed the competitive selection process set forth in the CCNA under Section 287.055, Florida Statutes and publicly announced a detailed and comprehensive Request for Qualifications for Professional Services for Utilities, Maintenance, and Management Services (RFQ #05-19 LR). The RFQ covered different facets of the City’s overall utility system including assuming responsibility for managing the City’s two wastewater plants, three water plants, reuse augmentation plant, reclaimed water storage and pumping system, 50 lift stations, and stormwater infrastructure. Such professional services included respondents providing a proposed staffing plan for a project manager, licensed and certified professionals, and a management team capable of operating the utilities, which was anticipated to and ultimately did result in the furnishing of a project management team including qualified engineers and construction management professionals. Consistent with the CCNA, the City followed a two-step competitive process. First, during the competitive selection step, the City evaluated and ranked the respondents based solely on qualifications and the submittal requirements, and Veolia was ranked the

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most qualified firm. Price cannot be considered during the first step. Second, based on the ranking, the City was then required by Section 287.055(4)(b) to commence competitive negotiations of a contract with the most qualified firm (Veolia) to determine a “fair, competitive, and reasonable” price. As a result of the CCNA process, the Agreement for Utilities Operations, Maintenance and Management Services, dated October 21, 2019, was approved by the City Commission at a negotiated price the City determined to be fair, competitive, and reasonable. As such, Management respectfully disagrees with the Auditor General’s comment in the Report that “the City should have used an RFP, which would have included a pricing component, to solicit proposals to operate the water systems.”

Finding 6 – Purchase Cards

Recommendation: The City should establish comprehensive written P-card policies and procedures governing all significant aspects of the P-card program. In addition, the City should document the required supervisory pre-approval of P-card expenditures specified in the cardholder agreement.

Management Response:

Management is in agreement with the recommendation. The City’s P-card policy was updated by Resolution No. 2023-20 and is contained in Section 9 of the new comprehensive Purchasing Policy and Procedures.

Finding 7 – Management Turnover

Recommendation: To promote efficient operations, deliver high-quality services to residents, and consistently apply City policies and procedures, the City should continue its efforts to train City Commissioners and develop policies and programs that foster a positive work environment and promote stability in key management positions.

Management Response:

Management is in agreement with the recommendation. Management remains committed to promoting efficient operations and delivering high-quality services to residents. As noted elsewhere in this response, Management has already taken steps with City Commission approval to improve several City policies and procedures. Management also recognizes that amid a historically strong labor market, employers, especially State and local governments, have struggled to retain and hire employees. Additionally, several of the positions in Table 1 in the Report recognize that the City had several positions become vacant due to retirement or the position being vacated because of promotion to serve as City Manager or Interim City Manager. Management will continue to look for opportunities to develop additional policies and programs that foster a positive work environment and promote stability in key management positions. For example, this year, the City Commission adopted several amendments to the City’s Employment Policies related to improving employee retirement, sick and vacation time, and additional personal

leave to foster a more positive work environment and promote stability. Management will continue to offer training to City Commissioners especially during orientation of a newly elected mayor or commissioner, and will continue to encourage City Commissioners to take advantage of other training opportunities such as those provided by the Florida League of Cities regarding the Institute for Elected Municipal Officials and State-Mandated Continuing Education in Ethics.

Finding 8: Anti-Fraud Policy

Recommendation: The City should establish a comprehensive policy and procedures for detecting, communicating, and investigating known or suspected.

Management Response:

Although State law does not require the City to adopt an Anti-Fraud policy, Management is in agreement with the recommendation to establish a more comprehensive Anti-Fraud Policy. On October 9, 2023, the City Commission adopted Resolution 2023-32 establishing an Anti-Fraud Policy.



Transparency Florida

Shining the Light on Florida's Budget

Transparency Florida Act (F.S. 215.985)

- 215.985(2)(a) - “Committee” means the Legislative Auditing Committee.
- 215.985(4) - The Executive Office of the Governor, in consultation with the appropriations committees of the Senate and the House of Representatives, shall establish and maintain a website that provides information relating to the approved operating budget for each branch of state government and state agency.

The 2021 Florida Statutes		
Title XIV	Chapter 215	View Entire Chapter
TAXATION AND FINANCE	FINANCIAL MATTERS: GENERAL PROVISIONS	
215.985 Transparency in government spending.—		
(1) This section may be cited as the “Transparency Florida Act.”		
(2) As used in this section, the term:		
(a) “Committee” means the Legislative Auditing Committee.		
(b) “Contract” means a written agreement or purchase order issued for the purchase of goods or services or a written agreement for the receipt of state or federal financial assistance.		
(c) “Governmental entity” means a state, regional, county, municipal, special district, or other political subdivision whether executive, judicial, or legislative, including, but not limited to, a department, division, bureau, commission, authority, district, or agency thereof, or public school, Florida College System institution, state university, or associated board.		
(d) “Website” means a site on the Internet which is easily accessible to the public at no cost and does not require the user to provide information.		
(3) The Executive Office of the Governor, in consultation with the appropriations committees of the Senate and the House of Representatives, shall establish and maintain a single website that provides access to all other websites required by this section. Such single website and other websites must:		
(a) Be constructed for usability that, to the extent possible, provides an intuitive user experience.		
(b) Provide a consistent visual design, interaction or navigation design, and information or data presentation.		
(c) Be deployed in compliance with the Americans with Disabilities Act.		
(d) Be compatible with all major web browsers.		
(4) The Executive Office of the Governor, in consultation with the appropriations committees of the Senate and the House of Representatives, shall establish and maintain a website that provides information relating to the approved operating budget for each branch of state government and state agency.		
(a) At a minimum, the information must include:		
1. Disbursement data for each appropriation by the object code associated with each expenditure established within the Florida Accounting Information Resource Subsystem. Expenditure data must include the name of the payee, the date of the expenditure, the amount of the expenditure, and the statewide document number. Such data must be searchable by the name of the payee, the paying agency, and fiscal year, and must be downloadable in a format that allows		

215.985(4)(a) - At a minimum, the information must include:

- Disbursements
- Adjustments
- Spending Authority
- Position Information
- Allotments
- Trust Fund Balance Reports
- General Revenue Reports
- Fixed Capital Outlay Projects
- 10 year history of Appropriations

Overview



Launched in 2010 the site now contains data from FY 2008-09 through FY 2023-24

Budgeting and accounting data is updated nightly from FLAIR and LAS/PBS



State personnel information is updated weekly from PeopleFirst

Legislative personnel information is updated monthly from the Legislature's MyHR system



Layout



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

Layout



Reports

Chart, compare, filter specific Budget and Spending data



Quick Facts

Summarized list of similar Budget items



Search

Quickly find information on Budget and Spending items



Site Information

Information and help with this website

General Public

- Displays Budget and Expense data for the selected Fiscal Year
- Fiscal Year can be changed to review historical data
- Data categorized by Agency
- Agency data can be expanded to display programs and services
- Links provided to OPPAGA's Program Summary website.

Agency: STATEWIDE

Export

Agency Descriptions	Agency	Fiscal Year 2021-22	
		Operating Budget	Amount Spent
ADMINISTERED FUNDS		1,573,350,941	41,741
AGENCY FOR HEALTH CARE ADMINISTRATION		38,145,785,297	6,314,415,997
AGENCY FOR PERSONS WITH DISABILITIES		1,658,819,397	109,553,855
AGRICULTURE AND CONSUMER SERVICES, DEPARTMENT OF AND COMMISSIONER OF AGRICULTURE		1,781,124,974	217,368,524
BUSINESS AND PROFESSIONAL REGULATION, DEPARTMENT OF		167,362,808	29,332,632
CHILDREN AND FAMILIES, DEPARTMENT OF		4,755,314,778	830,775,039
CITRUS, DEPARTMENT OF		38,626,426	1,146,245
CORRECTIONS, DEPARTMENT OF		2,918,432,139	459,175,194
ECONOMIC OPPORTUNITY, DEPARTMENT OF		2,199,695,650	373,504,976
EDUCATION, DEPARTMENT OF		41,328,771,569	5,751,525,536
ELDER AFFAIRS, DEPARTMENT OF		446,066,177	49,654,013
ENVIRONMENTAL PROTECTION, DEPARTMENT OF		2,296,689,889	109,656,690
FINANCIAL SERVICES, DEPARTMENT OF		420,761,020	54,072,136
FISH AND WILDLIFE CONSERVATION COMMISSION		466,361,761	53,023,732
FLORIDA COMMISSION ON OFFENDER REVIEW		12,469,759	1,792,656
GOVERNOR, EXECUTIVE OFFICE OF THE		2,879,497,156	570,944,506
HEALTH, DEPARTMENT OF		4,571,151,977	770,634,069
HIGHWAY SAFETY AND MOTOR VEHICLES, DEPARTMENT OF		511,121,593	93,568,880
JUSTICE ADMINISTRATION		1,075,740,058	159,368,554
JUVENILE JUSTICE, DEPARTMENT OF		629,073,579	111,696,890
LAW ENFORCEMENT, DEPARTMENT OF		350,454,258	52,090,796
LEGAL AFFAIRS, DEPARTMENT OF AND ATTORNEY GENERAL		378,916,126	38,750,355
LEGISLATIVE BRANCH		652,505,065	32,260,464
LOTTERY, DEPARTMENT OF THE		198,350,629	32,835,146
MANAGEMENT SERVICES, DEPARTMENT OF		956,943,994	106,310,736
MILITARY AFFAIRS, DEPARTMENT OF		76,567,341	13,200,737
PUBLIC SERVICE COMMISSION		28,010,774	3,860,721
REVENUE, DEPARTMENT OF		614,675,309	95,618,550
STATE COURT SYSTEM		694,929,475	97,307,209
STATE, DEPARTMENT OF		161,759,013	7,687,574
TRANSPORTATION, DEPARTMENT OF		12,335,232,932	393,791,766
VETERANS' AFFAIRS, DEPARTMENT OF		157,443,071	21,471,097
	Total	124,482,004,934	16,956,437,016

Budget Analyst

- Provides Agency or Ledger view of Appropriations
- Displays Appropriations, Reserves, Releases and Disbursements
- Displays all actions impacting an appropriation
- Allows Disbursements to be viewed by Object
- Information displayed by State, Agency or Program

		Agency Format		Ledger Format			
		Appropriations	Unbudgeted Reserve	Approved Budget	Releases	Approved Budget Unreleased	Disbursements
General Revenue		39,778,984,166	1,682,893,457	38,096,090,709	20,539,002,035	17,557,088,674	8,249,391,725.23
Trust Funds		84,703,020,768	17,080,725,547	67,622,295,221	65,722,956,771	1,899,338,450	8,707,045,290.95
Total		124,482,004,934	18,763,619,004	105,718,385,930	86,261,958,806	19,456,427,124	16,956,437,016.18

Appropriations, Approved Budget, and Releases		Export					
07/01/2021	Appropriations Bill (GAA) - Laws of Florida, Chapter 2021-56 (Senate Bill 2500)	101,544,893,693	4,902,579,998	96,642,313,695	67,822,549,157		
07/01/2021	Supplemental Appropriations	6,137,516	0	6,137,516	0		
07/01/2021	Contingents	-380,937	0	-380,937	0		
07/01/2021	Vetoes	-61,194,756	0	-61,194,756	-83,651		
07/01/2021	Lottery Debt Service	164,255,285	0	164,255,285	32,851,057		
07/01/2021	Budget Amendment 80026 - Department of Elder Affairs	38,075,190	0	38,075,190	38,075,190		
07/01/2021	Budget Amendment 80028 - Division of Emergency Management	3,536,541	0	3,536,541	3,536,541		
07/01/2021	Budget Amendment 80029 - Department of Children and Families	7,560,115	0	7,560,115	7,560,115		
07/01/2021	Budget Amendment 80030 - Department of Children and Families	28,231,026	0	28,231,026	28,231,026		
07/01/2021	Budget Amendment 80031 - Division of Emergency Management	708,212,561	0	708,212,561	708,212,561		
	Total - All Funds	124,482,004,934	18,763,619,004	105,718,385,930	86,261,958,806		

Disbursements		View Disbursements by Object	
	Operational		16,553,787,780.83
	Fixed Capital Outlay		402,649,235.35
	Total - All Funds		16,956,437,016.18

Interactive Bill

- Data organized to appear as the Appropriations Bill
- Values are updated to reflect all actions taken
- Allows user to jump to a specific Line Item
- Links provided to allow ledger view of each appropriation
- Position link allows personnel data to be displayed

HEALTH, DEPARTMENT OF			
PROGRAM: COMMUNITY PUBLIC HEALTH			
STATEWIDE PUBLIC HEALTH SUPPORT SERVICES			
	SALARY RATE	21,810,073	
	POSITIONS	450.00	
489	SALARIES AND BENEFITS		
	FROM GENERAL REVENUE FUND	2,287,769	
	FROM ADMINISTRATIVE TRUST FUND		1,688,906
	FROM EMERGENCY MEDICAL SERVICES TRUST FUND		2,711,530
	FROM FEDERAL GRANTS TRUST FUND		8,026,020
	FROM GRANTS AND DONATIONS TRUST FUND		787,822
	FROM BRAIN AND SPINAL CORD INJURY REHABILITATION TRUST FUND		2,800,685
	FROM PLANNING AND EVALUATION TRUST FUND		6,788,251
	FROM RADIATION PROTECTION TRUST FUND		6,828,363
490	OTHER PERSONAL SERVICES		
	FROM GENERAL REVENUE FUND	2,062	
	FROM ADMINISTRATIVE TRUST FUND		191,560
	FROM EMERGENCY MEDICAL SERVICES TRUST FUND		630,593
	FROM FEDERAL GRANTS TRUST FUND		657,137
	FROM GRANTS AND DONATIONS TRUST FUND		66,789
	FROM BRAIN AND SPINAL CORD INJURY REHABILITATION TRUST FUND		122,935
	FROM PLANNING AND EVALUATION TRUST FUND		744,810
	FROM RADIATION PROTECTION TRUST FUND		45,632

State Positions

- View of positions by Agency, Program or Service
- Information displayed includes Total Positions, Filled, Vacant, etc.
- Allows user to select position details at the Agency or Program level
- Detail information includes Title, Salary Range, Benefits Range and Total Salaries and Benefits

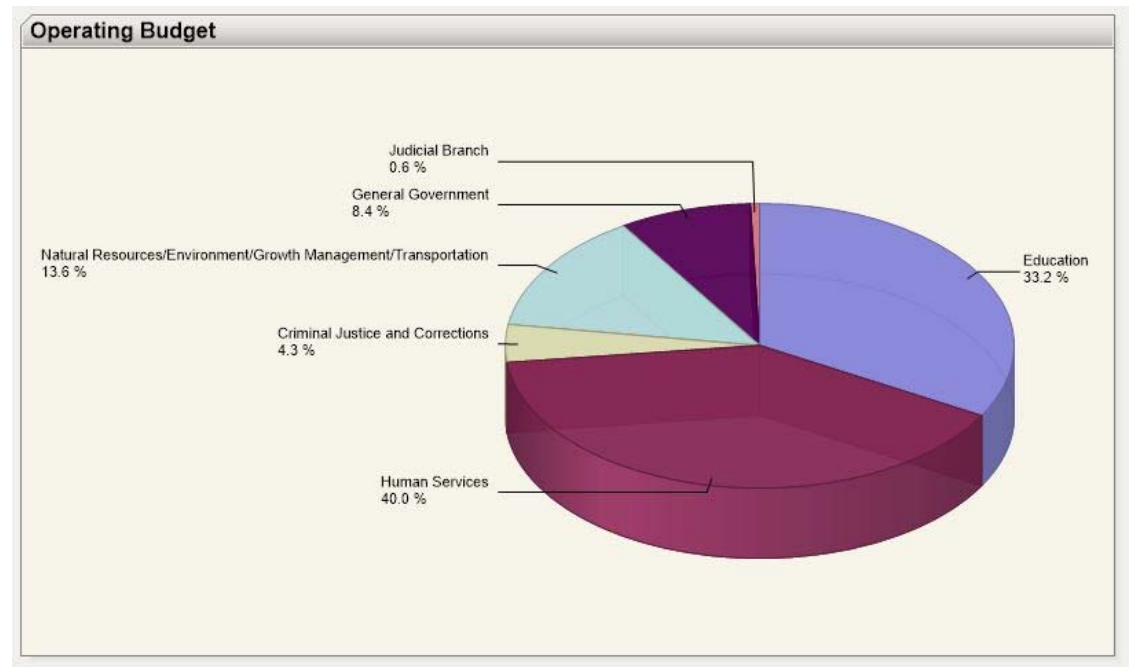
Agency	Fixed	Excess	Total	Reserve	Authorized	Established	Filled	Vacant
AGENCY FOR HEALTH CARE ADMINISTRATION	1,529.50	0.00	1,529.50	0.00	1,529.50	1,529.50	1,247.50	282.00
AGENCY FOR PERSONS WITH DISABILITIES	2,700.50	0.00	2,700.50	0.00	2,700.50	2,700.50	1,953.50	747.00
AGRICULTURE AND CONSUMER SERVICES, DEPARTMENT OF, AND COMMISSIONER OF AGRICULTURE	3,726.25	0.00	3,726.25	0.00	3,726.25	3,726.25	3,253.50	472.75
BUSINESS AND PROFESSIONAL REGULATION, DEPARTMENT OF	1,653.25	0.00	1,653.25	0.00	1,653.25	1,653.25	1,402.50	250.75
CHILDREN AND FAMILIES, DEPARTMENT OF	12,230.75	0.00	12,230.75	0.00	12,230.75	12,144.25	10,350.00	1,794.25



Established Positions	Title	Total Filled	FLAIR Organization	Pay Plan	Salary Range	Benefits Range	Total Salaries & Benefits
1.00	ACCOUNTANT III	1.00	OFFICE OF DIRECTOR OF ANIMAL INDUSTRY	CAREER SERVICE	38,921 - 38,921	14,416 - 14,416	53,337
1.00	ADMINISTRATIVE ASSISTANT I	1.00	ANIMAL DISEASE CONTROL	CAREER SERVICE	29,152 - 29,152	5,427 - 5,427	34,579
1.00	ADMINISTRATIVE ASSISTANT I	1.00	BRONSON ANIMAL DISEASE DIAGNOSTIC LABORATORY	CAREER SERVICE	35,293 - 35,293	15,724 - 15,724	51,017
1.00	ADMINISTRATIVE ASSISTANT I	1.00	OFFICE OF DIRECTOR OF ANIMAL INDUSTRY	CAREER SERVICE	32,525 - 32,525	15,212 - 15,212	47,737
1.00	ADMINISTRATIVE ASSISTANT II - SES	1.00	ANIMAL DISEASE CONTROL	SELECTED EXEMPT SERVICES	39,705 - 39,705	29,005 - 29,005	68,710

Reports

- 3 Operating Budget Reports
- 6 Appropriation/Disbursement Reports
- 4 Reversion Reports
- 6 Fund Balance Reports (includes reports on Trust Funds)
- Ten Year History of Appropriations



Quick Facts

- Approved amendments are listed by Budget Amendment Number
- Back of Bill Appropriations are listed by Section Number
- Budget Issues are listed for each item in the General Appropriations Act
- Supplemental Appropriations GAA are listed with the Bill Number
- A list of all Governor's Vetoes

Laws of Florida	Bill Number	Section	Title	FTE	Appropriation Amount
2021-36	SB 2500	SECTION 021	Provides that the unexpended balance of funds appropriated to the Executive Office of the Governor, Division of Emergency Management, for the Federal Emergency Management Performance Grant in Specific Appropriations 2620 and 2629 of chapter 2020-111...		4,280,093.00
2021-36	SB 2500	SECTION 26	Provides for the reversion and reappropriation of funds appropriated in Fiscal Year 2020-21 to the Office of Early Learning for the Enhanced Field System (EFS) Modernization project for purposes of correcting identified project deficiencies.		1,370,967.00
2021-36	SB 2500	SECTION 27	Provides for the reversion and reappropriation of funds provided to the Office of Early to competitively procure a private sector provider with experience in conducting independent verification and validation services of public sector information ...		141,048.00
2021-36	SB 2500	SECTION 28	Provides for the reversion and reappropriation of funds appropriated in Fiscal Year 2020-21 to the Office of Early Learning for the Preschool Development Birth to Five Grant Program for the same purpose.		7,822,439.00
2021-36	SB 2500	SECTION 29	Provides for the reversion of unexpended funds from those provided to the Department of Education for the Preschool Emergency Alert Response Learning System (PEARLS) in section 13 of chapter 2020-111, Laws of Florida, and reappropriates the funds ...		263,000.00
2021-36	SB 2500	SECTION 030	Provides to the Office of Early Learning for the Supplemental Disaster Relief Funds for Child Care program in section 14 of chapter 2020-111, Laws of Florida, and subsequently distributed to the office pursuant to budget amendment EOG #B2021-0004 ...		2,834,143.00
2021-36	SB 2500	SECTION 32	Provides for the reversion of the unexpended balance of funds provided to the Department of Education for the Community School Grant Program in Specific Appropriation 113 of chapter 2020-111, Laws of Florida, and for the remaining funds to be ...		2,118,268.00

Search

- Text of the Appropriations Bill can be searched by word or phrase
- Budget Issues can be searched by word or phrase
- Summary and detail object titles can be searched providing a list of matching items
- Vendor names can be searched providing all payments made to a vendor

Vendor Name	Vendor ID	Payment Amount
AT &T	xxxxx4710	455,160.03
AT YOUR SERVICE CLEANING GROUP	xxxxx7990	700.00
AT&T	xxxxx4710	4,750,948.01
AT&T	xxxxx3433	98,418.82
AT&T	xxxxx9052	1,013.89
AT&T CAPITAL SERVICES, INC.	xxxxx4986	1,799.40
AT&T CORPORATION	xxxxx4710	12,431.25
AT&T MOBILITY	xxxxx4710	4,834.61
AT&T MOBILITY	xxxxx9970	172,791.86
AT&T MOBILITY II LLC	xxxxx9970	364,409.15
AT-RISK INTERNATIONAL, LLC	xxxxx0612	68,898.90
ATA FISHVILLE FL LLC	xxxxx4089	8,687.33
ATANASOFF, JESSINYA		968.00
ATC TOWER SERVICES, INC.	xxxxx3707	2,161.44
ATHEA ANTOINE		1,199.00
ATHENA CONSULTING LLC	xxxxx6169	265,054.16
ATHERTON B.A.		126.38
ATHLETIC TRAINING CONSULTANTS I	xxxxx3338	120.00

Site Information

- Training overview provides basic features of the website
- Instructional videos navigating users through the Transparency Florida website
- A contact list for each agency's budget office
- Glossary of terms used throughout the site
- Frequently Asked Questions

Transparency Florida Glossary

Agency

An agency Includes any official, officer, commission, board, authority, council, committee, or department of the executive branch of state government. For purposes of this website the judicial and legislative branches are also included as agencies.

Agency Format

The operating budget displayed by programs and services within an agency as appropriated in the General Appropriations Act and other substantive legislation.

Aid to Local Governments

Appropriations made to local units of government having responsibility for services to the public, for which the unit receives either a state warrant or commodities purchased directly by the state.

Allotment

A further breakdown of an appropriation. Allotments are created and maintained by agencies to manage their budget and spending at an organizational level.

Appropriation

A legal authorization to make expenditures for specific purposes within the amounts authorized by law through the General Appropriations Act or other subsequent legislation.

Site Traffic and Estimated Expenditures

Estimated Expenditures

Project Manager	\$1,600
Programming Support	\$9,600
Database Administration	\$7,200
Application Support	\$10,000
Total	\$26,400

Website Traffic Reporting Period – July 2022 thru June 2023		
Number of Hits	5,968,682	17,607/day
Number of Visits	115,604	341/day
Number of Unique Visitors	40,593	
Most Popular Page	Ledger View	

Need Help

- Web based training can be provided for up to 75 participants
- Classroom instruction is available for 6 to 12 participants
- One-on-One training is also available upon request



Contact your House or Senate Appropriations staff to schedule a training session.



Transparency Florida

www.TransparencyFlorida.gov

Florida Department of Financial Services



FACTS

Florida Accountability Contracts Tracking System and Florida Local Government Financial Reporting

Joint Legislative Auditing Committee
December 4, 2023



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CHIEF FINANCIAL OFFICER JIMMY PATRONIS
PrepareFL

FLORIDA'S UNCLAIMED PROPERTY
FLTREASUREHUNT.GOV

TRANSPARENCY FLORIDA
AN OPEN DOOR TO FLORIDA'S FINANCES

FACTS | FLORIDA ACCOUNTABILITY
CONTRACT TRACKING SYSTEM

BETTER BUSINESS BUREAU
SCAM TRACKER

FINANCIAL LITERACY

FloridaPALM
Planning, Accounting, and Ledger Management

PUBLIC RECORDS
REQUESTS

SERVICE OF PROCESS

My Safe FL Home

FACTS

Florida Accountability Contract Tracking System

JIMMY PATRONIS
FLORIDA'S CHIEF FINANCIAL OFFICER

HOME | NEWS | ABOUT THE AGENCY | MEDIA

FLORIDA ACCOUNTABILITY CONTRACT TRACKING SYSTEM

Main | Search | FAQ | Questions? | Contact Us | State Agencies | Charts & Reports | Transparency | Florida

Tweet | facebook

Quick Tips

Main Search

Search [Advanced Search](#)

To search for contract, grant award or purchase order information please enter at least one search criteria in the fields below. If you would like to see details for all agencies or all commodity groups, please provide additional criteria in any of the remaining fields.

Agency Name
ALL AGENCIES

Vendor/Grantor Name

Dollar Value
From To

Beginning and/or Ending Dates (mm/dd/yyyy)
Begin End

Commodity/Service Type (Contract & Purchase Order Only)
ALL COMMODITY GROUPS

Show All
 Show Contracts Only
 Show Grant Awards Only
 Show Purchase Orders Only

Please refine the search by providing following details if known.

Agency Assigned Contract ID (if known)

Grant Award ID (if known)

MFMP PO Number (if known)

By using this Search you agree to [terms and conditions](#) of the Search.

Reset Search

FACTS was implemented in the fall of 2011 as part of the Transparency in Florida Act.

Section 215.985, F.S., was amended to allow the CFO to maintain a secure contracts tracking system for public viewing.

FACTS

Florida Accountability Contract Tracking System

Within 30, days after contract execution, state agencies are required to record their contracts in the system.

- This includes:
 - Contracts (two party written agreements)
 - Grant Agreements (federal, state, other)
 - Purchase Orders



FACTS

Florida Accountability Contract Tracking System



In addition to each contract, certain contract elements are recorded:

- Contracting parties
- Beginning and ending dates of service
- Total compensation under the agreement
- All payments made to date
- Procurement method
- Amendments

FACTS

Florida Accountability Contract Tracking System



Section 215.985 F.S., was amended in 2013 to address confidential or exempt data.

- Redactions of confidential or exempt information
- Who is responsible for public records request and subpoenas
- Protection of signatures on documents
- The Departments of Legal Affairs and Agriculture will maintain their own systems.

FACTS

Florida Accountability Contract Tracking System

Section 215.985, F.S., was amended again in 2023 to use FACTS for posting documents submitted under Section 216.1366, F.S.

This requires the posting of all compensation paid or accrued from State or Federal funds to nonprofit board members or executives be posted.



EXECUTIVE SUMMARY

As of 10/8/2023

All Agreements in FACTS

Contracts	92,569
Grant Awards\Revenue Agreements	9,606
Grant Disbursement Agreements	70,029
Contracts Total	172,204

Purchase Orders	1,710,326
Grand Total	1,882,530

All Images in FACTS

Total Number of Agreements (excluding Purchase Orders)	172,204
Total Number of Agreements with Images	140,650

% of Agreements with Images 81.68%

All Users in FACTS

Number of Active Agency Users - All Agreements	264
Number of Active Agency Users - Contract/Grant Disb. Only	874
Number of Active Agency Users - Grant Award Only	48
Users Total	1,186

FACTS



JIMMY PATRONIS
FLORIDA'S CHIEF FINANCIAL OFFICER

[HOME](#) | [NEWS](#) | [ABOUT THE AGENCY](#) | [MEET THE CFO](#)

FACTS FLORIDA ACCOUNTABILITY
CONTRACT TRACKING SYSTEM



[Main Search](#) [FAQ Questions?](#) [Contact Us State Agencies](#) [Charts & Reports](#) [Transparency Florida](#)

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Main Search

[Quick Tips](#)

Search

[Advanced Search](#)

To search for contract, grant award or purchase order information please enter at least one search criteria in the fields below. If you would like to see details for all agencies or all commodity groups, please provide additional criteria in any of the remaining fields.

Agency Name

ALL AGENCIES

Vendor/Grantor Name

Dollar Value

From To

Beginning and/or Ending Dates (mm/dd/yyyy)

Begin End

Commodity/Service Type *(Contract & Purchase Order Only)*

ALL COMMODITY GROUPS


- Show All Show Grant Awards Only
 Show Contracts Only Show Purchase Orders Only

Please refine the search by providing following details if known.


Agency Assigned Contract ID (if known)

Grant Award ID (if known)

Contact Us

 JIMMY PATRONIS
FLORIDA'S CHIEF FINANCIAL OFFICER

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FACTS FLORIDA ACCOUNTABILITY CONTRACT TRACKING SYSTEM  Main [FAQ](#) [Contact Us](#) [Charts](#) [Transparency](#)
Search Questions? State Agencies & Reports Florida

Agency Contacts

Additional information can be obtained through filing a public records request at the appropriate agency. To make a public records request related to a state contract, please select the reporting agency from the drop down list for contact information to be displayed. Please provide as many details as possible for the contract in question so that the Agency can better respond to your request.

Agency Name:

- DEPARTMENT OF TRANSPORTATION
- DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
- DEPARTMENT OF CHILDREN AND FAMILIES
- DEPARTMENT OF CITRUS
- DEPARTMENT OF COM
- DEPARTMENT OF CORRECTIONS
- DEPARTMENT OF EDUCATION
- DEPARTMENT OF ELDER AFFAIRS
- DEPARTMENT OF ENVIRONMENTAL PROTECTION
- DEPARTMENT OF FINANCIAL SERVICES
- DEPARTMENT OF HEALTH
- DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
- DEPARTMENT OF JUVENILE JUSTICE
- DEPARTMENT OF LAW ENFORCEMENT
- DEPARTMENT OF LEGAL AFFAIRS
- DEPARTMENT OF MANAGEMENT SERVICES
- DEPARTMENT OF MILITARY AFFAIRS
- DEPARTMENT OF REVENUE
- DEPARTMENT OF STATE
- DEPARTMENT OF THE LOTTERY
- DEPARTMENT OF TRANSPORTATION

Search

2011 © FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Charts

The screenshot shows a web browser window with the URL <https://facts.fdfs.com/Charts/Default.aspx>. The page header includes the Florida state seal and the text "JIMMY PATRONIS FLORIDA'S CHIEF FINANCIAL OFFICER". Below the header is a navigation bar with the following items: "FACTS FLORIDA ACCOUNTABILITY CONTRACT TRACKING SYSTEM" (with a Florida map icon), "Main Search", "FAQ Questions?", "Contact Us State Agencies", "Charts & Reports", and "Transparency Florida". The "Charts & Reports" menu is expanded, showing a list of chart options:

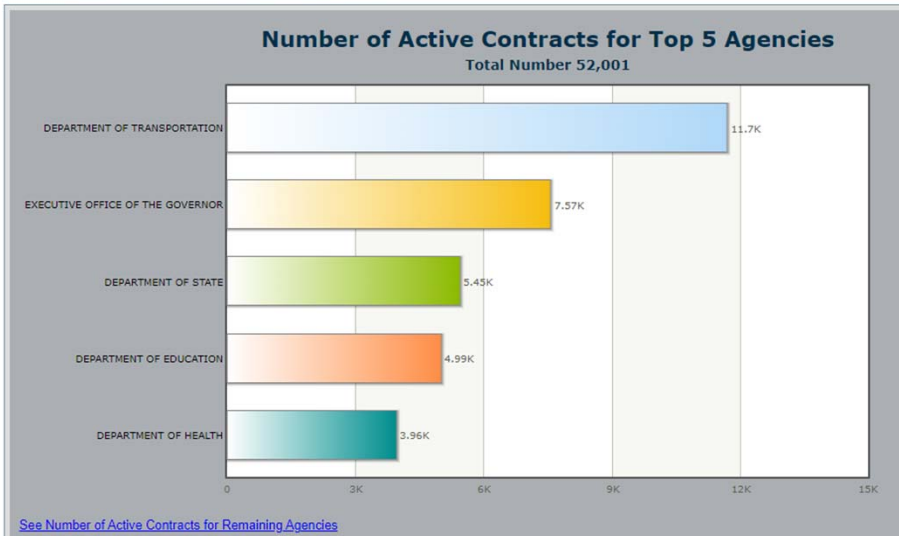
- Number of Active Contracts by Agency
- Number of Active Contracts by Contract Type
- Contract Amount by Method of Procurement
- Contract Amount by Agency
- Contract Amount by Contract Type
- Number of Open Purchase Orders by Agency
- Purchase Order Amount by Agency
- Purchase Order by Method of Procurement

On the left side of the page, under the heading "Charts", there is a list of links:

- [Number of Active Contracts by Agency](#)
- [Number of Active Contracts by Contract Type](#)
- [Contract Amount by Method of Procurement](#)
- [Contract Amount by Agency](#)
- [Contract Amount by Contract Type](#)
- [Number of Open Purchase Orders by Agency](#)
- [Purchase Order Amount by Agency](#)
- [Purchase Order by Method of Procurement](#)

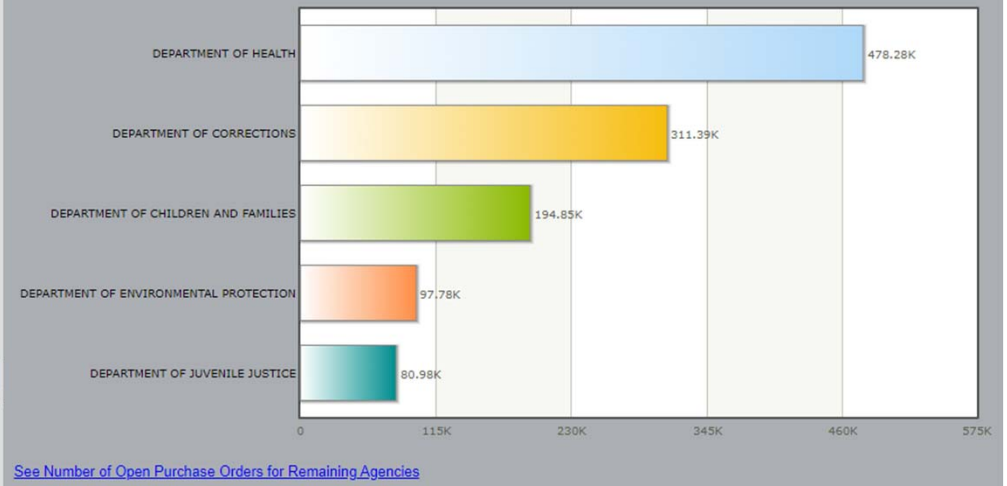
Charts

Number of Active Contracts by Agency



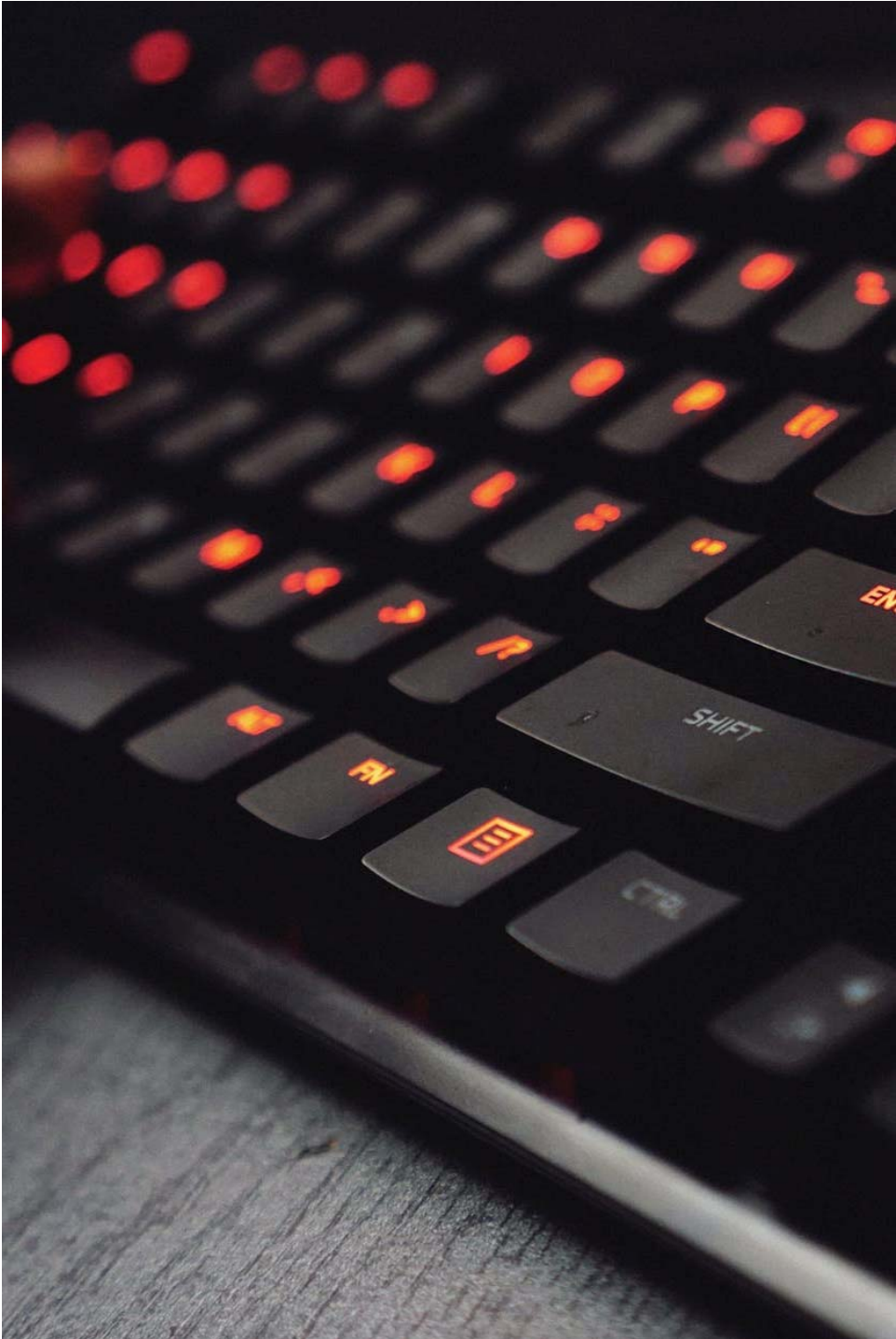
Number of Open Purchase Orders for Top 5 Agencies

Total Number 1,678,684



Florida Open Financial Statement System





CFO is responsible for designing and implementing:

- Florida Open Financial Statement System
- eXtensible Business Reporting Language (XBRL) taxonomy/ies suitable for state, county, municipal, and special district financial filings
- Software tool that enables local governments to create XBRL documents consistent with the Department's taxonomy(ies)


```
3 require File.expand_path("../support/spec_helper", __FILE__)
4 # Prevent database truncation if the environment is production
5 abort("The Rails environment is running in production mode!")
6 require 'spec_helper'
7 require 'rspec/rails'
8
9 require 'capybara/rspec'
10 require 'capybara/reports'
11
12 Capybara.javascript_driver = :webkit
13 Category.delete_all; Category.create(:name => "Category")
14 Shoulda::Matchers.configure do |config|
15   config.integrate do |integrate|
16     with.test_framework :rspec
17     with.library :rails
18   end
19 end
20
21 # Add additional requires below this line
22 # Requires supporting ruby files with spec/
23 # spec/support/ and its subdirectories
24 # run as spec files by default. The
25 # in _spec.rb will both be required
26 # run twice. It is recommended to
27 # end with _spec.rb. You can verify
28 # this by running the command from the
29 # terminal.
30
```

Local Governments shall:

- File financial statements in XBRL format that meet the validation requirements of the Department's XBRL UAS Taxonomy
- For fiscal years ending on or after September 1, 2022
- The reporting commenced January 2023



What are the benefits?

- A complete trial balance by fund XBRL includes data validation routines ensure accuracy and completeness
- The technology provides for robust statewide reporting
- Reports can include comparisons among local governments, financial trends, and statement analytics

[Local Government Financial Reporting - XBRL \(myfloridacfo.gov\)](http://myfloridacfo.gov)



DEPARTMENT OF FINANCIAL SERVICES

Florida Open Financial Statement System

Stakeholders Enter Here to View Local Government Financial Data

Users Log-in Here to Submit/Review Local Government Financial Data

 SEARCH FINANCIAL DATA

USER LOGIN

Contact Info

850-413-5571

LocalGov@MyFloridaCFO.com










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Transparency



Our Transparency Mission

Transparency promotes accountability. Our goal is to provide a website that allows Floridians to scrutinize state budgets, payments, and contracts, and hold their government accountable for how every dollar is spent.

 <p>Report interest, contract, gift, grant, donation or other foreign disclosures</p> <p>Report Foreign Disclosures</p>	 <p>Florida Accountability Contract Tracking System</p> <p>Contracts</p>	 <p>Local government reporting</p> <p>Financial Reports</p>	 <p>State payments by type</p> <p>Payments</p>
 <p>State appropriated budget and remaining unspent budget</p> <p>Budget</p>	 <p>State employees' salaries and regulations</p> <p>Employee Data</p>	 <p>Competitive state incentives for job creation and retention</p> <p>Economic Incentives</p>	 <p>Elected Officials and Florida law</p> <p>General Information</p>
 <p>Making State Government Run More Efficiently</p> <p>Report Fraud/Waste</p>			

The Office of Chief Financial Officer Florida Department of Financial Services



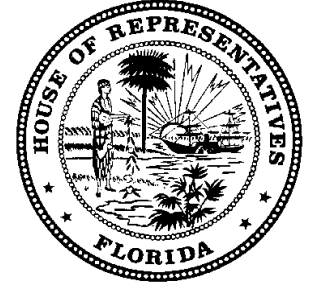
Thank you!

Joint Legislative Auditing Committee
November 13, 2023

KATHLEEN PASSIDOMO
President of the Senate



PAUL RENNER
Speaker of the House



DRAFT

**TRANSPARENCY FLORIDA
STATUS AND RECOMMENDATIONS**

**Joint Legislative Auditing Committee
October 2023**

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Joint Legislative Auditing Committee

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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.*

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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.

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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.

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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.

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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.

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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	703 ⁵²
State Universities	12
Florida College System Institutions	28
Counties	67 ⁵³
Municipalities	411
Special Districts	1,965 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 2021-22 school year on its website <https://www.fldoe.org/schools/school-choice/charter-schools/> (last visited October 8, 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 October 8, 2023). Select 10.a., “State Totals.”

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RECOMMENDATION

To be determined.

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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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Appendix C

Transparency Florida Links: Reports and Other Information Available for School Districts (As recommended in the Committee's 2010 report)	
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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TRANSPARENCY FLORIDA STATUS AND RECOMMENDATIONS

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Audit Findings Not Corrected (Three-Peats) – Materials Provided

Tab 5:

1. **Overview:** Failure to Correct Audit Findings – Educational Entities and Local Governments
2. **Directory of Schedules for Repeat Audit Findings**

Tab 5a:

3. **Schedules: Audit Findings Not Corrected and Recommended Action:**
(Detailed analysis regarding audit findings that have been reported to the Committee)

Educational Entities:

- State College (Schedule 1)
[Note: There were no university findings reported to the Committee this year.]
- District School Boards (Schedule 2)
- Charter Schools (Schedules 3 & 4)

Tab 5b:

Local Governmental Entities:

- County Constitutional Officers (Schedules 5 & 6)
- Municipalities (Schedules 7 & 8)
- Special Districts (Schedules 9 & 10)

Note: The green background used for some audit findings indicates that it appears that the entity has addressed the finding to the extent possible using existing resources. The determination is made based on previous correspondence the Committee has received from the entity.

Tab 5c:

4. **Notifications** received from the Auditor General

Failure to Correct Audit Findings

Educational and Local Governmental Entities

The Joint Legislative Auditing Committee (Committee) has the authority to take action against educational and local governmental entities that fail to correct audit findings reported in three successive audits.

Statutory Authority

- **District School Boards, Colleges, and Universities:** The Auditor General is required to notify the Committee of any financial or operational audit report prepared pursuant to s. 11.45, F.S., (*reports prepared by the Auditor General*) which indicates that a district school board, a state university, or a Florida College System institution has failed to take full corrective action in response to a recommendation that was included in the two preceding financial or operational audit reports. Upon notification,

(1) The Committee may direct the district school board or the governing body of the state university or Florida College System institution to provide a **written statement** to the Committee explaining why full corrective action has not been taken, or, if the governing body intends to take full corrective action, describing the corrective action to be taken and when it will occur.

(2) If the Committee determines that the written statement is not sufficient, the Committee may require the chair of the district school board or the chair of the governing body of the state university or Florida College System institution, or the chair's designee, to **appear before the Committee**.

(3) If the Committee determines that the district school board, state university, or Florida College System institution has failed to take full corrective action for which there is no justifiable reason or has failed to comply with Committee requests made pursuant to this section, the Committee shall refer the matter to the State Board of Education or the Board of Governors, as appropriate, to **proceed in accordance with ss. 1008.32 or 1008.322, F.S., respectively** [s. 11.45(7)(j), F.S.]

- **District School Boards, Charter Schools / Charter Technical Career Centers, and Local Governmental Entities:** The Auditor General is required to notify the Committee of any audit report prepared pursuant to s. 218.39, F.S., (*reports prepared by private CPAs for audits of district school boards, charter schools / charter technical career centers, counties, municipalities, and special districts*) which indicates that an audited entity has failed to take full corrective action in response to a recommendation that was included in the two preceding audit reports. Upon notification,

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

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

(3) If the Committee determines that the audited entity has failed to take full corrective action for which there is no justifiable reason for not taking such action, or has failed to comply with Committee requests made pursuant to this section, the Committee may **proceed in accordance with s. 11.40(2), F.S.** [s. 218.39(8), F.S.]

Section 11.40(2), F.S., provides that the 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) (Excerpt) In the case of a special district, notify the Department of Economic Opportunity, and in certain instances other specified parties, that the special district has failed to comply with the law. Upon receipt of notification, the Department of Economic Opportunity shall proceed pursuant to ss. 189.062 (potentially declare the special district inactive) or 189.067 (potential legal action), F.S. Note: In addition, certain special districts may be required to participate in a public hearing.

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

Notifications Received from the Auditor General

The Committee has received notifications from the Auditor General regarding this initiative each year since 2012. The Auditor General is required by law to conduct audits of state universities, Florida College System institutions, and district school boards.¹ The Auditor General is required to conduct audits of county offices, municipalities, and special districts if directed by the Committee. Also, the Auditor General routinely reviews financial audits of district school boards, charter schools, and local governmental entities that are performed by private CPAs. Based on the Auditor General's review of all of these audit reports, the following is a breakdown of the entities that have failed to correct repeat audit findings for the 2017-18 fiscal year through the 2021-22 fiscal year, as reported to the Committee by November 27, 2023 [Note: At least 348 local governmental entities did not timely file their audit reports; any repeat audit findings for these entities are not included]:

Type of Entity	Number of Entities with Repeat ² Audit Findings During Last Five Fiscal Years (Total Number of Repeat Findings)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Colleges	0 (0)	0 (0)	2 (4)	1 (3)	3 (3)
Universities	4 (4)	2 (2)	1 (1)	0 (0)	0 (0)
District School Boards	15 (22)	11 (15)	7 (7)	9 (11)	9 (13)
Charter Schools	20 (25)	20 (25)	20 (27)	9 (10)	3 (3)
County Offices ³	43 (51)	44 (66)	33 (50)	27 (41)	13 (13)
Municipalities ⁴	109 (219)	96 (200)	102 (206)	97 (179)	56 (85)
Special Districts ⁵	106 (182)	92 (154)	99 (153)	91 (150)	61 (88)
Total	297 (503)	265 (462)	264 (448)	234 (394)	145 (205)

Recent Committee Action

Based on notifications received related to audit reports for the 2020-21 fiscal year, the Committee took action against 157 of the entities noted above during the meeting on January 19, 2023. As a result of the Committee's action, letters were sent to these entities to direct each governing body to provide a written statement regarding a total of 264 audit findings to the Committee to explain the corrective action that has occurred or is planned or to provide the reasons no corrective action is planned.

Action Available for the Committee to Take in During Fall 2023 Committee Meeting

The Committee may take action against the entities that were reported by the Auditor General for failing to correct audit findings that had been reported for at least the third time in the entities' 2021-22 fiscal year audit reports. In addition, the Committee may wish to direct Committee staff to send a letter requesting the status of uncorrected audit findings to all entities on future notification(s) from the Auditor General for late-filed audit reports for the 2021-22 fiscal year, or earlier.

¹All district school boards are required to have an annual financial audit performed. District school boards in counties with a population less than 150,000 are audited annually by the Auditor General; district school boards in larger counties are audited once every three years by the Auditor General and by a private CPA during the other years.

² For the purpose of this document, repeat findings are those which have also been reported in the two prior audits; therefore, the auditor has reported these findings a minimum of three times in successive audits.

³ Separate audits are conducted of most County Constitutional Officers (Board of County Commissioners, Tax Collector, Property Appraiser, Clerk of Circuit Courts, Supervisor of Elections, and Sheriff).

⁴ There are currently 411 municipalities in Florida.

⁵ As of November 27, 2023, there are 1,971 active special districts in Florida.

Directory of Schedules for Repeat Audit Findings

A series of schedules follow that provide information related to entities with audit findings that have been reported in three successive audit reports. The schedules vary type of entity and, in some cases, whether it appears that the entity has taken all steps to correct certain audit findings using existing resources.

To assist you in locating all information related to a specific entity, the tables below list all entities included in the schedules, and indicate the schedule(s) in which their information appears.

Note: The green background used for some audit findings indicates that it appears that the entity has addressed the finding to the extent possible using existing resources.

State College

[Note: There were no university findings reported to the Committee this year.]

<i>State University or College</i>	<i>County</i>	<i>Schedule</i>
College of Central Florida	Marion	1
Palm Beach State College	Palm Beach	1
South Florida State College	Highlands	1

District School Boards

<i>District School Board</i>	<i>Schedule</i>
Gadsden	2
Gilchrist	2
Hernando	2
Jefferson	2
Miami-Dade	2
Palm Beach	2
Putnam	2
Santa Rosa	2
Suwannee	2

Charter Schools

<i>Charter School</i>	<i>County</i>	<i>Schedule(s)</i>
Academy of Environmental Science	Citrus	4
Arts Academy of Excellence	Miami-Dade	3
Rowlett Middle Academy	Manatee	3

Counties

<i>County</i>	<i>County Office</i>	<i>Schedule(s)</i>
Bay County	Board of County Commissioners	5
Calhoun County	Sheriff	6
	Supervisor of Elections	6
Gilchrist County	Sheriff	5
Holmes County	Property Appraiser	6
	Sheriff	6
Leon County	Board of County Commissioners	5
Pasco County	Board of County Commissioners	5
St. Johns County	Board of County Commissioners	5
Sumter County	Sheriff	5
Washington County	Property Appraiser	6
	Supervisor of Elections	6
	Tax Collector	6

Municipalities

<i>Municipality</i>	<i>County</i>	<i>Schedule(s)</i>
Bonifay, City of	Holmes	8
Branford, Town of	Suwannee	8
Bushnell, City of	Sumter	7, 8
Carrabelle, City of	Franklin	8
Chiefland, City of	Levy	7
Coleman, City of	Sumter	8
Cottdale, City of	Jackson	7, 8
Daytona Beach, City of	Volusia	7
Delray Beach, City of	Palm Beach	7
Dundee, Town of	Polk	7
Fanning Springs, City of	Gilchrist & Levy	8
Flagler Beach, City of	Flagler & Volusia	7
Fort White, Town of	Columbia	8
Gainesville, City of	Alachua	7
Glen Saint Mary, Town of	Baker	8
Graceville, City of	Jackson	8
Grand Ridge, Town of	Jackson	7, 8
Greensboro, Town of	Gadsden	7, 8
Greenwood, Town of	Jackson	8
Hialeah, City of	Miami-Dade	7
Hilliard, Town of	Nassau	8
Horseshoe Beach, Town of	Dixie	8
Interlachen, Town of	Putnam	8
Jay, Town of	Santa Rosa	7
Key Biscayne, Village of	Miami-Dade	7
Lynn Haven, City of	Bay	7
Macclenny, City of	Baker	8
Maitland, City of	Orange	7
Malabar, Town of	Brevard	7
Malone, Town of	Jackson	8
Mayo, Town of	Lafayette	8
McIntosh, Town of	Marion	8
Medley, Town of	Miami-Dade	7
Melbourne Beach, Town of	Brevard	7
Melbourne Village, Town of	Brevard	7
Milton, City of	Santa Rosa	7
Montverde, Town of	Lake	8
Moore Haven, City of	Glades	8
North Miami, City of	Miami-Dade	7
Oak Hill, City of	Volusia	8
Oakland, Town of	Orange	7
Paxton, City of	Walton	8
Penney Farms, Town of	Clay	8
Pierson, Town of	Volusia	7, 8

<i>Municipality</i>	<i>County</i>	<i>Schedule(s)</i>
Port Orange, City of	Volusia	7
Riviera Beach, City of	Palm Beach	7
Sarasota, City of	Sarasota	7
St. Cloud, City of	Osceola	7
St. Lucie Village, Town of	St. Lucie	8
St. Marks, City of	Wakulla	8
Surfside, Town of	Miami-Dade	7
Tallahassee, City of	Leon	7
Wausau, Town of	Washington	7, 8
West Melbourne, City of	Brevard	7
Windermere, Town of	Orange	8

Special Districts

<i>Special District</i>	<i>County</i>	<i>Schedule(s)</i>
Alligator Point Water Resources District	Franklin	10
Almarante Fire District	Okaloosa	9
Amelia Concourse Community Development District	Nassau	9
Aucilla Area Solid Waste Administration	Dixie, Jefferson, Madison, Taylor	10
Avalon Beach / Mulat Fire Protection District	Santa Rosa	9, 10
Baker County Development Commission	Baker	10
Baker County Hospital District	Baker	10
Bay Medical Center	Bay	10
Beach Mosquito Control District	Bay	10
Big Bend Water Authority	Dixie, Taylor	9
Cedar Key Water and Sewer District	Levy	10
Chapel Creek Community Development District	Pasco	9
Children's Services Council of Okeechobee County	Okeechobee	9
City of Cedar Key Community Redevelopment Agency	Levy	9
City-County Public Works Authority	Glades	10
Clearwater Cay Community Development District	Pinellas	9
Community Redevelopment Agency of the Town of Lake Park	Palm Beach	9
Creekside Community Development District	St. Lucie	9
Crossings at Fleming Island Community Development District	Clay	9
Fellsmere Water Control District	Indian River	10
Florida Crown Workforce Board, Inc.	Union, Dixie, Gilchrist, Columbia	9
Fred R. Wilson Memorial Law Library	Seminole	9, 10
Gadsden Soil and Water Conservation District	Gadsden	10
Gilchrist Soil and Water Conservation District	Gilchrist	10
Gramercy Farms Community Development District	Osceola	9
Holt Fire District	Okaloosa	9
Indian River Farms Water Control District	Indian River	10
Indian River Soil and Water Conservation District	Indian River	10
Indigo Community Development District	Volusia	9
Jackson Soil and Water Conservation District	Jackson	10
Lake Region Lakes Management District	Polk	9
Leon County Educational Facilities Authority	Leon	9
Levy Soil and Water Conservation District	Levy	10
Madison County Soil and Water Conservation District	Madison	10
Marion Soil and Water Conservation District	Marion	10
Midtown Miami Community Development District	Miami-Dade	9
North Pointe Special Dependent Tax District	Hillsborough	9
North St. Lucie River Water Control District	St. Lucie	10

<i>Special District</i>	<i>County</i>	<i>Schedule(s)</i>
Panama City Beach Community Redevelopment Agency	Bay	9
Polk Soil and Water Conservation District	Polk	9, 10
Port Orange Town Center	Volusia	9
Portofino Isles Community Development District	St. Lucie	9
Portofino Vineyards Community Development District	Lee	9
Portofino Vista Community Development District	Osceola	9
Putnam Soil and Water Conservation District	Putnam	10
Reunion East Community Development District	Osceola	9
Riverwood Community Development District	Charlotte	9
Riverwood Estates Community Development District	Pasco	9
Seminole County Port Authority	Seminole	10
South Seminole and North Orange County Wastewater Transmission Authority	Orange, Seminole	10
Southern Hills Plantation I Community Development District	Hernando	9
Sterling Hill Community Development District	Hernando	9
Suwannee County Conservation District	Suwannee	10
Suwannee Water and Sewer District	Dixie	9
SWI Community Development District	Volusia	9
Taylor Coastal Water and Sewer District	Taylor	10
Taylor County Development Authority	Taylor	10
The Woodlands Community Development District	Sarasota	9
Treeline Preserve Community Development District	Lee	9
Tri-County Airport Authority	Holmes, Jackson, Washington	10
Westside Community Development District	Osceola	9

STATE COLLEGES

Schedule 1

State Colleges

[Note: There were no university findings reported to the Committee this year.]

Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports

Entity	Audit Finding	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
College of Central Florida	<p><u>AG Report No. 2023-007 (Finding #6 - Textbook Affordability)</u>: The College contracted with a vendor to manage and operate the College Bookstore, as well as to compile and post lists of adopted textbooks on the College Bookstore Web site. Textbook and instructional material information was updated on the Web site and simultaneously made available through a link in the course registration system to the Web site. Audit examination of College records and discussions with College personnel disclosed that:</p> <ul style="list-style-type: none"> The College had not established effective procedures to ensure that textbook information was posted on the Bookstore Web site at least 45 days before the first day of classes. The textbooks and instructional materials for certain Summer 2020 and Fall 2020 course sections were posted an average of 32 days late and 23 days late, respectively. As the College only timely posted the textbooks and instructional materials for 358 (83 percent) of the 430 course sections for the Summer 2020 Term and 627 (67 percent) of the 931 course sections for the Fall 2020 Term, the College did not comply with State law requiring such information be timely posted for at least 95 percent of the course sections. In response to audit inquiries, College personnel agreed that textbook information was not always timely adopted and posted. College records did not always demonstrate the proper completion and approval of instructor-prepared textbook affordability course certifications. Specifically, from the population of 2,185 course sections for the Spring 2020, Summer 2020, and Fall 2020 Terms, the auditors requested for examination 30 certifications for required textbooks and 3 were not provided. In response to audit inquiry, College personnel indicated that the certifications were unavailable mainly due to staff turnover. <p>The auditors recommend that, to demonstrate compliance with State law and College administrative procedures, the College: (1) At least 45 days before the first day of classes, prominently post in the course registration system and on its Web site, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course sections offered at the College during the upcoming term; and (2) Maintain records that demonstrate the proper completion and approval of instructor textbook certifications. (See PDF Pages 8-9)</p>	N/A	N/A	N/A	Yes

Schedule 1

State Colleges

[Note: There were no university findings reported to the Committee this year.]

Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports

Entity	Audit Finding	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Palm Beach State College	<p><u>AG Report No. 2023-058 (Finding #3 - Textbook Affordability)</u>: College procedures require all faculty to complete an online form to attest that all items students are required to purchase are used in class, and require that the form be completed by the last day of spring term each academic year for all classes an instructor is scheduled to teach the following academic year to ensure that the textbook information is timely posted to the course registration system. The College contracts with a vendor to operate the College Bookstore and publishes the list of required and recommended textbooks and materials on the College Web site before each enrollment period. In addition, the course registration system contains a hyperlink to the College Web site. In response to audit inquiry, College personnel indicated that, although reminders are issued to the faculty about completing the online form, not all the faculty timely complete the form. Moreover, the College did not document communications and follow up with the faculty to ensure that textbook and instructional material adoption information is timely submitted to the College and posted as required.</p> <p>The auditors examined College records for the Fall 2021 and Spring 2022 Semesters and found that the textbooks and instructional materials for only 86 percent of the Fall 2021 Semester courses and course sections were posted to the College Web site at least 45 days prior to the first day of class, rather than at least 95 percent as required by State law. Without evidence of the timely postings for at least 95 percent of all courses and course sections offered at the College during the upcoming term, the College cannot demonstrate compliance with State law. To demonstrate compliance with State law, the auditors recommend that the College enhance procedures to ensure that a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course sections offered at the College during the upcoming term is prominently posted in the course registration system and on its Web site, as early as feasible, but at least 45 days before the first day of class for each term. The auditors further recommend that such enhancements include documented communications and follow up with the faculty to ensure that textbook and instructional material adoption information is timely submitted to the College Bookstore and posted as required. (See PDF Pages 5-6)</p>	N/A	N/A	N/A	Yes

Schedule 1

State Colleges

[Note: There were no university findings reported to the Committee this year.]

Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports

Entity	Audit Finding	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
South Florida State College	<p>AG Report No. 2023-009 (Finding #1 - Textbook Affordability): The College contracted with a vendor to manage and operate the College Bookstore, as well as compile adopted textbooks and instructional materials on the College Bookstore Web site. According to College personnel, instructional personnel input textbook and instructional material information in the Bookstore Vendor's system and those entries post to the Bookstore Web site. In addition, the course registration system contains a hyperlink to the Web site. To encourage compliance with the posting requirement, the Bookstore Manager periodically sent reminders to instructional supervisors and a list of the classes that had not adopted textbook and instructional material information. However, College records did not demonstrate appropriate follow-up with the supervisors to ensure that all textbook and instructional material adoption information was timely submitted to the Bookstore Vendor.</p> <p>During the Spring 2021, Summer 2021, and Fall 2021 Terms, the College posted textbook and instructional materials for 453, 138, and 456 course sections, respectively. The auditors examined College records supporting textbook and instructional material adoptions for all course sections for the three terms to determine if the College complied with the statutory posting requirement. The auditors found that the College generally complied with the requirements for two of the terms; however, only 88 percent of the textbooks and instructional materials for course sections during the Summer 2021 Term were timely posted rather than at least 95 percent as required by State law (details included in the audit report). In response to audit inquiries, College personnel indicated that delays occurred because textbook adoption and instructional material information was not always timely submitted to the Bookstore Vendor. The auditors recommend that the College enhance procedures to ensure that a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course sections offered at the College during the upcoming term is prominently posted in the course registration system and on the Bookstore Web site, as early as feasible, but at least 45 days before the first day of class for each term. The auditors further recommend that such enhancements include documented communications and follow-up with instructional supervisors to ensure that textbook and instructional material adoption information is timely submitted to the Bookstore Vendor and posted as required. (See PDF Pages 3-4)</p>	N/A	N/A	N/A	Yes

Schedule 1

State Colleges

[Note: There were no university findings reported to the Committee this year.]

Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports

LEGEND:

Material Weakness (MW): a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that one of the following will not be prevented, or detected and corrected, on a timely basis:

- a. a material misstatement of the entity's financial statements, or
- b. material noncompliance with a type of compliance requirement.

For example, a deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis.

The severity of the deficiency would determine whether it should be classified as a material weakness, a significant deficiency, or an additional matter.

Significant Deficiency (SD): less severe than a material weakness, yet important enough to merit attention by those charged with governance.

DISTRICT SCHOOL BOARDS

Schedule 2

District School Boards

Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports¹

County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Gadsden	<p>AG Report No. 2023-056 (#3 - Performance Salary Schedule): Audit examination of District records disclosed that the Board-adopted salary schedules for instructional personnel for the 2019-20, 2020-21, and 2021-22 fiscal years were based, in part, upon student performance and instructional practice. However, for those fiscal years, the schedules were not used because the Board approved instructional bargaining agreements that provided salary adjustments without student performance or instructional practice considerations. For example, the instructional personnel bargaining agreement for the 2021-22 fiscal year excluded consideration of student performance or instructional practice but granted an 18 percent salary increase to all instructional personnel whose 2020-21 fiscal year salaries were at or below \$38,115 and a step increase based on years of experience for instructional personnel who had salaries above \$45,000 and experience of more than ten years. In addition, contrary to State law, the Board-adopted salary schedules for school administrators for the 2019-20, 2020-21, and 2021-22 fiscal years did not provide for salary adjustments based, in part, upon student performance and instructional leadership. In response to audit inquiries, District management indicated that, due to budget constraints, the Board-adopted performance salary schedules for instructional personnel were not funded and performance salary schedules for school administrators were not adopted. Notwithstanding, the auditors are unaware of any authority that exempts the District from the statutory performance-based requirements. Without providing annual salary adjustments based, in part, on the applicable student performance, instructional practice, and instructional leadership requirements, the District cannot demonstrate compliance with State law and there is an increased risk that instructional personnel and school administrators whose performance exceeds management's expectations will not be properly recognized and compensated. The auditors recommend that the Board comply with State law by adopting and implementing performance salary schedules that provide annual salary adjustments for instructional personnel based, in part, upon student performance and instructional practice and for school administrators based, in part, upon student performance and instructional leadership. (See PDF Pages 6-7)</p>	N/A	N/A	N/A	Yes

Schedule 2

District School Boards

Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports¹

County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Gilchrist	<p><u>AG Report No. 2023-036 (#2 - Payments for School Resource Officer and Crossing Guard Services)</u>: The auditors examined District records supporting 15 selected payments totaling \$618,000, including payments for school resource officer (SRO) and school crossing guard services, and found that District controls over those services could be improved. Specifically, the auditors found that, although District records did not document satisfactory receipt of SRO and school crossing guard services, in February 2022 the District paid the Gilchrist County Board of County Commissioners (BCC): (1) \$100,000 for SRO services provided by Sheriff's Office deputies at each school for the period August 16, 2021, through January 12, 2022; and (2) \$6,292 for school crossing guard services provided by BCC employees at two locations for the period August 2021 through December 2022. [Note: The School Board contracted with the Sheriff's Office for SRO services; the Clerk of the Courts Office provides accounting services for the Sheriff's Office and received payment for the services through the BCC.] In response to audit inquiry, District personnel indicated that they relied on the Sheriff's Office to ensure that the SROs worked the required hours and, consequently, District records were not maintained to demonstrate satisfactory receipt of SRO services. Notwithstanding, such reliance provides limited assurance that the services were received as expected. In addition, District records did not demonstrate satisfactory receipt of the crossing guard services and, although the auditors requested, a purchase order, contract, or other authorization for the school crossing guard services was not provided. In July 2022, the District obtained time sheets, supporting the payments totaling \$106,292 to the BCC for the SROs and crossing guards. The auditors recommend that the District enhance controls over SRO and crossing guard services to ensure that, prior to payment, satisfactory receipt of services is documented by personnel who have direct knowledge of the services. Additionally, the auditors recommend that the District ensure that appropriate authorization (e.g., purchase order or contract) is established for school crossing guard services to protect District interests, define the services to be performed, and provide a basis for payment. (See PDF Pages 5-6)</p>	N/A	N/A	N/A	Yes

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County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Hernando	<p><u>CPA Report FY 2021-22 (#2017-1 – Inventory and Tracking of Capital Assets and Construction in Progress)</u>: The current year audit report states that District procedures over capital assets continue to need improvement. The original prior year finding stated: (1) during their review of the capital asset records, the auditors noted that an inventory of capital assets should be performed that reconciles all capital assets in the subsidiary ledger with capital assets on hand; (2) the auditors noted discrepancies of the information provided and management was required to provide additional information and reconciliations; and (3) in the 2017 fiscal year, an invoice for construction costs of approximately \$900,000 was never submitted for payment from the department responsible for the approval of construction invoices. The auditors recommended that the departments responsible for the safeguarding of these capital assets and record keeping perform additional reviews and reconciliations of the physical locations of these capital assets, including the documentation of the procedures, to ensure that the inventory records and the financial records are in agreement. The auditors further recommended that the additional procedures provide for improvement in financial reporting, timely payment, and monitoring of construction and capital assets. (See PDF Page 157)</p>	SD	2022 (FY 2019-20)	<p>A complete inventory of capital assets will be finalized by 6/30/2022, which will include reconciliations of all missing items found through the inventory throughout the District. Training has now occurred within all software to provide staff the ability to obtain reports relating to the physical inventory process. As of 11/12/2021, the issue within the District's ERP system preventing staff from updating tangible personal property records to the proper status has been corrected. District staff established written procedures on processing construction invoices for payment, which include a tracking spreadsheet for all ongoing construction projects. Additionally, open purchase order reports are run periodically throughout the year to ensure invoices paid reconcile with the services rendered within the project contract terms.</p>	Yes

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County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Jefferson	<p><u>AG Report No. 2023-163 (#2022-001 - Information Technology - Access Privileges):</u> The Superintendent, who also served as the District security administrator; the Administrative Assistant, and a District independent contractor continued to have full update access privileges to information technology (IT) applications or components that allowed them to perform functions incompatible or inconsistent with their assigned job duties. The auditors examined District records supporting the IT access privileges granted to the three IT users of District applications. The auditors found that District records did not demonstrate the independent review and approval of user IT access privileges. In addition, the auditors found that the Superintendent served as security administrator, had access to the product setup component, and had full update access to both the finance and HR applications; the District Administrative Assistant had been granted full update access privileges to both the finance and HR applications; and a District independent contractor had access to the product set up component and full update access to both the finance and HR applications. Other than functions provided by the inappropriate access privileges, routine duties of the three individuals included, for example: (1) Superintendent: Approved cash receipts, bank reconciliations, journal entries, and payroll and vendor checks; (2) Administrative Assistant: Prepared and recorded cash receipts, bank reconciliations, and journal entries, and generated payroll and vendor checks after Superintendent authorization; and (3) Independent Contractor: Recorded fiscal year-end journal entries and reviewed transactions. According to District personnel, the inappropriate IT access privileges existed primarily because the District only employed three individuals during the 2021-22 fiscal year and these individuals sometimes functioned in back-up roles when others were not available. As of March 2023, the access privilege deficiencies had not been corrected. The auditors recommend that District management ensure that IT access privileges restrict employees and others from routinely performing functions incompatible or inconsistent with their assigned job functions. In addition, the auditors recommend that the District ensure that the security administrator role is assigned to an employee who does not have responsibilities for monitoring financial or payroll transactions and that someone other than the security administrator documents review and approval of IT user access privileges. (See PDF Pages 51-52)</p>	SD	N/A	N/A	Yes

MW = Material Weakness (see 2. In Legend)
 SD = Significant Deficiency (see 3. In Legend)

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County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Miami-Dade	<p><u>AG Report No. 2023-177 (#AM 2022-001 - Aggregate Discretely Presented Component Units)</u>: District financial procedures need improvement to ensure consistent, proper reporting of charter schools as discretely presented component units (DPCUs) pursuant to Florida Department of Education (FDOE) directives. The District sponsored and was therefore responsible for reporting 134, 133, and 139 charter schools as DPCUs on the District's financial statements for the 2019-20, 2020-21, and 2021-22 fiscal years, respectively. The District appropriately reported the charter schools as DPCUs on the District's annual financial reports (AFR) submitted to the FDOE for those three fiscal years. However, for those same years, the District did not report the charter schools as DPCUs on the District's financial statements presented for audit to the District's contracted certified public accounting firm, and the District posted the Annual Comprehensive Financial Reports (ACFRs) with the auditor reports issued by the firm on the District Web site. While the District did not report charter schools as DPCUs on the financial statements presented to the firm for audit, the District reported the charter schools as DPCUs in the financial statements for the 2021-22 fiscal year presented to the Auditor General for the financial and Federal Single Audit.</p> <p>In response to audit inquiries, District personnel indicated that they again considered the matter pertinent to the DPCUs, held that the District's position is appropriate, and determined that the matter did not warrant further action as indicated in responses to prior year findings. Specifically, District personnel stated that they again reviewed GASB pronouncements; GASB Statements Nos. 14, 34, 39 and 61; the GASB Codification of Governmental Accounting and Financial Reporting Standards, as well as the opinions of the District's independent auditors; and still held the position that the GASB literature, as well as the independent auditor's opinion, support the District's conclusion that the charter schools are not deemed to be component units and should be excluded from the audited financial statements. The District received unmodified opinions from their independent auditors since the fiscal year ended June 30, 2013, the first year of implementation through the most current audit for the fiscal year ended June 30, 2022. District personnel also indicated that the District intends to continue complying with the FDOE's requirement to report the charter schools as part of the District's AFR.</p>	N/A	N/A	N/A	Yes

MW = Material Weakness (see 2. In Legend)
 SD = Significant Deficiency (see 3. In Legend)

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County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Miami-Dade (continued)	<p><u>AG Report No. 2023-177 (#AM 2022-001):</u> (continued)</p> <p>Notwithstanding this response, the District's inconsistent financial reporting of charter schools is contrary to the FDOE's conclusion that charter schools are component units of their respective school districts, unless the charter schools were reported as component units of other governmental entities in accordance with GAAP. Excluding charter schools as DPCUs from the District's audited ACFR shown on the District Web site may cause financial statement users to misunderstand the reporting entity's financial activities in comparison with other Florida school districts, as virtually all other Florida school districts appropriately and consistently report applicable charter schools as DPCUs in their audited financial statements. In addition, the District's inconsistent reporting of charter schools between various financial reports (AFR and ACFR) thwarts the comparability of the reported financial information. The auditors recommend that the District improve financial reporting procedures to ensure consistent, proper reporting of the DPCUs on the District's financial statements pursuant to FDOE directives. (See PDF Pages 125-127)</p>				

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District School Boards

Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports¹

County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Miami-Dade (continued)	<p><u>AG Report No. 2023-188 (#4 - Annual Facilities Inspections)</u>: During the 2021-22 fiscal year, the District provided for the required annual inspection of its 388 educational and ancillary plant facility locations. The auditors examined the inspection records for four selected school locations and verified that the District performed the required annual inspections for these schools. However, the inspection records for the four schools disclosed 147 deficiencies or facility maintenance needs that remained unresolved for two or more years. The unresolved deficiencies included, for example, rooms lacking smoke detectors, classrooms with missing or broken handles on emergency windows, unsafe electrical installation on smart boards, and lack of exhaust system on shops or labs where chemicals are used. In response to audit inquiries, District personnel indicated that the lack of staff, the effect of COVID-19, and excessive cost to implement corrective action caused the untimely correction of the deficiencies. District personnel further indicated that the District would address most deficiencies during the 2022-23 fiscal year; however, certain capital deficiencies required more time given the scope, available funds, and complexity of the deficiencies. The auditors recommend that the District improve procedures to ensure the timely correction of deficiencies and facilities maintenance needs identified in annual inspection reports. (See PDF Page 6)</p>	N/A	2021	<p>The Auditor General identified four schools and reviewed the Safety to Life Inspection Reports for those sites. The reports included 694 unresolved deficiencies categorized as "Operational," "Maintenance," or "Capital" in nature. As of April 2021, 100% of the Operational and Maintenance deficiencies have been corrected. The remaining 107 Capital deficiencies are recorded in the District's master facilities database to be addressed in upcoming capital projects at the respective schools.</p>	Yes

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County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Miami-Dade (continued)	<p><u>AG Report No. 2023-188 (#9 - IT Security Controls - User Authentication)</u>: Audit procedures disclosed that certain District security controls related to user authentication need improvement. Specific details of the issues were not disclosed in the audit report to avoid the possibility of compromising District data and IT resources; however, appropriate District management was notified of the specific issues. Without adequate security controls related to user authentication, the risk is increased that the confidentiality, integrity, and availability of District data and IT resources may be compromised. The auditors recommend that District management improve security controls related to user authentication to ensure the continued confidentiality, integrity, and availability of District data and IT resources. (See PDF Page 10)</p>	N/A	2021	<p>Due to the confidential nature of this finding, details regarding mitigation strategies will not be included in this response. While corrective action related to this audit finding is in progress, the finding has not yet been fully corrected. A Request for Proposal (RFP) has been formulated to procure a solution that will improve user authentication controls based on the National Institute of Standards and Technology's (NIST) "Digital Identity Guidelines." In the interim and while additional proposed solutions are reviewed during the RFP process, an alternative solution is currently being tested on targeted systems considered high priority. Regardless of which solution is ultimately implemented, the District is committed to improving the overall security of networked resources. The user authentication process will be substantially improved to meet or exceed the audit recommendation.</p>	Yes

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County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Palm Beach	<p><u>AG Report No. 2023-179 (#AM 2022-001 - Aggregate Discretely Presented Component Units)</u>: The District did not comply with Florida Department of Education (FDOE) directives for reporting charter schools as discretely presented component units (DPCUs) on the District financial statements. Pursuant to guidance from the FDOE, the District sponsored and was therefore responsible for reporting 51, 50, and 49 charter schools as DPCUs on the District financial statements for the 2019-20, 2020-21, and 2021-22 fiscal years, respectively. However, for those fiscal years, the District did not report the charter schools as DPCUs on the District financial statements. The District reported the available financial information for the 49 charter schools in a column titled "Charter Schools" on the 2021-22 fiscal year AFR presented for audit. The AFR notes to financial statements indicated that the charter school financial audit information was included for State reporting purposes as required by the FDOE but that the charter schools do not qualify as part of the District's reporting entity, should not be reported as DPCUs, and will be excluded from the ACFR. In response to audit inquiries, District personnel indicated that the District assessed and concluded that charter schools do not meet the criteria to be considered component units because:</p> <ul style="list-style-type: none"> • The District is not financially accountable for the charter schools. Charter schools are legally separate organizations with independent boards and are exempt from many of the State regulations allowing them to provide unique educational opportunities for students. The role of the District is to provide limited administrative oversight and does not impose its own will but that of the State. • Charter schools are not fiscally dependent on the District because the charter school's Board, not the School Board, approves its budget and charter schools are able to issue debt without approval by the District. • There is no fiscal benefit or burden to the District because the District is not entitled to and cannot legally access the charter school's resources until closure of a school. 	N/A	N/A	N/A	Yes

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Palm Beach (continued)	<p><u>AG Report No. 2023-179 (#AM 2022-001)</u> (continued)</p> <ul style="list-style-type: none"> It is not misleading to exclude charter schools from the District's reporting entity because Section 1002.33, Florida Statutes, explicitly precludes the District from being responsible for any and all liabilities of a charter school. Upon closure of a charter school, any remaining assets are usually distributed amongst other charter schools and are not significant to the District. <p>Notwithstanding this response, the District's financial reporting interpretation of DPCUs is contrary to the FDOE's conclusion that charter schools are DPCUs of their respective school districts, unless the charter schools were reported as component units of other governmental entities in accordance with GAAP. The auditors recommend that the District improve financial reporting procedures to ensure compliance with FDOE directives for reporting charter schools as DPCUs on the District financial statements. (See PDF Pages 104-107)</p>				
	<p><u>AG Report No. 2023-061 (#2 - Transportation Call Center)</u>: The Transportation Department did not always document the timely follow-up and resolution of transportation-related complaints or concerns expressed to the Transportation Department Call Center. The District Transportation Department (Department) Transportation Call Center (TCC) maintains a Customer Call Center Daily Operations Manual that addresses the TCC's protocol for receiving, logging, and monitoring the resolution of telephone calls reporting such matters as crowded buses, bus driver reckless driving, bus accidents, buses arriving late to schools, and other transportation concerns. According to Department personnel, for calls concerning buses exceeding the speed limit, the TCC team leader reviews the global positioning system for the location and speed of the bus to verify the validity of the concern. Department personnel indicated that the Department Central Office either follows up and resolves the transportation-related concern or refers the concern to the applicable service facility location for follow-up and resolution by the appropriate supervisor.</p>	N/A	N/A	N/A	Yes

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Palm Beach (continued)	<p><u>AG Report No. 2023-061 (#2):</u> (continued)</p> <p>However, the District had not established the timeframes for the team leader and driver to discuss bus driving concerns, closing non-disciplinary concerns, or follow-up notes to be documented on the TCC call log. In addition, procedures had not been established to require a supervisor to review and approve the timely follow-up and resolution of the transportation-related concerns. During the period 1/4/2021, through 4/18/2022, the TCC recorded 1,030 reckless driving concerns. According to Department records, the Department Central Office documented resolution of 168 concerns and referred 862 concerns to a service facility location for follow-up and resolution. As part of audit procedures, the auditors examined District records supporting 29 selected reckless driving concerns referred to a service facility location to evaluate Department personnel efforts to appropriately and promptly follow up with drivers and to determine whether disciplinary actions, if necessary, were timely taken. The auditors found that supervisor responses to 10 of the 29 concerns reviewed were logged into the system 9 to 228 days (average of 74 days) after the concern was received at the TCC. The auditors further noted that, for 14 of the 29 concerns, Department personnel did not adequately document the completion of follow-up or how the concern was resolved (details are included in the audit report).</p> <p>Subsequent to the auditors' review, in August 2022 the District established procedures requiring communication between the team leader and bus driver to occur within three days of notification of the concern, non-disciplinary concerns to be closed within ten working days, and follow-up notes on the TCC call log to occur within ten days. In addition, the Director or designee is to review and approve the timely follow-up and resolution of transportation-related concerns. The auditors recommend that Department management continue efforts to document appropriate and timely follow-up of transportation-related concerns expressed to the TCC. (See PDF Pages 4-5)</p>				

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County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Putnam	<p><u>AG Report No. 2023-147 (#2022-001 - Financial Reporting)</u>: District financial reporting procedures continue to need improvement to ensure that financial statements are properly presented in the annual financial report (AFR) submitted to the Florida Department of Education (FDOE). For example, audit adjustments were required:</p> <ul style="list-style-type: none"> • For the Governmental Activities, to eliminate financial statement out-of-balance of \$28,614,412; and • For Proprietary Fund Major Enterprise Funds, to properly report the North East Florida Educational Consortium (NEFEC) Risk Management (Property/Casualty) Program Fund as a Major Enterprise Fund. The amounts for the NEFEC Risk Management (Property/Casualty) Program were reported in the NEFEC Other Programs Funds column in each proprietary fund financial statement rather than in a separate column. <p>District personnel responsible for AFR preparation had limited financial reporting experience, misunderstood how to properly report all information in the AFR, and did not receive AFR training due to District scheduling conflicts. While the Board approved the AFR, the District had not established review procedures to detect AFR errors prior to Board approval and submittal of the AFR to the FDOE. Reporting errors such as these may cause financial statement users to misunderstand the District's financial activities, incorrectly assess the District's financial position, and not readily identify the District's most significant funds. The auditors extended audit procedures to determine the adjustments necessary to ensure that the financial statement amounts balanced and major funds were properly presented and District personnel accepted the adjustments. However, the audit procedures cannot substitute for management's responsibility to implement adequate controls over preparation of the financial statements. The auditors recommend that the District improve procedures to ensure that financial statement information is properly reported. The auditors further recommend that such procedures include appropriate training for staff who prepare the AFR and review procedures to detect AFR errors prior to Board approval and submittal of the AFR to the FDOE. (See PDF Pages 82-83)</p>	SD	N/A	N/A	Yes

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Putnam (continued)	<p><u>AG Report No. 2023-050 (#2 - Background Screenings)</u>: Florida law requires that individuals who are contracted to serve in an instructional or noninstructional capacity and permitted access on school grounds when students are present or have direct contact with students to undergo a level 2 background screening at least once every 5 years. To promote compliance with the statutory background screening requirements, School Board policies require contractor workers who have access to school grounds to undergo required background screenings at least once every 5 years. As of March 2022, the District received substitute teacher services from 287 contractor workers and other services from 189 contractor workers who were permitted access to school grounds when students were present or had direct contact with students. The auditors examined District records and evaluated background screening procedures for all District contractor workers and found that 11 contractor workers who provided substitute teacher, food service, or paraprofessional services, had received background screenings and obtained name badges for accessing school grounds when students were present; however, the name badges lacked expiration dates and, because the Staff Services Department experienced personnel turnover and did not always update the date on the tracking report, District records did not evidence when the background screenings were performed. Subsequent to audit inquiry, background screenings were obtained by May 2022 for the 6 contractor workers who remained contracted by the District and no inappropriate backgrounds were noted. Absent effective controls to ensure that required background screenings are timely performed, there is an increased risk that individuals with unsuitable backgrounds may have direct contact with students. The auditors recommend that the District enhance procedures to ensure that background screenings are timely performed and documented for applicable contractor workers. Such enhancements should include timely update and maintenance of the background screening tracking report and identification of expiration dates on all contractor worker name badges. (See PDF Page 5)</p>	N/A	2021	This finding has been fully corrected.	Yes

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Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports¹

County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Santa Rosa	<p><u>AG Report No. 2023-042 (#5 - Information Technology Risk Assessment)</u>: As of July 2022, the District had not completed a comprehensive IT risk assessment. In response to audit inquiries, District personnel indicated that, although they had performed certain procedures, such as network security testing to evaluate the security of District IT systems, an aggregated and formalized IT risk assessment plan had not been completed, primarily due to the need to prioritize other critical assignments performed by IT personnel. The absence of a comprehensive IT risk assessment may lessen District assurances that all likely threats and vulnerabilities have been identified, the most significant risks have been addressed, and appropriate decisions have been made regarding the risks to accept and other risks to mitigate through appropriate controls. The auditors recommend that the District continue efforts to conduct a comprehensive IT risk assessment to provide a documented basis for managing IT-related risks. (See PDF Page 7)</p>	N/A	N/A	N/A	Yes

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County	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Suwannee	<p><u>AG Report No. 2023-082 (#2022-002 - Student Financial Assistance (SFA) Cluster - Federal Pell Grant Program (Program))</u>: Title 34, Section 685.309(a)(2), Code of Federal Regulations, requires the District to submit reports in accordance with deadlines established by the U.S. Department of Education (ED). The District received enrollment information requests from the ED every 60 days and District procedures provided for financial aid personnel to update the student records on the National Student Loan Data System (NSLDS) Web site using the online update function of the NSLDS Web site within 15 days of receiving the enrollment information from the ED. However, District personnel did not determine that enrollment records for students who enrolled or had enrollment status changes during the 2021-22 fiscal year were always timely reported in the NSLDS nor were supervisory review procedures established to verify the timeliness and accuracy of reported activity.</p> <p>From the population of 83 students who received Program funds and enrolled or had status enrollment changes during the 2021-22 fiscal year, the auditors examined records related to 25 selected students to determine whether the District accurately and timely reported enrollment data using the NSLDS, and found that:</p> <ul style="list-style-type: none"> As of 7/19/2022, the District had not reported enrollment to the NSLDS for two students and 306 days had elapsed since the 15-day deadline. The enrollment status changes for those two students and two other students were reported to the NSLDS 22 to 245 days, or an average of 127 days, after the 15-day deadline. <p>When the NSLDS is not timely provided correct enrollment information, the effectiveness of the NSLDS for monitoring and evaluating Program grant recipients is diminished. The auditors recommend that the District enhance procedures to ensure that enrollment and enrollment status changes for Program grant recipients are timely reported in the NSLDS. The auditors further recommend that such enhancements include appropriate training for financial aid office staff and supervisory review and approval to verify the timeliness and accuracy of the information reported. (See PDF Pages 76-77)</p>	N/A	N/A	N/A	Yes

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Failed to Take Full Corrective Action in Response to a Recommendation Included in Audit Reports Issued During July 1, 2022, through June 30, 2023, and the Two Preceding Audit Reports¹

FOOTNOTE/LEGEND:

1. These audits have been conducted either by the Auditor General or by private certified public accountants, as required by Section 218.39(1), *Florida Statutes*.
2. **Material Weakness (MW)**: a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that one of the following will not be prevented, or detected and corrected, on a timely basis:
 - a. a material misstatement of the entity's financial statements, or
 - b. material noncompliance with a type of compliance requirement.

For example, a deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis.

The severity of the deficiency would determine whether it should be classified as a material weakness, a significant deficiency, or an additional matter.

3. **Significant Deficiency (SD)**: less severe than a material weakness, yet important enough to merit attention by those charged with governance.

CHARTER SCHOOLS

Schedule 3

Charter Schools

Failed to Take Full Corrective Action in Response to a Recommendation Included in the 2021-22 Fiscal Year Audit Report and the Two Preceding Audit Reports¹

County	Charter School	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response This Year?
Miami-Dade	Arts Academy of Excellence	<u>2022-01 - Fund balance deficit</u> : At fiscal year-end, the Academy had a spendable unassigned fund balance deficit of \$167,114. Current liabilities exceed current assets. The Academy is in its fifth year of operations and expended resources for the initial startup costs and purchases of capital assets for which it did incur some related debt. The auditors recommend that the Academy monitor its enrollment and budget versus expenditures to ensure spending is within the budget. (See PDF Page 37)	N/A	2022 (FY 2019-20)	The Academy voluntarily surrendered its charter to the Miami-Dade School District and ceased operations effective 6/30/2022. (See Note 11 on PDF Page 28)	No
Manatee	Rowlett Middle Academy	<u>2022-01 - General Fund - Fund Balance Deficit</u> : The Academy reported a general fund unassigned deficit fund balance of \$54,148. This is a continued improvement over the prior years; the general fund had an unassigned deficit fund balance of \$104,961 in the prior year. The auditors recommend that the Academy monitor expenditures and ensure that fund balance reserves and revenues are sufficient to cover expenditures and the needs of the Academy. (See PDF Page 54)	N/A	2023 (FY 2020-21)	<p>The General Fund had a deficit Unassigned Fund Balance at the end of FY 2021-22 of \$54,148, with a positive Total Fund Balance of \$47,945. This was an improvement from FY 2020-21, in which the General Fund had both a deficit Unassigned Fund Balance and Total Fund Balance of \$104,961 and \$28,103, respectively. At 1/31/2023, the General Fund had an unaudited Unassigned Fund Balance and Total Fund Balance of \$300,166 and \$402,259, respectively.</p> <p>As a new charter school with a rapidly growing student body, it was difficult to match staffing requirements with classroom needs, resulting in overstaffing. During the same time period, the Academy was updating classroom furniture and adding technology to better meet the students' needs. Along with the entire state, the Academy was faced with a pandemic, which required additional supplies and cleaning services. In addition, the Academy was required to replace both chiller units on campus at a cost of \$400,000. Now that full enrollment has been reached, the Academy has been able to stabilize staffing requirements, as well as the technology and supply needs.</p>	Yes

MW = Material Weakness (see 2. In Legend)
SD = Significant Deficiency (see 3. In Legend)

Schedule 3

Charter Schools

Failed to Take Full Corrective Action in Response to a Recommendation Included in the 2021-22 Fiscal Year Audit Report and the Two Preceding Audit Reports¹

FOOTNOTE/LEGEND:

1. These audits have been conducted by private certified public accountants, as required by Section 218.39(1), *Florida Statutes*.
2. **Material Weakness (MW)**: a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that one of the following will not be prevented, or detected and corrected, on a timely basis:
 - a. a material misstatement of the entity's financial statements, or
 - b. material noncompliance with a type of compliance requirement.

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The severity of the deficiency would determine whether it should be classified as a material weakness, a significant deficiency, or an additional matter.

3. **Significant Deficiency (SD)**: less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Schedule 4

Charter Schools

Failed to Take Full Corrective Action in Response to a Recommendation Included in the 2021-22 Fiscal Year Audit Report and the Two Preceding Audit Reports¹

County	Charter School	Audit Finding(s)	MW or SD?	Year Last Response Received	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response This Year?
Citrus	Academy of Environmental Science	#2013-1 - Lack of Segregation of Incompatible Duties for Financial Transactions: For internal account activity accounted for in the Special Revenue Fund, the employee who has the sole responsibility to maintain the accounting records also handles cash collections, cosigns checks, and reconciles bank statement balances to the accounting records. The School's financial resources and size of operations only allows for one employee to perform all of the duties related to recording the deposits and disbursements related to the Internal Accounts. While the auditors acknowledge that personnel may not always be available to permit appropriate separation of employee duties and responsibilities, they think it is important that the School is made aware of the condition. The auditors recommend that the School develop mitigating controls to ensure that secondary reviews are performed by someone other than the one individual performing the transactions, which may include secondary reviews of the bank reconciliation process and detailed review of all accounting transactions by someone in administration. (See PDF Page 30)	SD	2017 (FY 2014-15)	The School is aware of the condition and has no viable way to eliminate it, as it would involve hiring additional personnel to assume portions of the employee's work. Some mitigating controls have been implemented to address the condition.	No

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**5b Three Peat:
Governmental Entities**

COUNTIES

**Local Governmental Entities That Failed to Take Full Corrective Action in Response to a Recommendation
Included in the FY 2021-22 Fiscal Year Audit Report and the Two Preceding Audit Reports¹**

County	Constitutional Officer	Audit Finding	MW or SD?	Year Last Response Received (RE: Fiscal Year)	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Bay County	Board of County Commissioners	<u>2022-001 - Revenues/Collections</u> : The County issued permits that were not in accordance with the permit fee schedule established by the County through Resolution 3847. The auditors recommend that the County correct issues in the permit system to ensure permits are properly calculated. The auditors also recommend that the County determine the impact of permits that were calculated in excess of the rates established in the resolution and initiate a plan of action to remedy those permits. (See PDF Page 217)	MW	N/A	N/A	Yes
Gilchrist County	Sheriff	<u>2022-002 - Capital Assets</u> : During the audit, the auditors noticed several opportunities to improve the process for tracking and valuation of capital assets of the Sheriff's Office. Specifically, fixed asset records should include the following data: description of the asset; cost, voucher number, and vendor name; date placed in service; estimated useful life; depreciation method; depreciation expense and accumulated depreciation for the year; and date asset retired and selling price if applicable. The auditors state that complete information, such as the preceding, on all capital assets would improve financial reporting as well as aid in the safeguarding of these assets. (See PDF Page 103)	N/A	N/A	N/A	Yes

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Leon County	Board of County Commissioners	<p><u>2022-008 - Florida Springs Grant Program, Grant Number LP37113 and LP0110E</u>: This program is operated under the governance of Section 403.061, Florida Statutes. The grant agreement for this project outlines the activities allowed, general requirements, and compliance requirements for the administration of the program. Reporting requirements of the program include the submission of quarterly status reports to the State Grant Manager describing the work performed during the reporting period problems incurred, problem resolutions, scheduled updates, and proposed work for the next reporting period. Quarterly status reports are due no later than twenty days following the completion of the quarterly reporting period. The December 2021 quarterly reports were not submitted timely. However, the March 2022, June 2022, and September 2022 reports were all submitted timely. The County Grant Manager receives status updates from the County Project Manager, who oversees individual projects under the Program. Due to turnover in the County Project Manager position, there were delays in the project status updates from the County Project Manager to the County Grant Manager. Those delays resulted in quarterly status reports that were not submitted to the State Grant Manager within the time period outlined in the grant agreements. The auditors recommend that the County Grant Manager work more closely with the County Project Managers to ensure that the quarterly status updates are submitted within the time period outlined in the grant agreement. (See PDF Page 119)</p>	N/A	2023 (FY 2020-21)	As of the second quarter ending March 2022, the audit findings regarding filing these reports were corrected; however, reports for the first quarter of FY 2022 were filed late for the current FY 2022 audit period. The previous employee responsible for managing these grants and filing the associated quarterly reports has left the employment of Leon County, and the new individual charged with managing these grants has filed all subsequent quarterly reports for the spring protection grants on time. The County's external auditor has indicated that they will note the above in the FY 2022 annual audit.	Yes

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Pasco County	Board of County Commissioners	<u>2022-002 - Preparation of the Schedule of Federal Awards and State Financial Assistance</u> : The County had a control weakness that resulted in management failing to comply with the requirement to prepare an accurate Schedule of Expenditures of Federal Awards and State Financial assistance (Schedule). Federal expenditures were overstated on the Schedule by approximately \$75 million related to two grant programs; additionally, two assistance listing numbers were incorrectly reported on the Schedule and the amount passed through to subrecipients were incorrectly reported for two grant programs. The auditors recommend that the County improve its financial reporting close process to more accurately complete and review the Schedule. The auditors also recommend that the process include a procedure to have someone in each department perform an independent review of their portion of the Schedule. (See PDF Page 427)	MW	2023 (FY 2020-21)	To assist in implementing stronger controls, the Office of Management and Budget is hosting the Audit Review Team (ART) meetings which began in August 2022. The intent of these meetings is to review grant agreements, CFDA/ALN/CFSA numbers, subrecipient information, award amounts, pass-through information, match amounts, and eligibility of current year expenditures. The County has also created training videos which are available to all employees who assist in the grant process and provide a general overview of the grant management lifecycle. In FY 2023 the County will hire a grant manager to implement a centralized Grants Division to oversee the grant management lifecycle. The intent is to have the Grants Division fully functioning in FY 2024.	Yes
St. Johns County	Board of County Commissioners	<u>MLC 2020-002 - Unexpended Fund Balance – Building Permits</u> : The County's unexpended building permit funds in the Building Services Fund at fiscal year-end exceeded the County's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by substantial amounts. The auditors continue to recommend that the County take steps to reduce the amount of unexpended building code balances in order to comply with Section 553.80(7)(a), Florida Statutes. (See PDF Page 263)	N/A	N/A	N/A	Yes

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County	Constitutional Officer	Audit Finding	MW or SD?	Year Last Response Received (RE: Fiscal Year)	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Sumter County	Sheriff	<u>2022-001 - Material Weakness in Service Organization Internal Control Monitoring:</u> The Sheriff's Office contracts with service organizations to provide commissary and telephone services to inmates. The Office does not monitor internal control of the service organizations over revenue collection and remittance. A service contract was not available between the Office and the commissary provider. The service organizations do not provide Service Organization Controls audit reports (SOC-1, Type 2) for the services they provide to the Office, and the Office has not taken alternative steps to identify and monitor relevant controls. The auditors recommend that the Office request an annual SOC-1, Type 2 report from each of the service organizations and implement and monitor relevant user controls. The auditors further recommend that, if such a report is unavailable, the Office take alternative steps to understand and monitor the controls at the service organizations and to identify, implement, and monitor the relevant user controls. In addition, the auditors recommend establishing a written contract with the provider. (See PDF Page 166)	MW	2023 (FY 2020-21)	The finding was issued as a material weakness in controls due to the lack of a service organizations' annual Service Organizations Controls, Type 2 report (SOC 1, Type 2). The Sheriff's Office has requested these reports from the service organizations; however, the Office has been unsuccessful in obtaining the report. As a result, the Office monitors revenue as a compensating control and believes that revenue is fairly reported.	Yes

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Calhoun County	Sheriff	<p><u>Sheriff 2004-002 - Segregation of Duties:</u> The internal control environment should include proper segregation of duties and responsibilities over accounting functions. The auditors recommend that the Sheriff's office continue to seek ways to strengthen internal control through segregation of duties. The auditors further recommend that the Sheriff document his review of transactions, bank reconciliations, and financial reports to provide evidence of compensating controls. (See PDF Page 169)</p>	SD	2017 (FY 2014-15)	The Sheriff's Office is a very small agency. Limited funding prohibits the hiring of additional staff to strengthen internal controls. The finance officer/administrative assistant is supervised directly by the Sheriff. The Sheriff will continue to monitor the finances and review bank statements each month in order to provide a measure of assurance of proper accountability and handling of the Sheriff's finances.	No
	Supervisor of Elections	<p><u>SOE 2004-01 - Segregation of Duties:</u> The internal control environment should include proper segregation of duties and responsibilities over accounting functions. There is a lack of segregation of duties between employees who have record keeping responsibility and employees in custody of Supervisor of Elections' assets. The auditors realize that, due to the limited number of administrative staff in the Supervisor of Elections' office, it is difficult to achieve ideal separation of duties; however, the Supervisor of Elections should remain very active and involved in the day-to-day operations. The auditors further recommend that controls be implemented to help compensate for the weaknesses and to provide checks and balances. (See PDF Page 197)</p>	N/A	2017 (FY 2014-15)	With the financial pressures and lack of funding, the cost/benefit ratio is far too great for this office to employ more personnel. The office currently has two employees, and the person responsible for completing bank reconciliations each month does not process checks/payments nor has check signing authority. The Supervisor of Elections will continue to initiate controls to mitigate the lack of segregation of duties, and the office is currently working to identify specific areas to help alleviate this comment. Appropriate safeguards are in place to deter fraud and abuse from taking place.	No

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SD = Significant Deficiency (see 3. In Legend)

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Holmes County	Property Appraiser	<p>2012-02 - Disbursement Controls: Due to a limited number of personnel involved in the cash disbursement process, some critical duties are not adequately segregated. The Chief Deputy Property Appraiser's (Chief Deputy) responsibilities include recording accounts payable, check register review and approval, establishing vendor files, and preparation of bank account reconciliations. The Chief Deputy is not an authorized check signer, but has access to the general ledger and Information Technology rights to create vendors files. The lack of adequate control procedures could result in the misuse or misappropriation of assets. The auditors recommend implementing control procedures to separate the bank reconciliation, check writing, check distribution, and creating new vendor file responsibilities. The auditors further recommend that: (1) the Chief Deputy's responsibilities be limited to approving accounts payable and reviewing the distribution check register, and state that ideally signed checks should be forwarded directly from the check signers to a third person for distribution; (2) new vendor authorizations be required by someone independent of the disbursement process to create accounts payable vendor files; and (3) someone other than the Chief Deputy reconcile the bank accounts, and, if resources don't allow for that segregation then, as a minimum, a second reviewer review the reconciliations and examine reconciling items. Further, the auditors state that ideally the accounts payable/payroll (cash disbursement), check signing and distribution, and bank reconciling duties should be segregated. (See PDF Page 195)</p>	N/A	2017 (FY 2014-15)	The Property Appraiser's office is following several of the recommendations. Drafted checks are sent directly to the Property Appraiser for review, approval, and signature. The Property Appraiser reviews the bank statement reconciliations and examines reconciling items. The office has limited staff and resources of a small entity and does not have funding to hire additional personnel to segregate all disbursement duties at this time.	No

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County	Constitutional Officer	Audit Finding	MW or SD?	Year Last Response Received (RE: Fiscal Year)	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Holmes County (continued)	Sheriff	<p>2010-01 - Segregation of Duties: The auditors noted a deficiency in the segregation of duties over cash disbursements. The Finance Director's responsibilities include accounts payable, check register review and approval, and preparation of bank account reconciliations. The Finance Director is not an authorized check signer. In addition, the Finance Director has Information Technology (IT) rights to create vendors and general ledger access and authorization. The auditors recommend that control procedures be implemented to separate the accounts payable, bank reconciliation, and check writing responsibilities. The auditors further recommend that (1) The Finance Director's responsibilities should be limited to approving accounts payable and reviewing the distribution check register; (2) once checks are drafted, they should be forwarded along with supporting documentation directly to the check signers for review, approval and signatures; and (3) a third person should be forwarded the signed checks directly from the check signers for distribution. In addition, the auditors recommend that no one have unilateral IT rights to create accounts payable vendor files, generate checks and reconcile the bank accounts. (See PDF Page 262)</p>	MW	2017 (FY 2014-15)	Due to limited staff and resources this finding may never be fully resolved. The Sheriff's Office has implemented various internal control measures. The Sheriff now reviews, approves, and signs checks, and a third party distributes the checks. Additional details are provided in the response.	No

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Washington County	Property Appraiser	PA2003-003 - <u>Segregation of Duties</u> : There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of assets because the Property Appraiser's office has limited personnel in the accounting department. The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected. The auditors realize that, due to the size of the administrative staff, it is difficult to achieve ideal separation of duties; however, the auditors recommend that the Property Appraiser remain very active and involved in the day-to-day operations. The auditors further recommend that controls be implemented to help compensate for these weaknesses and to provide checks and balances. (See PDF Page 249)	SD	2017 (FY 2014-15)	This is a small office with employees who have overlapping duties, and complete segregation of duties is not possible. The Property Appraiser will continue to remain active in the day-to-day operations of the office and continue to ensure there are checks and balances in the daily work and the ledger is balanced on a monthly basis.	No
	Supervisor of Elections	SOE2003-003 - <u>Need for Segregation of Duties</u> : There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of assets because the Supervisor of Elections' office has limited personnel in the accounting department. The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected. The auditors realize that, due to the size of the Supervisor of Elections' administrative staff, it is difficult to achieve ideal separation of duties; however, the auditors recommend that the Supervisor of Elections remain very active and involved in the day-to-day operations. The auditors further recommend that controls be implemented to help compensate for these weaknesses and to provide checks and balances. (See PDF Page 278)	SD	2017 (FY 2014-15)	The Supervisor of Elections is a small office, and it would not be feasible to hire additional personnel to accomplish adequate segregation of duties. Procedures to help alleviate this situation include: (1) the person responsible for completing bank reconciliations does not process checks/payments nor does she have check-signing authority, and (2) the Supervisor of Elections reviews all monthly bills to be paid. The Supervisor of Elections will continue to initiate controls to mitigate the lack of segregation of duties. Appropriate safeguards are in place to deter fraud and abuse from taking place. The office is currently working with the auditors to identify specific areas it can work on to help alleviate this comment.	No

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Washington County (continued)	Tax Collector	TC2003-003 - Segregation of Duties: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of assets because the Tax Collector's office has limited personnel in the accounting department. The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected. The auditors realize that, due to the size of the Tax Collector's administrative staff, it is difficult to achieve ideal separation of duties; however, the auditors recommend that the Tax Collector remain very active and involved in the day-to-day operations. The auditors further recommend that controls be implemented to help compensate for these weaknesses and to provide checks and balances. (See PDF Page 314)	SD	2017 (FY 2014-15)	With the financial pressures and lack of funding, the Tax Collector has found the cost/benefit ratio is far too great to employ more personnel. The Tax Collector's Office is a small office, and it would not be feasible to hire additional personnel to accomplish adequate segregation of duties. Procedures to help alleviate this situation include: (1) the person responsible for completing the daily deposit and bank reconciliations each month will not process any payment transaction nor will she/he have check-signing authority, and (2) the Tax Collector reviews all monthly bills to be paid. The Tax Collector will continue to initiate controls to mitigate the lack of segregation of duties. Appropriate safeguards are in place to deter fraud and abuse from taking place. The Tax Collector is currently working with the auditing firm and will continue to have an active role in office operations.	No

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3. **Significant Deficiency (SD):** less severe than a material weakness, yet important enough to merit attention by those charged with governance.

MUNICIPALITIES

**Local Governmental Entities That Failed to Take Full Corrective Action in Response to a Recommendation
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Municipality	County	Audit Finding	MW or SD?	Year Last Response Received (RE: Fiscal Year)	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
City of Bushnell	Sumter County	<u>2014-1 - Interfund Borrowings with the Wastewater Fund:</u> As of the fiscal year-end, the wastewater fund maintained its financial position due to the use of ARPA funds to meet capital and repair and maintenance expenses. The wastewater fund was not required to borrow from other funds as of the fiscal year-end for operating cash shortages. The other interfund borrowings consist of advances from both the water and electric funds of \$1,242,948. These interfund borrowings primarily occurred in prior years. Authoritative accounting standards indicate that "if repayment is not expected within a reasonable time, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan." The auditors recommend that management consider this issue and determine the appropriate measures to address interfund borrowings. (See PDF Page 120)	N/A	2023 (FY 2020- 21)	In FY 2021-22, the Wastewater Fund showed no improvement in operations, primarily due to unanticipated increases in expenses due to the equipment failures and necessary upgrades that were needed throughout the Wastewater Treatment System. It should also be noted that the likelihood of the fund to fully repay the interfund borrowings in the near future is remote. Consequently, management is working with the City Council to consider reporting these loans in the upcoming fiscal year as a permanent transfer from the Electric and Water Funds to the Wastewater Fund, with no anticipation of repayment.	Yes

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Municipality	County	Audit Finding	MW or SD?	Year Last Response Received (RE: Fiscal Year)	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
City of Bushnell (continued)	Sumter County (continued)	<u>2011-1 - Financial Condition Assessment - Wastewater Fund:</u> As required by the Rules of the Auditor General, the auditors have applied financial condition assessment procedures to the City's financial statements as of fiscal year-end and noted that the wastewater fund has a net operating loss and is operating with borrowed and granted funds. During the fiscal year, the auditors noted that the wastewater fund was able to utilize ARPA funds to meet extensive emergency repairs needed. The auditors recommend that management continue to monitor the results of the wastewater fund to ensure the fund improves its financial position to ensure sufficient rates are charged to general operating revenues sufficient to cover operating expenses. (See PDF Page 120)	N/A	2023 (FY 2020- 21)	The Wastewater Fund (Fund) still continues to show a decrease in net position wherein revenues were not enough to cover expenses in FY 2021-22. The financial condition of the Fund trended in a negative position due to multiple emergency repairs that were required to correct failing infrastructure in the City's Wastewater Treatment System during FY 2021-22. In the current fiscal year, the City Council and management have been working to develop a plan to secure additional funding through grant programs and other funding sources, such as rate increases, to help offset the cost of making necessary upgrades and repairs to its aging infrastructure and Wastewater Treatment Plant. The City has several ongoing projects to make necessary repairs and upgrades to the wastewater infrastructure which will allow the City to keep future repair and maintenance costs at a more manageable level. While none of these measures will completely resolve this audit issue quickly, the City's corrective actions will enable the Fund to show improvement in overall revenues and cash flows and help to improve the overall financial position of the Fund. It is anticipated that the combination of all of these measures will allow the City to operate the Fund with a positive cash balance in the future.	Yes

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City of Chiefland	Levy County	<u>2022-001 - Unexpended Balance – Building Permits</u> : Section 553.80(7)(a), Florida Statutes, has been updated to limit 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 (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The City's unexpended building permit funds at September 30, 2022, exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by approximately \$25,000. The auditors recommend that the City identify how it intends to reduce the amount of unexpected building code balances in order to comply with Section 553.80(7)(a), Florida Statutes. Such action may require the City to modify subsequent fiscal year budgets. (See PDF Page 43)	N/A	N/A	N/A	Yes
City of Cottondale	Jackson County	<u>2016-05 - Small Liability Accounts</u> : The auditors noted a few liability accounts with relatively small balances that appear to be incorrect. The auditors recommend that the ledgers be reviewed and all accounts be appropriately reconciled, adjusted and maintained with accurate balances. (See PDF Page 57)	N/A	2023 (FY 2020- 21)	The City Clerk, hired in March 2022, is looking into hiring a consultant on a monthly basis and is being proactive in reviewing accounts. The City believes that this findings will be resolved over time.	Yes

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City of Daytona Beach	Volusia County	<u>2019-002 - Unexpended Balance – Building Permits:</u> The City's unexpended building permit funds at fiscal year-end exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years by \$10,977,338. Prior to 7/1/2019, there was no provision in the Florida Statutes limiting the amount of carryforward of unexpended building permit funds. In prior fiscal years, the annual revenue derived from building permit fees exceeded anticipated amounts. The auditors recommend that the City complete the action items presented to the Joint Legislative Audit Committee to reduce the unexpended building code balances in order to comply with Section 553.80(7), Florida Statutes. (See PDF Page 221)	N/A	2023 (FY 2020- 21)	The City has "boomed" with new construction. All of the City, but particularly the western limits of the City that encapsulate the intersection of I-95 and I-4, have grown more than at any other time in the City's history. New development growth results in increased associated revenue and expenses accumulated or expended by the City to properly serve and regulate the new development. New growth in the City has created a need to expand the City's Permits and Licensing office (P&L) to employ additional people training the staff, to acquire additional work space and to acquire and install associated equipment to be deployed in performance of the work. Meeting the increased need imposed by development growth is addressed by a P&L Spending Plan (Plan). The Plan will fund dedicated budget accounts to pay for the needed P&L expansion of workspace, training of staff, and acquisition of equipment associated therewith to conduct P&L "allowable activities" as defined by the Florida statutes. The Plan establishes a plan of action that on or before September 2024 will lead to budget amendments directing expenditure in the sum of \$7,890,000. The planned expenditures will reduce the City's unexpended balance as required by law.	Yes

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City of Delray Beach	Palm Beach County	<u>SD 2021-001 - Internal Controls Over Payroll Process:</u> The payroll software ERP system as currently configured for payroll, is lacking the adequate audit trail and automation of many sub-processes within payroll are manual processes which increases the possibility of errors. The City utilizes manual (Excel) time sheets for some employees which require manual input by the various City departments. There was also a lack of formal policies and procedures manuals for payroll processing. The auditors recommend that management review the current payroll processes and consider actions to ensure that employee timesheets are complete, accurate, and timely when submitted to Finance for processing. The auditors encourage the City to implement a time and attendance system to eliminate the manual timesheets currently in place. In addition, the auditors recommend that the City consider implementing the same timesheet template for all employees to facilitate the processing of payroll. (See PDF Page 218)	SD	2023 (FY 2020- 21)	On 8/16/2022, the City Commission approved an agreement with Kronos, Incorporated for time and attendance solutions and services for effective workforce management. The City has created a Core Project Team consisting of selected department directors and other subject matter experts to offer input. Core Project Team members have attended Cloud and Technical strategy sessions and planning and development workshops. Vendor representatives have met with City staff to review current payroll processes so as to better facilitate software integration. Implementation of the Kronos time and attendance software will allow the City to eliminate the manual timesheets that are currently in place. Furthermore, the City intends to integrate a software that gives public safety staff continuous access to automated scheduling and notification with the Kronos system, which will eliminate the manual entry of payroll data for the Police and Fire departments. The City plans on phasing implementation of the new time and attendance system. The projected go-live date for the First Group, which consists primarily of administrative non-shift personnel, is 8/31/2023. Also, a new Payroll Policies and Procedures manual will be developed in tandem with implementation of the new time and attendance system. All employees involved in payroll processing will be trained on the revised policies at least annually.	Yes

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Town of Dundee	Polk County	<p><u>2020-001 - Bank Reconciliations</u>: The Town's bank accounts are not being reconciled in a timely manner. The 9/30/2022 bank reconciliation was completed on March 10, 2023, only after the auditors' assistance in detecting an error affecting the account. To the auditors' knowledge, a bank reconciliation has not been prepared since that date (as of the date of the audit report). The auditors recommend that the activity posted to the Town's bank accounts be monitored and reconciled monthly to provide assurance that the activity posted to the bank accounts and the related general ledger balances are correct. (See PDF Page 92)</p>	MW	N/A	N/A	Yes
		<p><u>2020-002 - Internal Controls Over Financial Reporting</u>: The auditors continue to report that the transactions being posted to the Town's accounting information system contained many errors, some of which were material that required correction by the Town's financial reporting consultant. This was caused by inadequate internal controls exacerbated by finance department staff with inadequate skills, knowledge, and experience to properly record Town transactions and monitor these processes. The auditors continue to recommend training of Town accounting personnel to further the knowledge and improve the skills required to adequately review the general ledger and prepare financial reports that are free of material misstatement. (See PDF Page 92)</p>	SD	N/A	N/A	Yes

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Town of Dundee (continued)	Polk County (continued)	<u>2020-004 - Building Permit Fees:</u> During the audit the auditors identified the Town's unspent building permit fees subject to the cap totaled \$262,209 on September 30, 2022. This balance exceeded the average costs incurred to enforce the Florida Building Code over the prior four fiscal years by \$71,256. The auditors recommend that management work with the Town Attorney to analyze the statutory requirements and take whatever actions are deemed necessary to ensure Town compliance with Section 553.80, Florida Statutes. (See PDF Page 93)	N/A	N/A	N/A	Yes
City of Flagler Beach	Flagler and Volusia Counties	<u>2022-004 - Fund Balance Policy:</u> The City does not have a fund balance policy established. The auditors recommend that a fund balance policy be established that specifies what the unassigned and unrestricted fund balances/net position should be as a percentage of each fund's expenditures/expenses in order to monitor the sufficiency of all of the unassigned and unrestricted fund balances. (See PDF Page 69)	N/A	N/A	N/A	Yes
		<u>2022-005 - Deficit Unrestricted Net Position:</u> The City's Pier Fund has a Deficit Unrestricted Net Position of \$250,661 which was created by recurring losses in the Pier Fund. On the Statement of Net Position, the Pier Fund has recorded an advance from the General Fund of \$467,304 to subsidize the recurring losses. The auditors recommend exploring options for the Pier Fund to either pay back the General Fund, or consider transferring the balance from the General Fund to the Pier Fund and rectify the Deficit Unrestricted Net Position. (See PDF Page 69)	N/A	N/A	N/A	Yes

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City of Flagler Beach (continued)	Flagler and Volusia Counties (continued)	<p><u>2022-003 - Journal Entry Controls</u>: During testing of journal entries, 18 of the 25 selected for testing were not properly approved. As such, improper journal entry activity, whether due to error or fraud, may not be detected on a timely basis. Internal controls over financial reporting should include processes that require journal entries made to the accounting system of sub-ledgers be reviewed and approved by an individual other than the individual responsible for preparing the journal entry. While management has developed processes that require all journal entries be reviewed by someone other than the preparer, the auditors recommend implementing these practices and monitoring to ensure they are followed consistently. (See PDF Page 67)</p>	SD	N/A	N/A	Yes
		<p><u>2022-002 - Information Technology Matters</u>: The City's information technology (IT) environment plays a key role in the financial reporting process, and safeguards should be in place to protect the integrity and security of all financial data. During testing of network and application access, the auditors noted that the finance director had full administrator rights to the City's accounting software. The exploitation of these deficiencies could result in the compromise of the integrity and/or security of the City's data as it relates to financial reporting. The auditors recommend performing a documented review of user access at least annually to verify user access is appropriately restricted and state that this review either be performed by someone who does not have an administrator role or a dual review be performed. The auditors also recommend delegating application administration duties to someone outside of finance and performing offsite backups to improve reliability of backups in the event of device failure. (See PDF Page 66)</p>	SD	N/A	N/A	Yes

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City of Gainesville	Alachua County	<p><u>2022-01 - Bank Reconciliations:</u> Bank reconciliations were not completed on a timely basis during the year. The final bank reconciliation for September 2022 was not completed until April 2023. Lack of timely and accurate bank reconciliations could result in errors or irregularities not being detected on a timely basis. The auditors recommend that the City implement procedures to ensure that all bank accounts are reconciled within the following month, and that any identified discrepancies be promptly investigated and corrected. (See PDF Page 293)</p>	MW	2023 (FY 2020-21)	<p>The Accounting Division has been performing bank reconciliations on a monthly basis beginning with the first period of FY 2022-23. Cash has been reconciled as of 5/31/2023, and the June 2023 bank reconciliations will be completed after month-end close on 7/20/2023. A dedicated Accountant assigned to bank reconciliations works with other divisions (billing and collections, payroll) to resolve issues and complete the task timely.</p>	Yes
		<p><u>2022-02 - Financial Close and Reporting:</u> Due to on-going turnover and implementation of a new enterprise resource planning system, the prior year audit was significantly delayed until December 2022, after the current fiscal year ended. As a result the City had limited time to prepare for the 2022 audit, which began three months after the prior audit was issued. Upon commencement of the audit many accounts still required significant adjustments, with approximately 100 journal entries posted after the trial balance was provided. Financial close and reporting processes should be in place to ensure that trial balances used to prepare financial reports are accurate and complete. Further, internal controls over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis. The City did not have timely, accurate financial reports during the year. The auditors recommend that management establish and formally document a well-defined process for financial reporting, including overall timing, methodology, format, and frequency of analyses. (See PDF Page 293)</p>	MW	2023 (FY 2020-21)	<p>A key part of stabilizing department operations has been to review, update, and implement updated month-end close policies and procedures in General Government. For FY 2022-23, these month-end close procedures have been implemented. The Accounting Division has closed the general ledger monthly and has been reviewing trial balance, income statements, and year-over-year revenue and expense activity quarterly. It is the goal for the Department of Financial Services and the Office of Management and Budget to restart budget versus actual reporting with the third quarter of FY 2022-23. These reports will be presented to the City's Finance Committee on 8/29/2023 and will be forwarded to the City Commission for its approval. The expectation is to present these reports quarterly going forward.</p>	Yes

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Town of Grand Ridge	Jackson County	<u>2022-002 - Segregation of Duties</u> : Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. During a portion of the fiscal year, only one employee was temporarily responsible for multiple positions at the Town. The employee receiving cash receipts was also responsible for creating the deposit slips for general cash receipts and inputting those receipts into the Town's accounting software. Also the employee opening the mail and creating checks for general cash disbursements inputs those disbursements into the Town's accounting software. The auditors recommend that the employee who receives and records the cash receipts on a receipt log should give the receipts to the Town Clerk to input into the account software and prepare the deposit. The auditors also recommend that signed checks be mailed without allowing them to be returned to the employee responsible for accounts payable. (See PDF Page 52)	MW	N/A	N/A	Yes

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Town of Greensboro	Gadsden County	<u>2022-002 - Accounting Records Not Maintained in Accordance with U.S. GAAP:</u> A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the accounting records in accordance with generally accepted accounting principles (GAAP). It was noted during the audit that material adjusting entries to various accounts were needed. The auditors recommend management and accounting staff obtain additional training in governmental fund accounting and reconcile accounts on a monthly basis to the underlying transaction records maintained outside of the accounting software. (See PDF Page 53)	MW	N/A	N/A	Yes

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City of Hialeah	Miami-Dade County	<p><u>2015-02 - Financial Condition: Water and Sewer Utility Fund, Solid Waste Utility Fund, and Stormwater Utility Fund Unrestricted Net Position:</u> The Water and Sewer Utility Fund, the Solid Waste Utility Fund, and the Stormwater Utility Fund reported negative unrestricted net position amounts of \$27,696,737, \$45,687,945, and \$440,430, respectively. However, the Solid Waste Utility Fund reported a positive change in net position during the 2021-22 fiscal year. The deficits are a result of historical operating losses, as well as continued investments in capital assets. The auditors recommend that the City review its current rates for Water and Sewer utility, Solid Waste utility, and Stormwater utility funds to ensure the fees cover the costs of operations and reduce the deficit unrestricted net position while maintaining the quality of service. In addition, the auditors recommend that the department develop a deficit elimination plan that is reviewed and approved by those charged with governance. (See PDF Page 199)</p>	SD	2023 (FY 2020-21)	<p>The Water and Sewer Utility Fund (Fund) has implemented the following actions in order to reduce its operating cost, hence its negative unrestricted net position:</p> <ol style="list-style-type: none"> 1. The Fund is currently working on the sewer lining program; this program will reduce and stabilize the sanitary sewer service fee paid to the County, which has grown over the past years due to water infiltration to the sewer system. 2. Payment in Lieu of Franchise fees was converted from an expense to the Fund to a pass-through item on customer bills. This will reduce operating expenses by approximately \$3 million per year. 3. In FY 2021-22, the Reverse Osmosis Water Plant bonds were refinanced; this financial decision will save the Fund approximately \$600,000 a year in debt service costs. 4. The Fund will adjust rates to offset recent increase in operating costs. <p>The Solid Waste Utility Fund extended its existing solid waste collection and disposal contract agreements for up to ten years. This will ensure cost stability over the term of these agreements. The Solid Waste Utility Fund will: (1) continue to operate at a surplus, reducing its negative unrestricted net position; and (2) pay off the remainder of the \$19 million loan to the Water and Sewer Utility Fund during FY 2022-23, which will reduce the associated interest expense going forward. Also, the City observed a significant reduction in its Other Post-Employment Benefits operating costs for the current fiscal year, consequently reducing the Solid Waste Utility Fund operating expenses and improving its unrestricted net position.</p> <p>The Stormwater Utility Fund has reduced its operating expenses without impacting the level of services to residents in order to eliminate its negative unrestricted net position.</p>	Yes

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Town of Jay	Santa Rosa County	<u>2022-2 - Financial Condition</u> : The Natural Gas Fund and Sewer Fund are not generating operating income. A transfer of \$46,000 was made from the Water Fund to the Natural Gas Fund to cover the negative cash position. At fiscal year-end, there was a deficit in unrestricted fund balance of \$20,556 in the Natural Gas Fund and \$533 in the Sewer Fund. The auditors recommend that the Town develop long and short-term financial plans to improve the financial condition of the Natural Gas Fund and the Sewer Fund and state that the financial plans should include: (1) a review of the budget including depreciation and capital needs; (2) a system for monitoring revenues and expenditures; (3) budget reserves to provide for future capital needs and unexpected costs; and (4) projected revenues sufficient to cover projected costs. The auditors also recommend that the Town analyze covering expenses and explore all available options to increase its revenues or decrease expenditures. (See PDF Page 57)	SD	N/A	N/A	Yes

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Town of Jay (continued)	Santa Rosa County (continued)	<u>2022-1 - Material Adjustments</u> : Material adjustments were needed to properly record cash, accounts receivable, leases, fixed assets, accounts payable, debt, pension, grant revenue, depreciation, and fund transfers. Significant adjustments were needed in other accounts to properly reflect significant financial statement line items. The auditors recommend that prior audit adjustments be reviewed and discussed to reduce the adjustments made by auditors. (See PDF Page 57)	MW	2023 (FY 2020- 21)	<p>With an office staff consisting of an Operations Manager, a Town Clerk, and a Billing Clerk, the daily responsibilities spread the staff thin. In 2023, the Billing Clerk and the Operations Manager personally input the material adjustments from this year's audit report instead of hiring a consultant. This will force employees to better understand the accounting process to finalize construction projects still in process, as well as payroll intricacies that have not been familiar to the staff. While the Town feels that the current staff is accurately tracking the \$1.4 million annual operating budget, there is still a long-term need for a CPA to properly document the accounts payable, accounts receivable, payroll, tax, and retirement financials. This additional level of accounting is cost prohibitive to the Town's budget.</p> <p>In the most recent audit, the auditors continue to praise Town staff on the improvements in operational accounting, but will still record a finding for excessive material adjustments. As the Operations Manager gains more experience in the annual adjustments, the Town believes that it can continue to reduce the number of material adjustments needed by the auditors.</p>	Yes

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Village of Key Biscayne	Miami-Dade County	<u>MLC2020-001 - Solid Waste Accounts Receivable</u> : The Village has not been consistent in the placement of liens on properties with past due solid waste bills. As a result of not imposing liens, the Village risks that collections for such assessments may not be enforceable pursuant to Chapter 173, Florida Statutes. This may result in the Village having to increase its allowance for uncollectible accounts or incurring write-offs of solid waste accounts receivables in future years. The auditors recommend that the Village apply a consistent process to the placement of liens on delinquent solid waste accounts to ensure collection of past due amounts. (See PDF Page 112)	N/A	N/A	N/A	Yes
City of Lynn Haven	Bay County	<u>2022-001 - Reconciliation of Account Balances and Audit Adjustments</u> : Certain adjustments were required to be made to the accounting records subsequent to the start of the audit process related to year-end accrual entries. The auditors noted this to be largely due to the ongoing nature of hurricane recovery activity and related items, both in terms of extensiveness and complexity. The auditors recommend that management select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles. (See PDF Page 74)	MW	2023 (FY 2020-21)	A new comprehensive Finance Department Policy and Procedures Manual has been written and approved by the City Commission. Additional financial software has been purchased to help with capital assets reporting. The implementation transition has presented some unexpected challenges. The Staff Accountant will be focusing on additional training on the best practices for optimizing the capital assets reporting. The Finance team continues to work through the complex accounting matters as a result of Category 5 Hurricane Michael which either destroyed or severely damaged most of the City's assets. Staff will continue to work with the audit team to further develop procedures to assure compliance with generally accepted accounting principles.	Yes

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City of Maitland	Orange County	<u>2022-003 - Information Technology General Controls</u> : The City has not performed a documented risk assessment over its use of information technology to prioritize evaluation of information technology risks such as: (1) Ensuring user access privileges are limited to those necessary for the users' job responsibilities and enforce an appropriate logical segregation of duties; and (2) Establishment of an information technology disaster recovery plan for the restoration of the City's information technology resources, nor periodic testing plan to ensure the backed up data is useable. The City may not have or may not design controls appropriately to mitigate the risks they deem unacceptable. As a result, the City may experience issues related to the availability or accessibility of various applications or IT resources. The auditors recommend that the City perform a risk assessment over information technology, and adopt an information technology framework to use as a gauge in the design and performance of related internal controls. (See PDF Page 143)	N/A	2023 (FY 2020- 21)	This issue has not been resolved and will be a continued comment. However, in August 2022, the City brought on an IT Consultant to assist with forming a comprehensive solution. In October 2022, the City issued purchase orders and expects to have the issue resolved by July 2023.	Yes

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Town of Malabar	Brevard County	<u>2022-001 - Reconciliation of Account Balances and Accruals:</u> Various audit adjustments were required for payables, receivables, or prepaids that were not properly recorded. Proper cutoff is critical for the accuracy of the accrual basis of accounting. The auditors noted various account balances (receivables, prepaids, inventory, payables, fund balance, revenues, and expenses) that required adjustment in order to be presented in accordance with generally accepted accounting principles (GAAP). The auditors recommend that the Town review transactions monthly to ensure completeness and accuracy, as well as significant account balances at year-end to ensure proper accrual-based reconciliations. The auditors also recommend that the Town implement accounting policies and procedures that ensure proper cutoff of expenses. (See PDF Page 36)	MW	N/A	N/A	Yes
Town of Medley	Miami-Dade County	<u>2022-01 - Capital Assets:</u> The Town has numerous pump station sites that have not been dedicated and do not have easement language contained in their plats to conclusively establish dedication in accordance with Section 177.081, Florida Statutes. Although the Town is currently pursuing the conveyance of pump stations, the programs to convey the pump stations were not complete at the fiscal-year end. Pump stations with estimated values totaling approximately \$3.3 million are not included in the Town's capital assets. The auditors recommend that the Town continue to vigorously pursue the conveyance of completed Town infrastructure constructed by third parties. (See PDF Page 94)	MW	2023 (FY 2020-21)	The Town conveyance of infrastructure program to obtain proper right-of-way dedication and conveyance of infrastructure and utility sites is ongoing. Town employees and consultants are aggressively working to correct this finding; however, the process will take several years to correct. The Town continues to spend several thousands of dollars on legal and surveyor fees to identify and target undedicated pump stations, other infrastructure, and right-of-way.	Yes

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Town of Medley (continued)	Miami-Dade County (continued)	<u>2022-02 - Purchasing Procedures</u> : There is no centralized purchasing system in place. Instead departments have the ability to make their own purchases which leads to circumvention of the Town's Ordinance which defines the Town's purchasing procedures, including when quotes or competitive bids are required. The auditors noted several discrepancies and internal control weaknesses as follows: (1) The Town issued a number of credit cards in the name of the Town to various employees to give them the flexibility of buying items that would otherwise be purchased by a check issued by the Town; charges made to these credit cards are not always supported by documentary evidence of a reasonable business purpose. (2) Purchases did not always follow the procurement methodology enumerated under the Town Ordinance relating to obtaining quotes or competitive bids. The auditors recommend that the Town review its policies over credit card purchases and implement strict guidelines to follow its ordinance when purchases meet the requirements of obtaining quotes or competitive bids. (See PDF Page 94)	SD	2023 (FY 2020- 21)	The FY 2021-22 audit report will reflect that the finding has been corrected. In February 2022, the Town Council placed new restrictions on the use of credit cards and reduced the number of employees who have credit cards. In addition, the Town Council restricted the type of goods and services that can be purchased using a credit card, and the Town is also aggressively enforcing the Town Procurement Ordinance.	Yes

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Town of Melbourne Beach	Brevard County	<u>2022-001 - Reconciliation of Account Balances and Accruals:</u> Audit adjustments were required to correct account balances due to cutoff issues related to receivables, unearned revenue, fund balance, and revenue. The auditors recommend that the Town increase its review of such transactions, including a review for proper cutoff at the fiscal year-end, to help ensure completeness and accuracy of all financial reporting. (See PDF Page 58)	SD	2023 (FY 2020-21)	The Town will increase its review system to monitor the timely recording of accruals, reversals, journal postings, and adjustments. The Town will review for proper cutoff at fiscal year-end to help ensure completeness and accuracy of all financial reporting. The Town was in the process of purchasing new software for financial recording in FY 2020-21. The new software was purchased and installed in April 2022. An increase in the review process has been implemented to ensure that journal entries have been made to the correct accounts to prevent future audit adjustments after the year-end trial balance is presented to the external audit firm. Taking into account the limited resources and staff of the Town, entries are being made by the Finance Manager and are being reviewed by the Town Manager.	Yes

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Town of Melbourne Village	Brevard County	<u>2022-02 - Purchasing Policy:</u> The Town's purchasing policy states that purchases between \$250.01 and \$2,500 require a purchase order signed by the Mayor and purchases in excess of \$2,500 require Commission approval, and for expenditures not on contract and/or nonrecurring, a review by the Finance Committee. Any purchase of an item, group of related items, or service, the cost of which exceeds \$250.00, requires at least one additional price comparison, with the exception of sole sourced items or services, which should be justified and clearly noted. The Commission may choose to bypass Finance Committee review for an expenditure, but this requires a statement. The auditors noted that three purchases over \$250 were paid without a purchase order pre-approving the purchase and did not include price comparisons, or sole source justification for lack of obtaining price comparisons. Five expenditures over \$2,500 were made without mention of bypassing the Finance Committee review process. Also, there were several months in which a credit card was used but the receipts were lost. Additional details are provided in audit report. The auditors noted that it appears the purchasing policy was not being consistently followed, leaving the Town open to potential abuses. Late fees were incurred for tardy payments. The auditors recommend that the Town consider establishing detailed procedures for processing payments in the absence of a Deputy Clerk or Clerk/Treasurer. In addition the auditors recommend that both employees preparing checks for signatures and those signing checks ensure all documentation required of the policy is included with the invoice being paid and that the Commission expressly state when they have chosen to bypass Finance Committee review. (See PDF Page 54)	N/A	2023 (FY 2020- 21)	The Town revised the purchasing policy to clearly describe the requirements of the procurement process. The revision was reviewed and approved by the Town's Commissioners in March 2023. The Town anticipates the revised purchasing policy will provide employees with the proper guidance to ensure the finding is not repeated in the FY 2022-23 audit report.	Yes

MW = Material Weakness (see 2. In Legend)
SD = Significant Deficiency (see 3. In Legend)

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Town of Melbourne Village (continued)	Brevard County (continued)	<u>2022-01 - Building Permits and Inspection Fees:</u> There was no evidence in the current year's audit that the Town tracked how many inspections were being charged by the Building Official on permits that required multiple inspections. Although the Town has procedures for closing out permits, it did not have reconciling actual-to-estimated inspections in those procedures. Permit holders may not have paid for an accurate number of actual inspections. The auditors recommend that the Town reconcile actual inspections to estimated inspections for all or certain types of permits and add a procedure for handling adjustments to the permit closing process. (See PDF Page 53)	N/A	2023 (FY 2020- 21)	The Town hired a new building official and implemented a transaction reconciliation process during 2022. The Town anticipates this finding will be cleared in the FY 2021-22 audit report.	Yes
City of Milton	Santa Rosa County	<u>2022-001 - Bank Reconciliation Process:</u> Throughout the year, the City's bank reconciliation for the pooled cash accounts did not agree to the general ledger balances. At fiscal year-end, an unreconciled difference of \$20,000 existed. The City did not adequately reconcile the general ledger activity against the pooled bank account activity throughout the year. In addition, there is not a review of the bank reconciliation after completion. The auditors recommend that management review the bank reconciliation process and establish set procedures for monitoring and reconciling the pooled cash accounts on a timely basis. (See PDF Page 106)	SD	N/A	N/A	Yes

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Municipality	County	Audit Finding	MW or SD?	Year Last Response Received (RE: Fiscal Year)	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
City of North Miami	Miami-Dade County	<u>2020-02 - Capital Assets:</u> The City is still in the process of reconciling and updating the capital assets module of the financial reporting system. Material accounting adjustments were made to capital asset balances in order for the financial statements to comply with generally accepted accounting principles. The auditors recommend that management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of capital asset balances on an ongoing basis. (See PDF Page 254)	N/A	N/A	N/A	Yes
		<u>2020-03 - Water & Sewer and Stormwater Accounts Receivables:</u> The City currently bills for water & sewer and stormwater services provided on a quarterly basis, which allows for the accumulation of significant unpaid accounts receivable balances on an ongoing basis. Additionally, the City has experienced a steady increase in the rate of nonpaying customers for fiscal years 2016 through 2021. This has resulted in a higher than normal rate of accounts receivable write-offs, nonpayment for services received by residents and businesses over time and an ultimate loss of revenues to the City. If not addressed, this will result in a cash flow shortage to the City. Current Year Status: Similar increasing Water & Sewer and Stormwater Accounts Receivable trend noted for the fiscal year ended 6/30/2022. Accounts receivables increased from \$18,076,427 to \$19,016,545, an increase of approximately \$.94 million. The auditors recommend that management consider taking the following actions to address the condition identified above: 1) Implement monthly billing cycles for all accounts; 2) Update City policy to establish customer credit limits; 3) Increase collection efforts on all past due balances to include taking legal action as necessary to collect significant individual account balances due; and 4) Record liens on	N/A	2023 (FY 2020-21)	The City continues to devise strategies to improve and increase collection of the outstanding accounts receivable balances related to water and sewer, and stormwater. For residential single household and commercial accounts, some of the measures taken already include: stepping up shut-offs of non-paying customers, extending payment plans, offering utility billing assistance programs funded by Miami-Dade County, the Federal Government and local not-for-profits. For multi-family unit accounts, the City continues to work with amenable customers offering payment plans. For those less cooperative, the City has engaged outside attorneys to take legal action to gain compliance. The recording of liens against the properties with balances due has always been, and will continue to be, an option for collections, but it is more of a long-term strategy. An initiative currently in the works, is a plan to change the City's utility billing frequency from quarterly to monthly. This is will make the bills more fiscally manageable for the customers and also increase the turnover of the accounts receivable balances because of the higher frequency of collection. Another initiative underway is screening customers' credit worthiness with an outside service	Yes

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City of North Miami (continued)	Miami-Dade County (continued)	properties for nonpayment to ensure that outstanding receivable balances are collected at a future date. (See PDF Page 255)			provider to determine the initial deposit to charge based on risk of delinquency. This will also help to better offset any outstanding unpaid balances should customers abandon their accounts with amounts due. The City expects to see accounts receivable balances start to come down once the initiatives take root. In the meantime, the City continues to work on increasing collections.	
		<u>ML 2023-01 - General Fund Deficit</u> : The General Fund, which serves as the primary operating fund of the City, reported negative fund balances for fiscal years ended 9/30/2016 through 2020, with the largest negative fund balance of \$14,697,136 occurring in the 2018-19 fiscal year. Actual expenditures exceeded operating revenues on a cumulative basis for these fiscal years. The auditors stated that, if the General Fund's expenditures continue to exceed operating revenues, and management and those charged with governance fail to establish financially sound budgets and implement a fund balance (deficit) reduction plan going forward, this could result in a state of financial emergency as defined in Section 218.503(1), Florida Statutes. For the fiscal year ended 9/30/2021, the City's General Fund reported a fund balance of \$3,897,785, and the auditors stated that the City received American Rescue Plan Act (ARPA) funding, of which \$5,000,000 was used to offset the General Fund negative fund balance. For the fiscal year ended 9/30/2022, the City's General Fund reported a balance of \$10,436,966, and the auditors state that the City received ARPA funding, of which \$5,000,000 was used to fund General Fund operations, and also relied on proceeds from the sale of capital assets to fund General Fund operations. The auditors further state that, while the deficit has been cured for now, the City should be cognizant with the budget process to	N/A	2023 (FY 2020-21)	Currently, the City considers this finding to be resolved. The City's General Fund had a growing fund balance deficit from FY 2015-16 through FY 2018-19. The deficit grew to its largest magnitude of negative \$14.7 million at the end of FY 2018-19. The City had, at the time, developed a five-year plan to eliminate the fund deficit which was presented as part of the FY 2018-19 audited financial statements, but the COVID-19 Pandemic's impact demanded adaptations to that plan. The City is pleased to report that for FY 2021-22, the General Fund is expected to report a positive fund balance of \$10.4 million. This result was achieved through a combination of fiscal and budgetary measures involving revenue increases from intergovernmental revenues, ad valorem taxes, and fee increases for certain services. The expenditure side also contributed to the fund balance improvement with the adherence to overall budgeted operational spending reductions and savings stemming from not filling positions where it made sense. In FY 2021-22, the City also applied a second \$5 million of its total allocation from the American Rescue Plan Act of 2021 funds to the General Fund. U.S. Treasury guidelines permit such an allocation up to \$10 million to offset revenue losses stemming from the Pandemic.	Yes

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City of North Miami (continued)	Miami-Dade County (continued)	ensure that expenditures do not exceed revenues and create a re-emergence of the General Fund deficit condition. The auditors recommend that management and those charged with governance develop a long-term financial plan to maintain the ongoing positive General Fund's fund balance and state that this plan will require that management budget for a surplus of revenues over expenditures in each fiscal year. Additionally, the auditors recommend that management implement budgetary controls, policies, and practices that allow for establishing annual budgets that reflect a reasonable estimate of revenues and expenditures, and the monitoring of the City's budget-to-actual balances on an ongoing basis, to ensure that there is not a re-emergence of the General Fund deficit condition. (See PDF Page 261)				
Town of Oakland	Orange County	<u>10-05 - Internal Control over Financial Reporting:</u> The auditors continued to find many financial statement misstatements, some considered material. The auditors recognize that the Town has engaged an experienced and qualified consultant to assist in developing internal controls over financial reporting and to provide oversight of the year-end closing and financial statement preparation process. The auditors recommend that the Town continue to work with the consultant to strengthen the Town's internal control over financial reporting. (See PDF Page 68)	MW	2023 (FY 2020-21)	The Town acknowledges the need to improve internal controls over financial reporting. FY 2020-21 was an unprecedented year with many changes in staff, coupled with confirmed cases of COVID-19 and/or COVID-19 exposure. Due to these challenges and an already small staff, Town management was unable to resolve all issues during the year. Town management intends to continue working with the consultant to assist with developing internal controls over financial reporting and to provide oversight of the fiscal year-end closing and financial statement preparation process. Specifics relating to improvements in internal control are included in the response letter.	Yes

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Town of Pierson	Volusia County	<u>2018-01 - Budgetary Control</u> : The auditors noted general fund expenditures for the 2021-22 fiscal year exceeded the budgeted appropriations. The auditors recommend that the Town monitor the expenditures incurred more prudently and prepare and approve budget amendments as needed. (See PDF Page 44)	N/A	2023 (FY 2020-21)	The Town's accounting department is over six months in arrears with the monthly financial reports. By the time the Town finds out that general fund expenditures have exceeded budgeted appropriations it is beyond the 60-day limit at fiscal year-end that the budget may be amended. The Town has limited resources and staffing issues, but is making every effort to get more timely monthly financials so that the Town can improve its budgetary control in the future. The Town has recently hired a new Town Clerk and a new accountant to get the accounting prepared on a timelier basis so the issue can be corrected going forward.	Yes
City of Port Orange	Volusia County	<u>2022-002 - Unexpended Fund Balance – Building Permits</u> : Section 553.80(7)(a), Florida Statutes, 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's unexpended building permit funds in the Community Development Building Fund at fiscal year-end exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by substantial amounts. The auditors recommend that the City continue its plan of utilizing accumulated building code fund balances in order to comply with Section 553.80(7)(a), Florida Statutes. (See PDF Page 146)	N/A	N/A	N/A	Yes

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City of Riviera Beach	Palm Beach County	<p><u>2019-007 - Human Resources Employee files were noted to have a high rate of errors:</u> Prior year finding: Based on the auditors inspection of the Human Resource employee files, the auditors noted that 3 of 6 (50%) of the new retired files were noted to have errors and 21 out of 25 (84%) of newly terminated employee files were noted to have errors. The auditors selected 125 current and active employee files for audit inspections and noted that 122 of 125 (98%) files contained errors. Additionally, the auditors noted that 3 employee files were not located. Furthermore, the auditors noted that several executive level City staff employee files did not contain key documents such as a signed Code of Ethics form or signed job descriptions. The auditors recommended that all employee files be reviewed and all noted corrective actions be taken during the fiscal year 2020 to ensure all required HR documents are associated with each personnel file. During the FY 2020-21 audit, the auditors retested employee files and noted a continuing elevated error rate in active employees (100%), terminated employees (100%) and retired employees (100%). Current status: Partially implemented. (See PDF Page 244)</p>	MW	2023 (FY 2020-21)	In compliance with Human Resources (HR) best practices, the City's HR department created a list of essential documents to be maintained in the personnel files.	Yes
		<p><u>2020-001 - The City should require the Database Administrator position to report to IT Director or City Manager department:</u> Prior Year Finding: The database administrator for the City's major software platform reports to the finance director. The finance department oversees most of the critical functions of the City. The auditors recommended that the City's organizational chart be modified so that the database administrator reports to the IT department head or a member of the City Manager's office. Current Year Status: Partially Implemented. (See PDF Page 245)</p>	SD	N/A	N/A	Yes

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City of Riviera Beach (continued)	Palm Beach County (continued)	<p><u>2020-005 - The Parks and recreation department Parks should have the ability to automate supplies of materials to safeguard against unauthorized usage by employees for personal gain</u>: Prior Year Finding: The Parks and recreational department maintains a manual inventory of City-purchased materials. The auditors recommended that the City implement a perpetual inventory tracking system for material and supplies. Current Year Status: Partially implemented. (See PDF Page 245)</p>	SD	N/A	N/A	Yes
		<p><u>2020-006 - The procurement department should seek and obtain a written memo or letter regarding legal sufficiency for each RFP document</u>: Prior Year Finding: The Invitation to Bid (ITB) document acts as a legal request for potential proposers and Request for Proposal (RFP) is for a requested procurement for good and services. The auditors state that the Office of the City Attorney must review and sign off on all ITBs for legal accuracy and sufficiency. The auditors further state that the Office of the City Attorney should review and sign off on all RFPs to ensure the document is in accordance with the City's ordinances and the procurement code. The auditors recommended that the Office of the City Attorney provide a written legal opinion or rendering on all ITBs. The auditors also recommended that the Office of the City Attorney review and sign off on all RFPs documents and provide assurance that the RFP is in accordance with the City's ordinances and the procurement code. Current Year Status: Partially implemented. (See PDF Page 245)</p>	N/A	N/A	N/A	Yes

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City of Sarasota	Sarasota County	<u>2019-1 - Period End Closing Routine</u> : There were numerous post year-end client adjustments needed to clean up areas not fully reconciled during the year. The auditors recommend that the City look into additional targeted training for newer accounting staff and develop comprehensive period-end accounting closing routines that identify all key areas, who is responsible for them, and all steps necessary for proper recording, reconciliation, and financial reporting with appropriate follow-up and review. It is the auditors' understanding that the City is considering acquiring new accounting software in the near future. The auditors also recommend that the City review and consolidate the number of sub funds contained in the accounting structure at that time or sooner to simplify this area. (See PDF Page 284)	N/A	2023 (FY 2020-21)	The audit findings were a result of the retirement of four key long-term employees. It was difficult to replace these employees with others with the necessary governmental experience. This condition did not improve with the COVID-19 Pandemic; additionally, the department lost more staff. Furthermore, the City imposed a hiring freeze during the Pandemic. Even with the lifting of the hiring freeze, applicants with governmental accounting experience were difficult to find. Finally, in the summer of FY 2020-21, the finance department hired an Accounting and Payroll Manager and two Financial Accountants. Another Financial Accountant was hired in January 2022. Later in February 2022, the finance department filled the last of the remaining vacant positions, a Treasury Accountant, and a Deputy Finance Director. It is worth noting that, at this time, the finance department is fully staffed, and positions and tasks have been realigned. Period-end accounting closing routines have been documented (via checklists and weekly year-end meetings). All reporting deadlines have been met for FY 2018-19 through FY 2021-22.	Yes

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City of St. Cloud	Osceola County	<p><u>2022-1 - Notice of Event of Default:</u> The Stevens Plantation Improvement Project Dependent Special District (District) was formed in 2003 and is presented as a blended component unit of the City. In May 2013, the Bondholders of the District's Revenue Bonds, Series 2003, received a Notice of Event of Default because the Trustee did not receive sufficient payments from the District for the payment of the: (i) interest due on the Bonds on 5/1/2013; and (ii) principal maturity on the Bonds due and payable on 5/1/2013. The amounts on deposit in the revenue fund and the reserve account were insufficient to pay the interest and principal on the Bonds due and payable on 5/1/2013. A principal distribution and payment of \$876,151 was made in December 2020 towards the outstanding \$4,460,000 Bonds, leaving a remaining balance of \$3,583,849. Also, partial interest payments were made in June 2017, February 2020, and December 2020 for interest accrued during the period 11/1/2011 through 10/31/2020. The Trustee has been made aware that the District's failure to make such a payment arises from the failure by the District, as the owner of certain real property within the District, to consummate sales of the property to third parties and distribute certain net proceeds of such sales to the Trustee. Therefore, the District is not in compliance with certain provisions of the Bonds. Current status: The District entered into the sale of the last property held in September 2022; however, the final distribution of funds from sales were not received by 9/30/2022. (See PDF Page 162)</p>	N/A	2023 (FY 2020-21)	<p>The audit finding related specifically to the Stevens Plantation Improvement Project Dependent Special District, a component unit of the City (District). The District was created by the City as a dependent district for the purpose of facilitating the development of a mixed-use development called Stevens Plantation with the City. The Stevens Plantation Community Development District (CDD) was created in 2003 to facilitate the financing and operation of common public facilities and infrastructure in Stevens Plantation. Various bonds were issued by the District and the CDD. The City's response, available on the Committee's website, included a history of the District and the CDD relating to the bonds.</p> <p>The City and the District aggressively marketed the property for sale at the highest possible value, while working with the bondholders to obtain the highest possible net proceeds from the sales to satisfy the District's bonds. On 9/29/2022, the District closed on the sale of the last of the property owned by it and subject to the bond obligations referred to in the audit findings. The covenants for the subject bonds provide that the District is only obligated to satisfy the outstanding bonds from the net proceeds derived from the sale of the real property. Therefore, as the last of the real property owned by the District has been sold, the District's bond obligation has been extinguished. The City understands that the Bond Trustee is in the process of disbursing the funds from the land sales, and upon disbursement the remaining District bonds and related debt assessments will be cancelled. Therefore, the City's future audit reports should not contain the subject findings.</p>	Yes
		<p><u>2022-2 - Stevens Plantation Dependent Special District:</u> The Stevens Plantation Dependent Special District (District) was</p>	N/A	2023	See response to finding 2022-1 above.	Yes

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City of St. Cloud (continued)	Osceola County (continued)	created by the City on 8/21/2003. The purpose of the District is to acquire land within its geographical boundary from the proceeds of tax exempt debt for resale to developers in association with the Stevens Plantation Development (a mixed use, master planned community encompassing approximately 590 acres within the City). The District is included as a blended component unit of the City. The financial condition of the District indicates that there are several issues management needs to address: (1) Bonds payable of the District are currently in default. The auditors recommend that management continue to work with both legal and bond counsel to determine the legal liability associated with the default and the plans to address how to resolve the defaulted status of the Bonds; (2) During the 2021-22 fiscal year, the District sold the remaining Land Held for Sale that was reported in the prior fiscal year; (3) The District has obtained interfund borrowings from both the General Fund and Orlando Utilities Commission Interlocal Agreement Fund to cover the deficit and meet the operating needs of the fund for several years. The auditors recommend that the City continue to monitor the future potential for recovery of these advances and consider the source of funds and recoverability of future advances to the District; and (4) The Stevens Plantation Community Development District (CDD) is not in compliance with certain provisions of its bond indentures for the Special Assessment Revenue Bonds, Series 2003A and 2003B, including those relating to collecting assessments to provide payment of debt service and making its semi-annual debt service principal and interest payments. The District holds land held for sale that is assessed annually by the CDD for operations maintenance and their proportion of the infrastructure improvements purchased through the issuance of the		(FY 2020-21)		

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City of St. Cloud (continued)	Osceola County (continued)	bonds. The auditors recommend that management continue to work with legal and bond counsel to resolve these issues, addressing the financial stability and legal liability associated with the indebtedness associated with the District, including its relationship with the CDD, especially now that all the land that was held has been sold. (See PDF Page 173)				
Town of Surfside	Miami-Dade County	<u>MLC 2020-001 - Water & Sewer Unrestricted Net Position Deficit</u> : During the fiscal year ended 9/30/2022, it was noted that the Water and Sewer fund had a deficit unrestricted fund balance/net position of \$491,258. This was due to several years where previous utility rates were not sufficient to meet annual operating and nonoperating expenses. Effective 10/1/2017, the Town implemented the rate study covering the period from fiscal year 2018 through fiscal year 2022 by increasing the utility rates based on the study. The Town saw an improvement in the unrestricted fund balance/net position as the deficit decreased from \$1,389,421 as of 9/30/2021. The auditors recommend that the Town continue to monitor and implement the rate study and five-year financial forecast to essentially eliminate the deficit and ensure future water, sewer, and stormwater utility rates/revenues are sufficient in order to continue funding annual operating and maintenance costs, debt service, meet debt service coverage ratio requirements, and maintain a fund balance/net position for reserve requirements. Additionally, the auditors recommend that management continuously monitor and compare actual results of the Water and Sewer fund operations as compared to the rate study to ensure any adjustments or changes as necessary are considered. (See PDF Page 138)	N/A	N/A	N/A	Yes

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City of Tallahassee	Leon County	<u>2019-003 - Utility Accounts Receivable Aging Reports:</u> During the auditors testing of utility accounts receivable, it was noted that the City was not able to produce a detailed utility accounts receivable aging by customer. The City's Customer Information System (CIS) does not have the capability to generate the report. The City may not able to properly analyze its utility customer accounts receivable including: the general aging of receivables, are there significant aged credit balances and which customers are significantly past due. The City is in the process of upgrading to a new CIS software. The auditors recommend that the City require that the detailed accounts receivable customer aging reports be part of the reporting package for the new CIS software. The auditors also recommend that the City include the Financial Services Department as part of the evaluation and conversion team for any new CIS software. (See PDF Page 225)	N/A	2023 (FY 2020-21)	On 2/13/2023, the City implemented a new Utility Billing System capable of producing detailed accounts receivable reports. The detailed aged receivables are available for review as of 2/28/2023. In line with the auditors' recommendation, the City's Financial Services staff are a part of the evaluation, conversion, and implementation team for the new system. The City will provide the aged receivables report to the auditors and continue to work with them to ensure reporting sufficiency to resolve the finding.	Yes
Town of Wausau	Washington County	<u>2017-01 - Water Billing:</u> The auditors compared the amount of water billed per the Town's utility billing system to the amount of water pumped as reported to the State of Florida and found that approximately 54% of consumption was unbilled. The auditors recommend that management continue to monitor the amount of unbilled water closely to ensure the spoilage is minimized. (See PDF Page 68)	N/A	2023 (FY 2020-21)	The Town realizes that natural resources are not in unlimited supply and will closely monitor the usage to ensure all billable services are properly charged. The Town will also continue to monitor unbilled water to ensure that spoilage is minimized. Town officials will make repairs on leaks in a timely manner. The Town meters and accounts for all the usage with detailed records for all Town facilities which are not considered for billed revenue versus gallons pumped. The Town Council and staff closely monitor the monthly billing and pump reports. The installation of a Splash Pad is a significant use during the summer months; however, the Town has a timer on the Splash Pad which limits the time the system is on.	Yes

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City of West Melbourne	Brevard County	<u>2022-003 - Unexpended Balance – Building Permits</u> : While the City has begun to spend down building permit funds and has plans to further reduce this balance, the City's unexpended building permit funds at fiscal year-end exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by \$1,961,398. The auditors recommend that the City identify how it intends to reduce the amount of unexpended building code balances in order to comply with Section 553.80(7)(a), Florida Statutes. The auditors state that such action may require the City to modify its 2022-23 fiscal year budget. (See PDF Page 170)	N/A	2023 (FY 2020-21)	The City recognizes the requirement to reduce the excess fund balance restricted for Building Code Enforcement. In FYs 2019-20 and 2020-21, the City Council approved resolutions that waived and reduced certain building plan check and inspection fees. While these reductions did indeed reduce the excess, it has not reduced them to the level required by Florida Statutes. During FY 2021-22, the City reduced the fund balance by \$499,099 due to operating expenses. In adopting the FY 2022-23 City budget on 9/21/2022, the City Council approved an appropriation to develop a new building to house the Building Code Enforcement Department. To implement this decision, the City has contracted with an architectural firm and is currently in the design phase with plans to construct in late 2023.	Yes

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City of Winter Haven	Polk County	<u>2022-001 - Financial Reporting: Schedule of Expenditures of Federal Awards and State Financial Assistance:</u> Audit procedures identified that total expenditures of federal awards on the Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) were understated. The process for preparing the Schedule did not accurately identify the expenditures of two federal awards. The Schedule is used by grantor agencies and auditors to monitor compliance with federal and state requirements. Errors in reporting expenditures on the Schedule may lead to improper testing and therefore, noncompliance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services. The auditors recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported in accordance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services. (See PDF Page 234)	SD	N/A	N/A	Yes

FOOTNOTE/LEGEND:

1. These audits have been conducted by private certified public accountants, as required by Section 218.39(1), *Florida Statutes*.
2. **Material Weakness (MW):** a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that one of the following will not be prevented, or detected and corrected, on a timely basis:
 - a. a material misstatement of the entity's financial statements, or
 - b. material noncompliance with a type of compliance requirement.

For example, a deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis.

The severity of the deficiency would determine whether it should be classified as a material weakness, a significant deficiency, or an additional matter.

3. **Significant Deficiency (SD):** less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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City of Bonifay	Holmes County	<u>2022-001 - Preparation of Schedule of Expenditures of Federal Awards and State Financial Assistance:</u> The external auditors' assistance was necessary to prepare the Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General. City personnel lack the skills and experience necessary to enable them to prepare the Schedule including note disclosures. The auditors recommend that City personnel continue to develop their knowledge of generally accepted accounting principles in order to ultimately prepare or provide technical reviews of the Schedule. (See PDF Page 57)	MW	2022 (FY 2019- 20)	Due to limited resources and expertise specific to Federal Awards and State Financial Assistance reporting, it is anticipated that the City will continue to rely on its external auditors to help ensure proper reporting of this information. However, the City has engaged the assistance of a grants administrator to assist with this matter and to limit the reliance on the external auditors.	No
Town of Branford	Suwannee County	<u>2010-1 - Financial Statement Preparation:</u> A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While the auditor can assist with the preparation of the financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency in internal control exists when the government does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in instances where the Town is not capable of drafting the financial statements and all required footnotes disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 50)	SD	2017 (FY 2014- 15)	The Town is a very small government and has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports. The Town has confidence in the audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Town does not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements.	No

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City of Bushnell	Sumter County	<u>2008-1 - Segregation of Duties</u> : The City operates with a small finance, accounting, and customer service department and does not have the resources to properly segregate duties among employees so that no one employee has sole control over approving, recording, and accounting for transactions. Because significant deficiencies in internal control over financial reporting exists when there is not sufficient separation of incompatible accounting duties, the auditors recommend that the City's finance, accounting, and customer service departments continue to develop and, if necessary, expand its current staff to ensure more effective internal control structure over financial reporting. (See PDF Page 117)	SD	2022 (FY 2019- 20)	Management continually reviews current segregation of duties and reassigns job duties as permitted to allow for more appropriate segregation. More tasks have been assigned to both the Accounts Payable Specialist and the Procurement Administrative Assistant to improve the segregation of duties in the Finance Department. However, due to the loss of the previous City Manager/Finance Director, the staff requirements have become limited again. The City is hopeful that in the coming year the additional staff can be added to fulfill the requirements for the segregation of duties, but due to the small size of the current City staff it is unlikely that complete segregation of duties can be achieved in the coming fiscal year.	No
City of Carrabelle	Franklin County	<u>2022-001 - Prepare Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP) and Significant Adjustments</u> : Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Adjustments were required to be made to the accounting records subsequent to the start of the audit process to be in accordance with GAAP. This was because management relied on the auditors to propose entries that had not been recorded at the time of the audit. Incorrect recording of accounting records could lead to a material misstatement on the financial statements. The auditors recommend that the process for identifying accounting transactions be reviewed and updated. (See PDF Page 57)	MW	2017 (FY 2014- 15)	There is no one on staff with sufficient knowledge to prepare GAAP-based financial statements. This finding may never be fully resolved due to limited resources of a small entity.	No

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City of Carrabelle (continued)	Franklin County (continued)	<u>2022-002 - Segregation of Duties</u> : Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. The size of the City's accounting and administrative staff precludes certain internal controls that would be preferred - including timely deposits of cash receipts, mailing signed checks without returning them to the employee responsible for accounts payable, and maintaining a management-approved vendor list. Errors or material misstatements in the financial statements presented to the board by management may exist and not be detected. The auditors recommend that management develop compensating controls. (See PDF Page 57)	MW	2017 (FY 2014-15)	Due to size of the City's staff it is not possible to completely separate incompatible duties so that no one individual has access to both physical assets and the related accounting records. Practices are implemented to the best of the City's ability to improve existing controls; however, this finding may never be fully resolved due to lack of staffing.	No

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City of Coleman	Sumter County	<u>2022-1 - Improve Knowledge of Internal Control Over Financial Reporting:</u> Professional Standards (AU-C 265, formerly Statement on Auditing Standard (SAS) No. 115) – Communicating Internal Control Related Matters Identified in an Audit addresses various control deficiencies in the design or operation of internal control and now requires the auditor to communicate such deficiencies in writing. One of those controls addresses "the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles GAAP in recording the entity's financial transactions or preparing its financial statements." The auditors believe that this situation still exists at the City for the fiscal year ended 9/30/2022. The auditors bring this condition to the City's attention in accordance with professional standards, but recognize that it requires the City's assessment of a cost-effective solution. Alternative solutions might include training accounting staff, hiring additional staff or engaging outside consultants or obtaining assistance from knowledgeable volunteers to prepare financial statements in accordance with GAAP. The auditors understand the City has determined it is in its best interest to continue to outsource this task to its independent auditors. (See PDF Page 63)	SD	2017 (FY 2014- 15)	The City evaluated the cost vs. benefit of establishing internal control over the preparation of financial statements in accordance with generally accepted accounting principles and came to the conclusion that outsourcing this task to the City's auditors is the most cost effective way for small entities with limited staff and resources like the City. However; the City continues to stay involved in the process by reviewing the financial statement draft, making significant input into the management discussion and analysis and other pertinent sections. The City will also continue to ensure that its auditors are independent of the City's internal control system.	No

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City of Coleman (continued)	Sumter County (continued)	<u>2022-2 - Lack of Segregation of Duties:</u> The small size of the City's accounting staff precludes certain internal controls and the segregation of duties afforded by a larger staff. The lack of segregation of duties increases the potential for error. The auditors recommend that the City implement any practical controls to overcome this inherent weakness in internal control. The Financial and Operations Manager is not an authorized check signer, which auditors believe is an excellent policy. The auditors noted that another person is the primary cashier for utility customer payments and makes bank deposits. The auditors continue to recommend that management and the City Council remain closely involved in the financial affairs of the City to provide oversight and independent review functions. (See PDF Page 63)	SD	2017 (FY 2014- 15)	The City continues to provide as many safeguards as possible by having bills inspected by the Mayor and approved by the City Council. The response also includes additional compensating controls implemented by the City.	No
City of Cottondale	Jackson County	<u>2003-001 - Separation of Duties:</u> The City has not designed its internal control system to include sufficient segregation of duties. Staff members having custody of accounting records also have access to assets. Due to the limited number of staff, the auditors recommend that the City make every effort to allocate duties for recording assets and access to assets among full-time staff, as well as use City Council members to provide review and approval procedures where possible. (See PDF Page 53)	SD	2019 (FY 2016- 17)	The City's office personnel consist of the City Clerk, the Deputy Clerk, and the Secretary/Receptionist. The City allocates duties among the employees to try to sufficiently segregate all duties for recording and accessing accounting proceedings. The response specifies the tasks that each employee performs.	No

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City of Fanning Springs	Gilchrist County, Levy County	<u>2013-1 - Financial Statement Preparation</u> : The City does not have the expertise necessary to prevent, detect, and correct misstatements in the financial statements, and is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 62)	SD	2017 (FY 2014-15)	The City is a very small government and has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports. The City has confidence in the audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The City does not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements.	No
Town of Fort White	Columbia County	<u>2011-1 - Financial Statement Preparation</u> : The Town staff does not have the expertise and is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting practices (GAAP). These are deficiencies in internal control. Possessing suitable skill, knowledge, or expertise to oversee services an auditor provides in assisting with financial statement preparation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 42)	SD	2017 (FY 2014-15)	The Town is a very small government and has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports. The Town has confidence in the audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Town does not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements.	No
Town of Glen Saint Mary	Baker County	<u>2022-002 - Financial Reporting</u> : As part of the audit process, it was necessary for the auditors to propose material adjustments to the Town's financial statements and to assist with the preparation of the financial statements. The auditors recommend that the City consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process. By improving the financial reporting process, the Town will have an enhanced ability to monitor its budget position on an ongoing basis. (See PDF Page 48)	MW	2017 (FY 2014-15)	Due to budget constraints, it is not feasible to have someone on staff with the knowledge and experience to correctly prepare the financial statements.	No

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Town of Glen Saint Mary (continued)	Baker County (continued)	<u>2022-001 - Separation of Duties</u> : Because of the limited number of personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors could exist and not be detected. The auditors recommend that, to the extent possible given available personnel, steps be taken to segregate employee duties so no one individual has access to both physical assets and the related accounting records, or all phases of a transaction. (See PDF Page 48)	MW	2017 (FY 2014-15)	The Town's population is under 500. Due to budget constraints, the Town has only two part-time employees (Mayor and Town Clerk) who handle all water/sewer billing, code enforcement, and all day-to-day office operations. The Town has all bank accounts set up to require two signature for all payments. The Town Council also gets copies of check registers each month to review.	No
City of Graceville	Jackson County	<u>2007-01 - Financial Reporting</u> : The City relies on the external auditor to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles (GAAP). The City has a small accounting staff necessitated by the overall small size of the entity and does not consider it cost effective to develop and maintain a system of internal accounting control sufficient to prepare financial statements in accordance with GAAP, nor to maintain internal staff with sufficient knowledge to develop and maintain controls to prevent, detect or correct misstatements in audited financial statements. The auditors recommend that the City continue to consider the effects of the cost of developing and benefits of implementing a system in which staff are able to prepare financial statements and have sufficient knowledge to develop and maintain controls to prevent, detect or correct misstatements in audited financial statements as compared with understanding that, due to the size of the accounting department, the City will continue to need external assistance with the preparation and understanding of financial statements in accordance with GAAP. (See PDF Page 64)	MW	2017 (FY 2014-15)	The City operates with a limited staff responsible for all financial operations. The City operates on a cash account basis and will continue to utilize accounting firms to complete annual audit and work through issues identified.	No

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City of Graceville (continued)	Jackson County (continued)	<u>2006-01 - Separation of Duties</u> : Custody of assets, recordkeeping, and recording of assets should have adequate separation. Due to the City's size, proper separation of duties may not be feasible. The auditors recommend that management remain very active and involved in the day-to-day operations and that controls be established to provide checks and balances. (See PDF Page 64)	SD	2017 (FY 2014-15)	The City operates with a small staff consisting of three principal employees dealing with the week-to-week financial functions of the City and a City Manager.	No
Town of Grand Ridge	Jackson County	<u>2022-001 - Preparation of Financial Statements and Material Adjustments</u> : The system of internal control over the objectives of reliability of financial reporting contains certain deficiencies. A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles (GAAP). As a result, certain adjustments were required to be made to the accounting records subsequent to the start of the audit process. Since these adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness. The auditors recommend that management select and apply the appropriate accounting principles to prepare the financial statements in accordance with GAAP. (See PDF Page 52)	MW	2017 (FY 2014-15)	The Town states that it would be cost prohibitive to engage another accounting firm to draft financial statements and related note disclosures. As a compensating control, the Town Council reviews the financial statements and budget comparison on a monthly basis in addition to reviewing and approving all adjustments proposed by the auditors. This provides an additional level of review necessary to mitigate the preparation of financial statements finding.	No
Town of Greensboro	Gadsden County	<u>2022-001 - Segregation of Duties</u> : During the audit the auditors noted that separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, were not adequate. The limited number of employees precludes ideal segregation of duties. The auditors recommend that, in the absence of the ability to hire additional employees, alternative procedures, including additional oversight with regard to certain functions, be performed regularly to mitigate the risk caused by this deficiency in internal controls. (See PDF Page 53)	MW	2017 (FY 2014-15)	The Town employs a total of three people. The small staff includes the Town Manager, the Office Assistant/Town Clerk, and a Maintenance person. The Town Manager opens all bank statements and makes all bank deposits, returning receipts to the Town Clerk. The Town Council is aware of the concerns and would certainly make any changes necessary were funds available for increase in staffing levels.	No

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Town of Greenwood	Jackson County	<u>2007-001 - Financial Reporting</u> : The Town relies on the external auditors to assist with the preparation and explaining financial statements in conformity with generally accepted accounting principles (GAAP). The fact the Town does not have someone on staff to prepare the financial statements in accordance with GAAP and to record complex accounting transactions results in a material weakness under professional standards. The auditors understand the cost-benefit of hiring someone with this experience is not practical; therefore, they recommend the Town continue to request outside assistance in recording more complex transactions. (See PDF Page 43)	MW	2017 (FY 2014-15)	With the financial pressures and lack of funding, the Town has found the cost to benefit ratio is far too great for the Town to employ more personnel. The Town will continue to use its auditor to provide financial advice on certain issues when necessary. Management prepares monthly financial statements for the Town Council and will continue to prepare annual financial statements for auditing purposes.	No
Town of Hilliard	Nassau County	<u>2009-1 - Financial Statement Preparation</u> : The Town does not have the expertise necessary to prevent, detect, and correct misstatements in the financial statements, and is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge or experience to oversee service an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 94)	MW	2017 (FY 2014-15)	The Town is a very small government and has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports. The Town has confidence in the audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Town does not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements.	No

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Town of Horseshoe Beach	Dixie County	<u>2011-1 - Financial Statement Preparation</u> : The Town does not have the expertise necessary to prevent, detect, and correct misstatements in the financial statements, and is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge or experience to oversee service an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 44)	SD	2017 (FY 2014-15)	The Town is a very small government and has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports. The Town has confidence in the audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Town does not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements.	No
Town of Interlachen	Putnam County	<u>2022-001 - Preparation of Financial Statements</u> : The Town's internal control system over financial reporting does not currently provide for preparation of financial statements, including note disclosures, in accordance with generally accepted accounting principles (GAAP). While the auditors can assist with the preparation of financial statements and related notes, the financial statements are the responsibility of management. However, outsourcing of these services is not unusual in governmental entities of similar budget and personnel size. The auditors stated that, for subsequent audits, management may wish to take an active role in the drafting of the financial statements and related disclosures. (See PDF Page 36)	SD	2017 (FY 2014-15)	The Town has limited resources and staff and utilizes an outside consultant to assist with accrual adjustments related to accounts payable and receivable items. She also reviews revenue and expense coding to ensure that line items are not over-expended or ledgered against the wrong item line. The response includes additional compensating controls taken by the Town. The Town does not currently have resources available to allow for preparation of financial statements and note disclosures in accordance with Governmental Accounting Standards Board requirements.	No

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City of Macclenny	Baker County	<u>2022-001 - Separation of Duties</u> : Because of a limited number of personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be detected. The auditors recommend that, to the extent possible given available personnel, steps be taken to segregate employee duties so no one individual has access to both physical assets and the related accounting records, or all phases of a transaction. (See PDF Page 66)	MW	2017 (FY 2014- 15)	The City has implemented as many external controls, along with internal controls within the City's software, to segregate the duties as much as possible with the limited staff available. The response includes specific information relating to compensating controls implemented by the City. The City expects the finding to remain due to limited staff and funding.	No
Town of Malone	Jackson County	<u>2007-001 - Financial Reporting</u> : The Town relies on the external auditors to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles (GAAP). The auditors noted that the Town has a small accounting staff necessitated by its overall small size and does not consider it cost effective to develop and maintain a system of internal accounting control sufficient to prepare financial statements in accordance with GAAP, nor to maintain internal staff with sufficient knowledge to develop and maintain controls to prevent, detect or correct misstatements in audited financial statements. The auditors recommend that the Town continue to consider the effects of the cost of developing and benefits of implementing such a system as compared with understanding that, due to the size of its accounting department, it will continue to need external assistance for the preparation and understanding of financial statements in accordance with GAAP. (See PDF Page 45)	MW	2017 (FY 2014- 15)	The Town does not consider it cost effective due to its small size to develop and maintain a system of internal accounting control sufficient to prepare financial statements in accordance with generally accepted accounting principles or maintain internal staff.	No

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Town of Malone (continued)	Jackson County (continued)	<u>2004-001 - Separation of Duties</u> : Custody of assets, record keeping, and recording of assets should have adequate separation. Due to the size of the Town, proper separation of duties may not be feasible. The auditors recommend that management remain very active and involved in the day-to-day operations and that controls be established to provide checks and balances. (See PDF Page 45)	SD	2017 (FY 2014- 15)	The Town is a small town and only has two office staff members. This is a remaining issue and the Town does not see it changing soon. The Mayor and Town Council will continue to be active and involved in the day-to-day operation of the Town's finances.	No
Town of Mayo	Lafayette County	<u>2011-1 - Financial Statement Preparation</u> : The Town does not have the expertise necessary to prevent, detect, and correct misstatements in the financial statements, and is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 59)	SD	2017 (FY 2014- 15)	The Town has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports. The Town has confidence in the audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Mayor and the Town Council review the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation before the Town Council.	No
Town of McIntosh	Marion County	<u>2019-1 - Financial Statement Preparation</u> : The Town does not have the expertise necessary to prevent, detect, and correct misstatements, and is not capable of drafting the financial statements and all required footnotes disclosures in accordance with generally accepted accounting principles. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 38)	N/A	2023 (FY 2020- 21)	The Town is a very small government and has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the cash basis. The Town has confidence in its audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures.	No

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Town of Montverde	Lake County	<u>ML 2022-01 - Internal Controls Over Recording Transactions in Accordance with GAAP</u> : Due to the small size of the Town, the staff does not have the necessary qualifications and training to record transactions and prepare financial statements in accordance with generally accepted accounting principles (GAAP). During the course of the audit, the auditors had to recommend multiple adjusting entries be posted and make several adjustments in order for financial statements to be prepared. The auditors recommend that Town staff receive additional training on governmental accounting standards, as well as make all required adjustments to the year-end financial statements. (See PDF Page 52)	MW	2020 (FY 2017-18)	The Town is small with a staff of six; while that is not an excuse, it does highlight the difficulty a small community can face when segregating duties to ensure accountability and transparency. The Town has implemented changes that it believes will allow the independent auditor to remove this finding from future audits, including: (1) increased training in generally accepted accounting principles (GAAP); (2) the purchase of a new accounting software, along with training for employees on its use and implementation; (3) a short-term contract with a professional city-county manager and a city finance director to assist in the upgrade of the accounting system and the training of Town employees; and (4) a significant charter change, moving from a Strong Mayor form of governance to a Town Manager-Council form of governance effective November 2020. The goal is to eliminate audit comments and ensure the Town is running as efficiently and transparently as possible to maintain the citizens' confidence in their Town government.	No
City of Moore Haven	Glades County	<u>2022-001 - Audit Adjustments</u> : It was necessary for the auditors to propose audit adjustments to revise the City's books at year-end. These adjustments involved the recording of accruals, reclassifications of revenues and disbursements to the proper accounts, and fund balance reclassifications. The auditors acknowledge that this material weakness is already known to management and represents a conscious decision by management and the City Council to accept that degree of risk because of cost or other considerations. (See PDF Page 94)	MW	2017 (FY 2014-15)	The City is a very small community and receives approximately \$185,000 per annum in ad valorem revenue. The City is not in a financial position to hire additional staff to oversee the areas reported in the audit finding and the system which has been implemented provides for more than sufficient checks and balances by the City's auditors.	No

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City of Oak Hill	Volusia County	SD01(2009) - Segregation of Duties: During the current year, the auditors continued to note that the City's ability to implement adequate managerial and internal control systems is affected by the City's limited staffing (only two employees), the extent of the accounting staff's overlapping administrative duties, and financial resources. The auditors also continued to note that the City has not completed the drafting and reviewing of formal accounting policies and procedures in order to provide adequate controls as it relates to the accounting functions and processes. Due to the limited number of staff working within the administrative and finance departments, many of the critical overlapping duties are combined with virtually no managerial oversight or control. Presently, a single individual performs the majority of the accounting functions. The auditors state that, to the extent possible, duties should be segregated to serve as a check and balance and to maintain the best control system possible. The auditors continue to recommend that the City complete formal written accounting policies and procedures. The auditors also suggest that the segregation of duties be reviewed and adjusted where possible to strengthen the system of internal control. (See PDF Page 83)	SD	2017 (FY 2014-15)	The City will continue to work diligently to mitigate these matters within its physical and financial constraints. In a very small office environment it is difficult to properly segregate all duties; however, the City will continue to consider its limited options and constraints to separate the important finance functions and duties to further strengthen internal controls.	No

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**Local Governmental Entities That Failed to Take Full Corrective Action in Response to a Recommendation
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City of Paxton	Walton County	<u>2022-01 - Financial Reporting</u> : The City's personnel lack the expertise to apply the required accounting principles to convert their existing accounting records to a generally accepted accounting principles (GAAP)-based financial statements. Therefore, the City engages its auditors to assist in the application of new GAAP standards and to prepare the City's financial statements as a nonattest engagement. The auditors recommend that the City educate its staff with GAAP and GASB (Governmental Accounting Standards Board) based training along with access to research websites. (See PDF Page 54)	SD	2017 (FY 2014-15)	Because of the financial disadvantage of the City, it does not have funding to staff an employee with the credentials that would be required to complete the financial statements according to generally accepted accounting principles. Therefore, the City relies on its accountants (auditors) to complete this task.	No
		<u>2022-02 - Separation of Duties</u> : Due to the small size of the City, the accounting and administrative staff are precluded from performing certain internal controls that would be preferred. A fundamental concept of internal control is the separation of duties. No one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. The auditors recommend that the City hire additional staff or use existing staff to implement internal controls over assets and the accounting processes. (See PDF Page 54)	SD	2017 (FY 2014-15)	The City is a small municipality with only six employees. Two of the employees are office/administration, City Clerk and Utilities Billing Clerk. Between the two clerks, the City tries to have a checks and balance system in place (with duty separations as suggested by the City's accountants (auditors)). The response includes specific information relating to compensating controls implemented by the City. The City works diligently to keep duties separated as much as possible with a limited staff.	No
Town of Penney Farms	Clay County	<u>2011-1 - Financial Reporting</u> : Financial Statement Preparation: The Town does not have the expertise necessary to prevent, detect, and correct misstatements in the financial statements, and is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 51)	SD	2017 (FY 2014-15)	The Town is a very small government and has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports. The Town has confidence in the audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Town does not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements.	No

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Town of Pierson	Volusia County	<p><u>2009-01 - Financial Statement Preparation</u>: Management requested the auditors to prepare a draft of the financial statements, including the related notes to the financial statements. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management did not prepare the financial statements. The absence of controls over the preparation of the financial statements is considered a material weakness because there is a reasonable possibility that a material misstatement of the financial statements could occur and not be prevented, or detected and corrected by the entity's internal control. (See PDF Page 40)</p>	MW	2020 (FY 2017-18)	This finding relates to an area that may never be fully resolved due to limited staff and resources.	No
		<p><u>2009-02 - Segregation of Duties</u>: The Town Clerk is responsible for all accounting functions (cash deposits, cash disbursements, payroll, accruals, journal entries, and financial statement preparation) and also receives all bank statements. The auditors recommend that: (1) monthly transactions be reviewed by a Council member or another employee of the Town, (2) monthly financial statement balances be reviewed by someone who can determine whether the balances are reasonable, (3) bank statements be received by a Council member or someone independent of cash receipts and disbursements, and (4) canceled checks be reviewed for unusual items. (See PDF Page 41)</p>	MW	2020 (FY 2017-18)	This finding relates to an area that may never be fully resolved due to limited staff and resources. The Town is continually looking for ways to implement compensating controls to help mitigate some of the inherent risks that exist in a small entity.	No

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Town of St. Lucie Village	St. Lucie County	<u>2016-1 - Organizational Structure</u> : The size of the Town's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimal segregation of duties. The auditors recommend that the Town Commission remain involved in the financial affairs of the Town to provide oversight and review functions to assist the segregation of duties in the accounting department. (See PDF Page 22)	N/A	2017 (FY 2014-15)	The Town is a 2.6 mile by 0.4 mile area populated by approximately 600 residents, faced with the challenges of a small, part-time staff. The Town continues to keep its governing Board involved for oversight and creating mitigating controls. The response includes specific information relating to compensating controls implemented by the Town. With the procedures and oversight established, the Town is confident that adequate safeguards are in place to ensure protection of the Town's resources.	No
City of St. Marks	Wakulla County	<u>2022-01 - Segregation of Duties</u> : Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. The same person within the accounting department handles cash and checks and posts receipts and disbursements to the utility ledger. The auditors recommend that the City have another designated person receive all cash and checks, make all required deposits, and return a summary of receipts along with a validated deposit slip before turning them over to the accounting department. (See PDF Page 38)	MW	2017 (FY 2014-15)	The financial resources of the City are limited. The City has two employees who must perform all accounting duties. The City will try to segregate duties of handling cash, checks, posting receipts, and disbursements whenever possible. The City has also engaged another outside CPA firm to assist in bank reconciliations and budget versus actual comparisons to present for the City Council on a monthly basis. Therefore, as a compensating control, the City Council reviews the financial statements and budget comparison on a monthly basis. This control provides the additional level of review necessary to mitigate the lack of segregation of duties finding.	No

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Town of Wausau	Washington County	<u>2022-001 - Segregation of Duties</u> : Auditing Standards require auditors to consider internal controls over financial reporting as a basis for designing auditing procedures. In documenting controls, a deficiency was noted in the segregation of duties over cash receipts. The Town lacks sufficient clerical personnel to design and implement adequate separation of duties. This could result in the misappropriation of assets and adversely affect the Town's ability to record, process, summarize, and report financial information. The auditors noted that, due to a lack of adequate staffing, optimum segregation of duties is not obtainable. However, the auditors strongly recommend that the Mayor and/or the Town Council monitor daily activities and monthly reporting. (See PDF Page 67)	MW	2019 (FY 2016- 17)	The Town realizes the hazards of a one-person office; however, due budget constraints it is not possible to hire additional personnel. The Mayor or Mayor Pro-Tem reviews all invoices prior to any checks being issued. The Town also utilizes dual signatures on all checks. The Mayor and Council are provided with the entire bank statements showing all deposits and checks each month. The Town also utilizes NCBA employees when they are available.	No
Town of Windermere	Orange County	<u>22-01 - Internal Controls Over the Preparation of Financial Statements</u> : The Town does not have the necessary expertise to draft the financial statements without the auditors' assistance. Due to the small size of the Town, none of the staff are qualified to prepare the financial statements. Errors in financial reporting could go undetected by management. The auditors recommend that the City continue training existing staff to improve financial reporting. (See PDF Page 39)	SD	2017 (FY 2014- 15)	Due to the size, limited staff and resources of the Town, management acknowledges and accepts this deficiency. However, the material weakness was partially corrected earlier. As noted in a prior audit report, the Finance Director's skills at recording financial transactions in accordance with generally accepted accounting principles have improved such that the auditors did not report a material weakness, but did report a significant deficiency. This deficiency may never be fully resolved, and it may not be possible, practical, or feasible for the Town to perform this function internally.	No

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FOOTNOTE/LEGEND:

1. These audits have been conducted by private certified public accountants, as required by Section 218.39(1), *Florida Statutes*.
2. **Material Weakness (MW)**: a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that one of the following will not be prevented, or detected and corrected, on a timely basis:
 - a. a material misstatement of the entity's financial statements, or
 - b. material noncompliance with a type of compliance requirement.

For example, a deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis.

The severity of the deficiency would determine whether it should be classified as a material weakness, a significant deficiency, or an additional matter.

3. **Significant Deficiency (SD)**: less severe than a material weakness, yet important enough to merit attention by those charged with governance.

SPECIAL DISTRICTS

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Almarante Fire District	Okaloosa County	<u>2022-02 - Lack of Complete General Ledger Accounting:</u> The District does not use a commercial general ledger accounting system. The District used excel spreadsheets to list receipts and disbursements for the entire year, creating separate columns for each revenue and expenditure category, and totaling up for the entire year the totals of each revenue and expenditure category. The District then used the excel spreadsheet totals to prepare financial statements of receipts and disbursements for the audit. There was no accounting of assets and liabilities. As a result, the District has difficulty in accurately preparing monthly or year-to-date financial statements on a timely basis. The auditor recommends that the District use a commercial general ledger accounting system software to ensure that all transactions get posted to the general ledger on a timely basis, which will enable the District to produce timely and accurate financial reports for the District's Board. (See PDF Page 37)	N/A	2023 (FY 2020-21)	The District's Board has approved the use of QuickBooks as a general ledger software suite along with the associated cost for the application. Implementation is expected to be complete to use for FY 2023-24, which starts 10/1/2023. This was discussed during the Board meeting on 8/10/2023.	Yes

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Amelia Concourse Community Development District	Nassau County	<u>2012-01/2013-01/2014-01 - Reserve Requirement:</u> The Debt Service Reserve Requirement for the 2007 Bond was not met at fiscal year-end. The auditors recommend that the District make the necessary arrangements to ensure funds are available to make debt service payments. (See PDF Page 38)	N/A	2023 (FY 2020-21)	Prior year correspondence described the history and status of the District; the Special Purpose Entity (SPE) that was created to hold foreclosed property continued to fund its share of the District's operating and maintenance costs and was actively marketing the property for resale. After the sale of the property, the net proceeds from the sale will be paid to the bondholders. On 10/26/2015, the District approved a purchase and sale agreement between the SPE and a developer to acquire all remaining undeveloped land within the District in two transactions. The first transaction (conveyance of Phase II lands) closed on 1/15/2016, and on 1/24/2018, the purchase and sale agreement between the SPE and a developer to acquire all remaining undeveloped land within the District (Phase III lands) was finalized. On 3/20/2019, the District closed on the Series 2019, Capital Improvement Revenue Bonds, the proceeds of which will be used to develop the final phase of development within the District. During FY 2018-19, the District paid approximately \$2.8M in past due interest payments due to proceeds received from home sales which has significantly improved the financial condition of the District. The District continues to make progress towards the elimination of these findings but until the final lot in the development is sold this finding will continue. <u>Most recent status:</u> The Developer has sold the final home constructed in the District, and the District is in the process of working with the bondholders of the Series 2006 Bonds that will correct the repeat findings. Unfortunately, the process was not been completed as of 9/30/2022, and the finding will be repeated again in the FY 2021-22 audit report.	Yes

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Amelia Concourse Community Development District (continued)	Nassau County (continued)	<u>2012-02/2013-02/2014-02 - Financial Condition Assessment:</u> In prior years, the auditors reported that the District's financial conditions had continued to deteriorate, and the future of the project remained uncertain. The Debt Service Fund reported deficit fund balances at the end of the last six fiscal years. Nonpayment of assessments by the former Developer caused there to be insufficient funds available to make certain prior year required debt service payments on the Series 2007 Bonds. The District had not made the current year principal payment, any of the past due interest, or the full payment of current year interest due. The auditors stated that failures by the District to pay its debt service on the Series 2007 Bonds are considered events of default. The auditors recommended that the District take the necessary steps to improve the deteriorating financial condition. Current status: The auditors report that the District paid substantially all of the matured principal and all of the matured interest during the current fiscal year. (See PDF Page 39)	N/A	2023 (FY 2020-21)	See Response to Finding #2012-01/2013-01/2014-01 above.	Yes
Avalon Beach / Mulat Fire Protection District	Santa Rosa County	<u>2022-001 - Reporting of wages to FRS understated and lack of reconciliation of wages reported to payroll reports:</u> Wages reported to the Florida Retirement System (FRS) for the current fiscal year were understated by an estimated \$84,782, which is in addition to identified underreported wages in previous years. As of fiscal year-end, the District estimated it owed the FRS \$146,393 (\$119,131 in employee contributions and \$27,262 in penalties and other fees). The current and prior year underreporting was due to overtime not being reported appropriately, new employees not enrolled properly, paid leave not being	MW	2023 (FY 2020-21)	In September 2022, the District contacted the Division of Retirement and informed them that the District had inadvertently not reported and paid FRS contributions on overtime paid to employees. The District was instructed to begin reporting the underpayment of overtime payments and paying the catch-up contributions over time until all underpayments are caught up. The District was also directed to continue to make an effort to pay something each month to demonstrate the District's commitment to correct the issue. The District corrected this error and began reporting and paying contributions on overtime in March 2022. Also, in October	Yes

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Avalon Beach / Mulat Fire Protection District (continued)	Santa Rosa County (continued)	reported, and a lack of a reconciliation between the wages reported to the FRS and amounts paid in regular salaries (as well as amounts deducted from employees' paychecks) with the wages reported to the FRS. Wages were understated due to limited knowledge about what are considered pensionable wages by the FRS, as well as a lack of reconciliation between wages paid and wages reported to the FRS. Per the FRS Employer Handbook, regular salaries include "all normal earnings of a member paid for work performed during the calendar month being reported and overtime payments." The auditors state that, since initial reporting of this issue, the District has contacted the State and determined how much is due for underreported wages and have implemented procedures to reconcile wages reported to the FRS to actual. The auditors recommend that the District attempt to pay the amount due as soon as possible to limit penalties. The auditors also recommend that the District contact the State of Florida Retirement System to obtain confirmation that its consideration of eligibility of the bookkeeping position with the FRS is accurate. (See PDF Page 43)			2022, the District began correcting prior periods by reporting and paying contributions that were missed. This District has continued to make payments of catch-up contributions each month since then. Procedures have also been put in place to ensure moving forward that salaries reported are not understated and wages reported to FRS and amounts paid in regular salaries are reconciled.	

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Big Bend Water Authority	Dixie County, Taylor County	<u>2022-001 - Utility Utilization</u> : During audit testing of utility revenues, the auditors noted that the water system has an annual utilization percentage of approximately 59%, which is inefficient compared to other water systems. Additionally, the auditors noted that monthly utilization is highly volatile with large utilization variances month to month. The auditors recommend that the Authority work with its engineers and software vendor to determine ways to increase utilization and minimize potential water loss/uncaptured consumption. (See PDF Page 33)	N/A	2023 (FY 2020-21)	The Authority has been working with its engineer to rectify the problem and currently has several projects that will be replacing water lines and water meters to capture the water loss issues.	Yes
Chapel Creek Community Development District	Pasco County	<u>2012-01 - Debt Administration</u> : In prior years the District had been unable to make certain scheduled debt service payments and meet debt service reserve requirements on the Series 2006A Special Assessment Revenue Bonds. The auditors recommended that the District utilize all remedies available to bring debt service payments current. Current Status: In June 2022, the District paid \$4,237,888 of unpaid interest due from November 2013 to April 2022. However; the District did not make all of the scheduled debt service payments for the Series 2006A Bonds during the current fiscal year. (See PDF Page 35)	N/A	2023 (FY 2020-21)	The Special Purpose Entity (SPE) has sold all the property in its ownership with the exception of a small commercial piece of property. The sale of the property will enable the District to refinance the defaulted bond issue and dissolve the SPE, which will resolve the repeat finding. Unfortunately, this action did not occur prior to the end of FY 2021-22. Also, it is important to note that the District is currently collecting sufficient annual assessments to fund its operating expenses and does not require any financial assistance from the State.	Yes

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Children's Services Council of Okeechobee County	Okeechobee County	<u>2022-1 - General Ledger Posting of Expenditures:</u> General ledger expense accounts were not reconciled to source documents and subsidiary ledgers. The auditors noted numerous posting errors throughout the year in which agency distributions were posted to the wrong programs, accounts payable accruals were not properly reversed, and journal entries for voided checks were posted in the wrong period. In order to achieve reliable financial reporting, the auditors recommend that the Council exercise due care to ensure all applicable general ledger accounts are properly stated. (See PDF Page 31)	N/A	N/A	N/A	Yes
City of Cedar Key Community Redevelopment Agency	Levy County	<u>2022-1 - Cedar Key Community Redevelopment Agency (CKCRA):</u> The CKCRA owes long-term debt under a Redevelopment Revenue Note, Series 2007 (Note), to Truist Bank. Because of decreasing property values in the CKCRA district, the annual tax increment revenues generated within the CKCRA district have become insufficient to fully fund the semiannual debt service payments due under the Note. Unpaid principal and interest due on the Note at fiscal year-end was \$18,964 and \$69,912, respectively. The CKCRA paid the past due principal and interest during 2023. During the 2021-22 fiscal year, the CKCRA budgeted and paid 100% of the tax increment revenues for debt service payments under the Note. (See PDF Page 30)	N/A	2022 (FY 2019-20)	Prior Year Response Received from City of Cedar Key: The CKCRA owes a long-term debt under a Redevelopment Revenue Note (Note) to SunTrust Bank (Bank). The Note is a revenue bond, payable solely from the annual Tax Increment (TIF) Revenues received by the CKCRA. Because of decreasing property values in the CKCRA district, the annual TIF Revenues generated within the district have been insufficient to fully fund the payments due on the Note. The CKCRA has been budgeting and paying 100% of all TIF revenues received to the repayment of the Note for several years. There is no legally available alternate source for repayment of the Note, thus there is no further corrective action to be taken. It should be noted that the Bank is fully protected as to full payment of the Note under the provisions of Section 163.387(3)(a), Florida Statutes, which requires that the TIF revenues continue until all debt is paid in full.	Yes

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Clearwater Cay Community Development District	Pinellas County	<u>2020-01 - Budget Administration</u> : The actual expenditures in the General Fund exceeded the budget which is a violation of Section 189.016, Florida Statutes. (See PDF Page 37)	N/A	N/A	N/A	Yes
		<u>2019-01 - Debt Administration</u> : The District is not in compliance with certain provisions of its bond indenture including those relating to: 1) levying and collecting assessments to provide debt service payments, 2) maintaining adequate balances in the debt service reserve account, and 3) making its semi-annual debt service payments. The auditors recommend that the District take the necessary steps to be in compliance with the bond indenture. (See PDF Page 36)	N/A	2023 (FY 2020-21)	Since 2015, the District has been a party to litigation brought by the property owners within the District against the District and the District's bondholders. Litigation is over the amount of the assessment for payment to the bondholders, and remains pending in Circuit Court for the Sixth Judicial Circuit. One assessment supported by the bondholders was held invalid by the court, and no assessment has been subsequently validated. The 2020-2021 Audit contains the following statement: “Revised Debt Assessment Validation In September 2019, the District approved a revised debt assessment methodology that would lower the annual debt service assessments from approximately \$589,800 to approximately \$297,300. In November 2019, the District filed a motion with the county to validate and approve this debt assessment levy. The owner of the District's Bonds seeks to invalidate these debt assessments and also threatens to seek contractual damages from the District, and the potential damages are speculative. In March 2020, the Judge sent the debt assessment validation to non-binding arbitration. The non-binding arbitration order results were favorable for the District and were presented to the court. The Bondholders did not accept the arbitration recommendation and it is to go back to the Judge. It is not clear how the District will fund debt service payments with lower assessments if the Bondholders position is upheld. Potential damages are speculative, and the District intends to continue to defend these actions.”	Yes

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Clearwater Cay Community Development District (continued)	Pinellas County (continued)				Since the audit was promulgated, the District has ended the debt assessment, in 2022, based on the finding that there was no actual benefit resulting from the use of the bond proceeds. The District withdrew its motion to ratify the prior assessment as moot. There are currently no pending motions or actions regarding the assessments, although the circuit court has retained jurisdiction should any further motions be made. The District is complying with orders of the court and will continue to do so in the future.	
Community Redevelopment Agency of the Town of Lake Park	Palm Beach County	<u>2022-1 - Budget Administration</u> : The CRA did not have a documented plan in place for excess funds remaining at the end of the year, as required by Section 163.387(7), Florida Statutes. The auditors recommend that management review Section 163.387(7), Florida Statutes, and develop procedures to ensure compliance. (See PDF Page 32)	N/A	N/A	N/A	Yes

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Creekside Community Development District	St. Lucie County	<u>2022-01 - Financial Condition Assessment</u> : The former Developer and certain Landowners have largely stopped funding the District and the future of the project remains uncertain. As a result, certain scheduled debt service payments were made, in part, by draws on the Debt Service Reserve Account in prior fiscal years. In addition, the District did not have sufficient funds to make certain scheduled debt service payments in the prior, current, and subsequent fiscal years and, as a result, the payments were not made when due and, in some cases, remain unpaid. The District's failures to make its scheduled debt service payments when they are due are considered events of default. However, during the prior fiscal year the District obtained title to certain lots which were delinquent on the paying assessments. During the current year, the District entered into a contract for the sale of the land for \$4,759,153 and is expected to use the proceeds to pay the amounts owed on the Bonds of \$2,876,100 and allocated \$625,817 to the general fund. The land sale closing is expected to occur within two years of the current fiscal year. In addition, the District has not been able to pay vendors for amounts for previous years due to a lack of funding. The auditors recommend that the District take the necessary steps to alleviate the deteriorating financial condition. (See PDF Page 32)	N/A	2023 (FY 2020-21)	Prior year correspondence stated: The District has authorized filing of a foreclosure lawsuit against one of the major landowners with delinquent assessments on their property. The District will not be able to correct the auditor's findings until successful completion of the foreclosure lawsuit and sale of the property. At the Bondholder's request, the foreclosure was not pursued; due to the reduced value of the property, the expenses of foreclosure could not be justified. Subsequently, a large portion of the delinquent property escheated to St. Lucie County and was then deeded to the District from St. Lucie County. In cooperation with the Bondholder, these properties will be marketed to builders and proceeds of the sale(s) will be applied toward the outstanding 2006 Bond Assessments. The District was also working on a Settlement Agreement with another landowner regarding past due assessments. The District continues to make progress toward having the repeat finding corrected; unfortunately, the finding will be repeated. <u>Most recent status</u> : There has been no material additional corrective action taken by the District from what was provided in the prior year response other than negotiations between bondholders and property owner continue towards a permanent solution.	Yes

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The Crossings At Fleming Island Community Development District	Clay County	<u>15-01 - Failure to Make Debt Service Payments When Due</u> : In the current and prior years, the District did not pay the entire principal and interest due on the Golf Course Revenue Bonds, Series 1999, because operating revenues are insufficient. At fiscal year-end, the District was in default per the Trust Indenture. The auditors recommend that the District utilize all remedies available to bring debt service payments current. (See PDF Page 39)	N/A	2023 (FY 2020-21)	Prior year correspondence stated: The District has worked diligently for many years in an effort to bring debt service payments current on its golf course revenue bonds. This includes, but is not limited to, funding and completing over \$1.5M of capital improvements, as well as adopting and following recommended actions contained in the study performed by the National Golf Foundation conducted in early 2020. The District has also explored the viability of a tender offer to redeem the defaulted bonds from current bondholders at a discount. <u>Most recent status</u> : The District has implemented recommendations from a study conducted last year by a professional golf operations consulting company. This includes, but is not limited to, over \$2 million in capital improvements to the golf course and restaurant, all to bring debt service payments current on the golf course revenue bonds. The District also made a tender offer to redeem the defaulted bonds, but that offer was unsuccessful. The District anticipates having sufficient funds to continue to pay all operating and maintenance expenses related to the golf course for the coming year.	Yes
		<u>15-02 - Failure to Meet Debt Service Reserve Account Requirement</u> : At fiscal year-end, the Debt Service Reserve Account was deficient because the balance in the Debt Service Reserve Account was used to pay debt service expenditures. As a result the District was in default per the Trust Indenture. The auditors recommend that the District utilize all remedies available to replenish the Debt Service Reserve Account. (See PDF Page 39)	N/A	2023 (FY 2020-21)	See Response to Finding #15-01 above.	Yes

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Special District	County	Audit Finding	MW or SD?	Year Last Response Received (RE: Fiscal Year)	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Florida Crown Workforce Board, Inc.	Union County, Dixie County, Gilchrist County, Columbia County	<u>2022-001 - Financial Condition</u> : The auditors performed certain financial condition assessment procedures pursuant to Section 10.556(8), Rules of the Auditor General. The results of these procedures indicated a deteriorating financial condition in the general fund. As of fiscal year-end, the governmental activities had an unrestricted net position of negative \$206,404. Unrestricted net position is considered a key financial indicator in the determination of overall financial condition. The auditors recommend that management act to improve the financial condition of the CareerSource Florida Crown. (See PDF Page 36)	N/A	N/A	N/A	Yes
Fred R. Wilson Memorial Law Library	Seminole County	<u>2018-2 - Enhance Financial Position of Library</u> : The Library has been spending more than it has been earning. In addition, funding from Seminole County has been decreasing. The auditors state that the Library must reduce costs or find ways to generate additional revenue to continue operating in the foreseeable future. (See PDF Page 24)	N/A	2023 (FY 2020-21)	<p>This finding is in the process of being addressed. Historically, the Library has been funded partially by Seminole County on a percent of court fines. The Library supplemented the County funding through the sale of reference materials and the occasional user contribution and copies. For several years, revenues have not kept pace with the increases in salaries and costs of publications and subscription services required by a library.</p> <p>During the past three years, the Library has been in is in a transitional phase, while preparing to move to a County court facility that is under construction. The Library is temporarily staffed by public library librarians and is open limited hours. During the transitional period, the Library continues to address funding and possible implementation of user fees for the future. This suggests that the County will need to make a commitment to provide an increase in funding to enable the Library to operate with a professional librarian and adequate legal resources as the County provides to the public library system.</p>	Yes

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SD = Significant Deficiency (see 3. In Legend)

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Gramercy Farms Community Development District	Osceola County	<u>12-03 - Failure to Meet Debt Service Reserve Account Requirement:</u> The Trust Indentures require the District to keep minimum amounts in the Debt Service Reserve Accounts. The Debt Service Reserve Accounts were deficient at fiscal year-end, and the District is not in compliance with all Trust Indentures for the Series 2007 Bonds. The auditors recommend that the District utilize all legal remedies available to collect assessments and replenish the Debt Service Reserve Accounts. (See PDF Page 33)	N/A	2023 (FY 2020- 21)	The District has taken all necessary and available actions in order to comply with the Trust Indenture. A Special Purpose Entity (SPE) was formed and took ownership of the unplatted land. During a prior year, the bonds were restructured to enable the District to continue with development of the property and completion of the construction project as amended. Due to the restructure, there is no anticipation that funds deposited in the trust accounts will be used to replenish the reserve account relating to the Series 2007 bonds. Such bonds will either be paid off or forgiven when all SPE land is sold. The District's position is that corrective action, to the extent it can be at this time, has been taken. However, the finding will remain until all lots are sold and the remaining Series 2007 bonds are paid or extinguished per the Trust Indenture.	Yes

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Gramercy Farms Community Development District (continued)	Osceola County (continued)	<u>12-04 - Financial Condition Assessment</u> : The District's financial condition has deteriorated. In a prior year, the Developer failed to pay debt service assessments because of lack of funds, causing the District to be unable to pay certain debt service payments when due. An event of default was declared, and the debt was subsequently restructured with the agreement of the bondholders. The restructured agreement requires no current payments, and the Special Purpose Entity (SPE) is now funding the District; however, the overall effect of these actions on the District's financial condition cannot be determined at this time. The auditors recommend that the District utilize all legal remedies available to improve the present financial condition. (See PDF Page 36)	N/A	2023 (FY 2020-21)	In a prior year, the Developer failed to pay debt service assessments, causing the District to be unable to pay certain debt service payments when due. An event of default was declared, and the debt was subsequently restructured with the agreement of the bondholders. Per the restructured agreement, no current payments are due. The overall effect of these actions on the District's financial condition cannot be determined at this time. The findings will be repeated in FY 2021-22 as the Series 2007 bonds remain outstanding. As lots are sold, there are funds available per the requirements in the Trust Indenture to pay all or a portion of the Series 2007 bonds, and these funds will be used for that purpose. Although failure to make bond debt service payments when due is considered a condition of financial emergency, going forward this finding only applies to the Series 2007 bonds and was agreed upon by the Bondholders when the bonds were exchanged. The District's position is that corrective action, to the extent it can be at this time, has been taken. However, the finding will remain until all lots are sold and the remaining Series 2007 bonds are paid or extinguished per the Trust Indenture.	Yes

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Gramercy Farms Community Development District (continued)	Osceola County (continued)	<u>12-01 - Failure to Include Component Unit Financial Statement in the Financial Report:</u> The Special Purpose Entity (SPE) is not included as a component unit in the District's financial report. Due to the lack of control by the District and that the SPE's primary beneficiary is the Bondholders, the District's position is that the SPE is not a component unit of the District. The auditors could not audit the records or include the SPE as a discretely-presented component unit in the District's government-wide financial statements. The auditors recommend that the District include the SPE as a discretely-presented component unit of the District's government-wide financial statements. (See PDF Page 35)	N/A	2023 (FY 2020-21)	Management does not agree that the SPE should be included as a blended component unit on the government-wide financial statements. [Committee staff note: The auditor recommended, in the 2016-17 through 2020-21 fiscal year audit reports, that the District include the SPE as a discretely presented component unit, not a blended component.] Management feels that it would be misleading to the users of the financial statements to include the SPE as a component unit for the following reasons: (1) The District has no ownership and/or control over the SPE and in no way can it impose its will on the SPE; (2) The District will not benefit from the activities of the SPE; (3) When the land held by the SPE is sold, the proceeds will be paid to the Bondholders to satisfy the Bond debt; and (4) The District will not be responsible for any deficiency between the net proceeds of the sale of the SPE-owned land and the associated Bond debt not satisfied or secured by assessments. The District's position is that corrective action, to the extent it can be at this time, has been taken.	Yes

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Holt Fire District	Okaloosa County	<u>2022-02 - Non-compliance with regulations - actual expenditures exceeded budgeted amounts and failure to budget to the same detail as required by the annual report:</u> The District's actual expenditures exceeded the budgeted amounts by \$3,537 for the 2021-22 fiscal year. The District failed to budget to the same detail as required by the annual report. Section 189.016(3), Florida Statutes, requires budgeting to at least the same detail as required by the annual report. The auditor recommends that the District review the budget for adjustments in a timely manner. The auditor further recommends that the budget be amended to reflect approved expenditures or changes and the budget be in greater detail and at least to the detail required in the annual report. (See PDF Page 38)	N/A	N/A	N/A	Yes

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Indigo Community Development District	Volusia County	<u>2011-01 - Financial Condition Assessment</u> : The District's financial conditions continue to deteriorate. The debt service fund had a deficit fund balance of \$(2,484,927) at fiscal year-end. In the prior and current fiscal years, major landowners in the District failed to pay significant portions of their assessments. As a result, the certain debt service payments were not made. In addition, the District has not met the debt service reserve requirement for the Series 1999C and 2005 Bonds. The non-payment of interest and principal payments when due, are considered events of default. The District is economically dependent on the major landowners of the District. The auditors recommend that the District take the necessary steps to alleviate the deteriorating financial condition. (See PDF Page 37)	N/A	2023 (FY 2020- 21)	Prior year correspondence described history and status of the District: Major landowners failed to pay their annual debt service assessments securing the Series 1999C and Series 2005 Bonds. As a result, the District had to utilize the funds in reserve accounts to make debt service payments and subsequently utilized the uniform collection method to ensure a more secure collection method of debt service assessments. Unlike other areas of the state, the real estate market for lands within the District has not recovered. Accordingly, the District has taken various actions in coordination with the major landowners, bondholders, and bond trustee in order to resolve the continued financial problems. The District has declared the project complete for economic reasons, allowing the District to redeem \$6.8 million of outstanding bonds and reduce its annual debt service payments. The District has executed two settlement agreements with major property owners that included payment of past due delinquent Operation and Maintenance and Debt assessments for the Series 1999C and 2005 Bonds. In addition, the District has commenced foreclosure proceedings on several parcels which have delinquent assessments. These actions don't result in the total correction of the continued finding; however, it represents significant progress towards that accomplishment. The District continues to pursue resolution to the continued repeat audit finding as expeditiously as possible. <u>Most recent status</u> : There has been no material additional corrective action taken by the District from what was provided in the prior year response. The District's operating revenues continue to exceed its operating expenses, and the District does not require any financial assistance from the state.	Yes

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Lake Region Lakes Management District	Polk County	<p><u>2022-001 - Audit Adjustments</u>: District management is responsible for establishing and maintaining internal controls for the proper recording of all the District's receipts and disbursements, including year-end accruals, and activity of all cash and investment accounts. As part of the audit, the auditors proposed audit adjustments to revise the District's books at year-end. These adjustments involved the recording of accruals, reclassifications of revenues, and disbursements to the proper accounts. The District maintains its records on the cash basis and relies on the auditor to propose adjustments to convert from the cash basis to modified accrual basis. The District's lack of knowledge of generally accepted accounting principles (GAAP) increases the risk that the financial statements could be materially misstated as a whole. Financial statements would be materially misstated if significant adjustments were not made. The design of the controls over the financial reporting process affects the District's ability to report their financial data consistent with the assertions of management. The auditors understand that the comment for annual audit adjustments is a material weakness that is already known to management and represents a conscious decision by management and the Board to accept that degree of risk because of cost or other considerations. The auditors recommend that the District engage assistance in ensuring that all adjustments are properly recorded in the accounting records pursuant to GAAP. (See PDF Page 35)</p>	MW	N/A	N/A	Yes

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Leon County Educational Facilities Authority	Leon County	<u>2022-001 - Fixed Charges Coverage Ratio</u> : The loan agreement related to the financing of the Heritage Grove Project requires that the project be operated in such a manner that the Fixed Charges Coverage Ratio (Ratio) be at least 1.2. In the event that it falls below 1.2, the LCEFA Ocala Road, LLC (LLC) is required to engage a financial consultant to submit a report containing recommendations to remedy the Ratio noncompliance. In no event shall the Ratio fall below 1.00. The Ratio for the current fiscal year was (4.05). Since the Ratio is less than 1.00, an event of default is deemed to have occurred as defined in Section 1001 of the Trust Indenture. (See PDF Page 39)	N/A	2023 (FY 2020-21)	<p>On 8/2/2022, the Authority entered into an amended settlement agreement with the Trustee and Emres, the assignee of EMET, holder of 100% of the outstanding Series 2003 Bonds and Administrative rights. The Agreement provides for Emres to use best efforts to provide funding up to \$16,000,000 for remediation, renovation, and improvements of the Heritage Grove property within 18 months of the date of the Amended Settlement Agreement. As of 9/30/2022, Emres had advanced \$11,387,135 for such purposes. The Amended Settlement Agreement also establishes that the foreclosure action referenced in the original Settlement Agreement shall remain pending for an additional period of time but no later than 10/31/2024.</p> <p>On 10/7/2022, subsequent to the Authority's fiscal year-end, the court ordered receivership over LCEFA Ocala Road, LLC was terminated and the court appointed receiver discharged from any and all continuing duties. The Authority executed a revocable delegation agreement that granted the Bondholder broad authority and indemnified the Authority.</p> <p>Per the agreements dated 8/2/2022, for both Southgate and LCEFA Ocala Road, LLC, the Authority has agreed to transfer the Authority's interest in the properties of both funds as of 10/31/2024 to the bondholders in relief of all outstanding debt and interest for these properties.</p>	Yes

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Leon County Educational Facilities Authority (continued)	Leon County (continued)	<p><u>2022-002 - Operating and Debt Service Reserve Requirements:</u> The Trust Indenture requires that LCEFA Ocala Road, LLC (LLC) maintain an "Operating reserve fund" of \$500,000. At fiscal year-end, the "Operating reserve fund" had not been funded. In addition, the Trust Indenture requires the balance of the debt service reserve fund be equal to or greater than the current debt service requirement for the bonds. At fiscal year-end, the amount deposited in the debt service reserve fund was \$170, which was less than the debt service requirement. (See PDF Page 40)</p>	N/A	2023 (FY 2020-21)	See response to Finding #2022-001 above.	Yes
		<p><u>2022-003 - Deteriorating Financial Condition:</u> The results of the auditors' financial condition assessment procedures produced results indicating a deteriorating financial condition evidenced by unfavorable financial indicators, including income from operations that are insufficient to cover annual debt service, a deficit in the net position representing the Authority's investment in capital assets net of related debt, a deficit in the Authority's unrestricted net position, and current liabilities in excess of current assets in the LCEFA Ocala Road, LLC Fund (Fund) resulting from the classification of long-term debt as current due to noncompliance with certain debt covenants associated with the Fund's 2003 bond series. These conditions have resulted from a number of factors including: (1) structural damage from original construction of facilities at LCEFA Ocala Road, LLC including legal and maintenance fees incurred during the litigation proceedings against the contractors, (2) accrued interest on the Southgate Series B Bonds, and (3) bonded debt in excess of the carrying value of the collateralized property. During the current fiscal year, the Authority negotiated settlement</p>	N/A	2023 (FY 2020-21)	See response to Finding #2022-001 above.	Yes

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Leon County Educational Facilities Authority (continued)	Leon County (continued)	agreements with the Bondholder for LCEFA Ocala Road, LLC and Southgate Fund to complete foreclosure actions at the latest date of 10/31/2024. This settlement agreement will transfer the rights and property for both Funds to the Bondholder and the Bondholder will forgive all outstanding debt and interest related to these properties within these Funds. (See PDF Page 42)				
Midtown Miami Community Development District	Miami-Dade County	<u>2012-01 - Fund Equity</u> : The District continues to report a net position deficit in the Enterprise Fund at fiscal year-end for which sufficient resources were not available to cover the deficit. (See PDF Page 42)	N/A	2023 (FY 2020-21)	As in prior years, the net position deficit is attributable to the fact that depreciation occurs at a faster rate than the current principal reduction payments on the bonds. As such, this finding will be repeated for many years to come. In other words, the magnitude of annual principal payments will increase year over year, and they will eventually overtake annual depreciation expense, thereby resolving the net deficit over time. It is also worth noting that the District's revenues continue to exceed expenses less depreciation, which is a non-cash item. As well, during the past five years the net position deficit has been reduced by 19%.	Yes
North Pointe Special Dependent Tax District	Hillsborough County	<u>2022-01 - Required Website</u> : Section 189.069, Florida Statutes, requires special districts to maintain an official website to post certain required reporting information. The auditors recommend that the District create and maintain a website to comply with this statute. (See PDF Page 27)	N/A	2023 (FY 2020-21)	As of 3/13/2023, after the date of the audit report, a replacement website has been created, is located at http://northpointefl.wordpress.com , and will be maintained going forward per the standards outlined in Section 189.069, Florida Statutes, for special dependent tax districts. [Note: Committee staff confirmed existence of website.]	No

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Panama City Beach Community Redevelopment Agency	Bay County	<u>2022-001 - Budget Administration</u> : The Agency did not submit its amended 2021-22 fiscal year annual budget to the Bay County Board of County Commissioners within 10 days after adoption. Section 163.387(6)(b), Florida Statutes, states that "A community redevelopment agency created by a municipality shall submit its annual budget to the board of county commissioners for the county in which the agency is located within 10 days after the adoption of such budget and submit amendments of its annual budget to the board of county commissioners within 10 days after the adoption date of the amended budget." The auditors recommend that the Agency implement procedures to ensure compliance with all applicable requirements. (See PDF Page 32)	N/A	N/A	N/A	Yes
Polk Soil and Water Conservation District	Polk County	<u>18-02 - Budgets</u> : The District did not prepare or operate a budget for the 2021-22 fiscal year. The District is required by Florida Statutes and best financial practices to adopt a budget and produce financial reports comparing operations to budget. The auditor recommends that in the future the Board adopt an annual budget based upon its goal for the upcoming year. (See PDF Page 32)	N/A	2022 (FY 2019-20)	The Board will adopt a budget as required for the upcoming fiscal years. Due to the small size and limited resources of the District, this issue may never be fully resolved. The District considers the cost to implement and maintain a system of internal control to be District dissolved 6/9/2023	No
		<u>20-01 - Documentation</u> : In the auditor's discussion with the Florida Department of Agriculture and Consumer Services representative, it was noted that receipts continue to be missing for expenditures by the District Chair for 2017 and 2018. It is the statutory and fiduciary responsibility of all District Board Members to document all use of public funds. The auditor recommends that the District Board continue its efforts to obtain this documentation. (See PDF Page 32)	N/A	N/A	District dissolved 6/9/2023	No

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Port Orange Town Center	Volusia County	<u>2022-001 - Financial Condition</u> : The CRA has sustained repeated operating losses over each of the past five (5) years due to revenues insufficient to meet the annual debt service requirements of the CRA's bonds payable. The CRA's fund balance at fiscal year-end was a deficit of \$4,441,779. While sufficient funding is available in the City of Port Orange's (City) general fund to absorb such losses and the deficit is expected to be largely recovered by a future sale of capital assets, the auditors recommend that the CRA and the City ensure the potential future need for such a subsidy to be required be continuously factored into all future City budget considerations as it relates to the CRA. (See PDF Page 22)	N/A	N/A	N/A	Yes

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Portofino Isles Community Development District	St. Lucie County	<p><u>2022-01 - Financial Condition Assessment</u>: The debt service fund had a deficit fund balance of \$4,761,939 at fiscal year-end. The Developer stopped funding the District during a prior fiscal year, resulting in significant delinquent assessments and unfunded contributions in prior fiscal years. As a result, the payments were made, in part, by draws on the debt service Reserve Account. Therefore the reserve requirement has not been met. Furthermore, the District did not have sufficient funds to make the debt service payments due on the Series 2005 Bonds so the payments were not made. The failures by the District to pay its debt service are considered events of default. As a result of the delinquent assessments, and in lieu of foreclosure, during a prior fiscal year, a SPE was created to own, manage, maintain, and dispose of the Property comprised by the delinquent Series 2005 Assessments (Property) for the benefit of the Trust Estate. Consequently, during a prior fiscal year, the title to the Property was conveyed to the SPE with all rights and privileges pertaining to or accruing to the benefit of the Property. The auditors recommend that the District continue to take the necessary steps to alleviate the deteriorating financial condition. (See PDF Page 33)</p>	N/A	2023 (FY 2020-21)	<p>Prior years' correspondence described brief history and status of the District: A special purpose entity (SPE) was created and holds title to certain developer-owned property within the District in lieu of foreclosure. The SPE was funding its share of the operating cost of the District; however, the findings had not been corrected and would not be corrected until the property is sold. <u>Most recent status</u>: There has been no material additional corrective action taken by the District from what was provided in the prior year response.</p>	Yes

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Portofino Vineyards Community Development District	Lee County	<u>2022-01 - Financial Condition Assessment</u> : The District's financial conditions continue to deteriorate. At fiscal year-end, the District reported a deficit fund balance in the general fund of \$48,907. The Developer currently owns all of the land within the District, and the District is economically dependent on the Developer. In the prior and current fiscal years, the District has not made payments to vendors on a timely basis. No adjustment has been made to the financial statements related to the impact on the District as the specific impact on the District cannot be determined at this time. The auditors recommend that the District continue to take the necessary steps to alleviate the deteriorating financial condition. (See PDF Page 24)	N/A	N/A	N/A	Yes
Portofino Vista Community Development District	Osceola County	<u>2022-01 - Financial Condition Assessment</u> : The Developer owns almost all of the benefitted property associated with the Series 2006 Bonds. The Developer has not paid its share of assessments for prior, current, and subsequent fiscal years, and, as result, the District did not have sufficient funds to make the Series 2006A and Series 2006B debt service payments due on 5/1/2010 or during fiscal years 2011-2022, as applicable; consequently, the payments were not made. The District's failures to make its scheduled debt service payments, when due, are considered events of default. The District also has deficits in the debt service reserve funds. Furthermore, the District reported a deficit fund balance of \$5,695,795 in the debt service fund. The auditors recommend that the District take the necessary steps to alleviate the deteriorating financial condition. (See PDF Page 32)	N/A	2023 (FY 2020-21)	Prior years' correspondence described the history and status of the District: The developer stopped paying assessments in prior fiscal years, and the District filed a lawsuit seeking to foreclose on all property benefitted by Series 2006 Bonds for which there were delinquent assessments. The District dismissed the foreclosure lawsuit subject to negotiations of a settlement agreement between landowner, debt holders, and the District. The District entered into a settlement agreement in November 2014 and established a special purpose entity (SPE) to own, maintain, and market for resale the property within the District that has delinquent assessments. Once the property is sold, the outstanding delinquent assessments will be satisfied, and the bonds secured by the assessments on this property will be paid or cancelled. Unfortunately, the District is not able to correct the findings while this process continues. <u>Most recent status</u> : There has been no material additional corrective action taken by the District from what was provided in the prior year response.	Yes

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Reunion East Community Development District	Osceola County	<u>2021-02 - Financial Condition Assessment</u> : The prior Developer failed to pay assessments on both the Series 2002 and Series 2005 Bonds, and there are currently no special assessment revenues pledged to the Series 2002 and Series 2005 Bonds. The District did not make any of the scheduled debt service payments on the Series 2002 and Series 2005 Bonds during the current fiscal year. Also, the District is not in compliance with the reserve requirements for the Series 2002 and Series 2005 Bonds. In addition, the debt service fund reported a deficit fund balance of \$12,715,100 at fiscal year-end. The auditors recommend that the District continue to take the necessary steps to alleviate the situation. (See PDF Page 34)	N/A	2023 (FY 2020-21)	Prior years' correspondence stated that the District issued the Series 2015, Special Assessment Refunding Bonds, in order to refund the defaulted Special Assessment Bonds, Series 2002A-2 and Series 2005 Bonds (Prior Bonds). However, at the request of the debt holders of the Prior Bonds, the Series 2015 Bonds did not refund 100% of the Prior Bonds; a portion of the Prior Bonds remains outstanding and in a defaulted state. Therefore, the audit findings will continue until the full cancellation of the Prior Bonds is completed. The District is continuing to pursue resolution to this matter. A Bond exchange and the Series 2015 Bond issue provided the District with the opportunity for the orderly and continued development of a portion of the Reunion development within the District, permitted the District to resolve delinquencies related with the exchanged bonds, and provided the District additional time within which to retire the obligations originally evidence by exchanged bonds. <u>Most recent status</u> : There has been no material additional corrective action taken by the District from what was provided in the prior year response. The District continues to work with all interested parties to provide a resolution to this matter. Also, it is important to note that the District continues to collect sufficient annual assessments to fully fund the operating expense and debt service payments on the Series 2015 Bonds and the Series 2015A Bonds and does not require any financial assistance from the State.	Yes

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Riverwood Community Development District	Charlotte County	<u>2022-01 - Water and Sewer Internal Controls:</u> During the audit, it was noted that certain late fees and other miscellaneous fees on monthly billing summaries could not be reconciled to the general ledger postings. The auditors recommend that management improve controls and reporting procedures to ensure that billing registers, including all miscellaneous fees and adjustments, are accurately posted and reconciled to the general ledger. (See PDF Page 36)	N/A	N/A	N/A	Yes
Riverwood Estates Community Development District	Pasco County	<u>12-01 - Failure to Make Debt Service Payment When Due:</u> In the current and prior years, interest and principal were not paid on the Series 2006 Bonds. The Trustee has directed the District not to collect debt service special assessments. The District, therefore, is not receiving debt service assessments due to the Developer's nonpayment and the Special Purpose Entity (SPE) purchase of the land within the District. As of fiscal year-end, the District was not in compliance with the requirements of the bond indenture and has met a financial emergency condition as described in Section 218.503(1), Florida Statutes. The auditors recommend that the District utilize all remedies available to bring debt service payments current. (See PDF Page 33)	N/A	2023 (FY 2020-21)	The Trustee formed a Special Purpose Entity (SPE) to hold, manage and dispose of the property on behalf of the Bondholders. The SPE took title to the Developer property through a credit bid sale. In a prior year, the interests in the SPE were assigned to Riverwood Estates Management, LLC, and the SPE agreement was terminated. The Developer has assumed the responsibility of funding the Operation and Maintenance of the District. The past due and future debt service payments are being held in abeyance until the Trustee notifies the District to the contrary.	Yes
		<u>12-02 - Failure to Meet Debt Service Reserve Account Requirement:</u> The District was not in compliance with certain provisions of the Bond Indentures in that the District did not maintain the required reserve requirement. Reserve funds were utilized in a prior year to make certain debt service payments at the request of the bondholders. (See PDF Page 32)	N/A	2023 (FY 2020-21)	Developer has assumed responsibility for the operations and maintenance of the District. In prior years, the Trustee, on behalf of the Bondholders, was funding the SPE using bond proceeds, including amounts in the Debt Service Reserve Account, to fund the District. This has resulted in the deficiency in the Debt Service Reserve account. The deficiency will remain until the Trustee instructs the District otherwise.	Yes

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Riverwood Estates Community Development District (continued)	Pasco County (continued)	<u>12-03 - Failure to Include Component Unit Financial Statement in the Financial Report:</u> The Special Purpose Entity (SPE) is not included as a component unit in the District's financial report as required by generally accepted accounting principles. Due to the lack of control by the District and that the SPE's primary beneficiary is the bondholders, the District's position is that the SPE is not a component unit of the District. The auditors could not audit the records or include the SPE as a discretely-presented component unit in the District's governmental-wide financial statements. The auditors recommend that the District include the SPE as a discretely-presented component unit in the District's governmental-wide financial statements. (See PDF Page 34)	N/A	2023 (FY 2020-21)	Management does not agree that the SPEs should be included as blended component units on the government-wide financial statements. [Committee staff note: The auditor recommended, in the 2016-17, 2017-18, 2018-19, 2019-20, and 2020-21 fiscal year audit reports, that the District include the SPE as a discretely presented component unit, not a blended component.] In summary, management feels that it would be misleading to the users of the financial statements to include the SPEs as component units for the following reasons: (1) The District has no ownership and/or control over the SPEs and in no way can it impose its will on the SPEs; (2) The District will not benefit from the activities of the SPEs; (3) When the land held by the SPEs is sold, the proceeds will not be paid to the District for any purpose; and (4) The District will not be responsible for any deficiency between the net proceeds of the sale of the SPE-owned land and the associated Bond debt not satisfied or secured by assessments.	Yes
Southern Hills Plantation I Community Development District	Hernando County	<u>2018-01 - Debt Administration:</u> The District utilized the reserve fund to make part of the May 2018 payment due on the Series 2011 A-1 bonds. The balance had not been restored to the reserve fund by year end. The auditors recommend that the District take steps to restore the reserve fund balance to the required amount. (See PDF Page 35)	N/A	2023 (FY 2020-21)	The District utilized a portion of the Series 2011 A-1 bond reserves to make the related debt service payment in May 2018. This action was appropriate and necessary as assessment collections were not sufficient due to unpaid property taxes by certain landowners. As a result, those properties escheated to the County. That said, the District, the Trustee and the Bondholders are all working to address the issue; in the meantime, the District anticipates this finding will continue to repeat. It is also worth noting that all debt service payments have since been paid as directed by the Bondholders via the Trustee.	Yes

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Sterling Hill Community Development District	Hernando County	<u>12-03 - Failure to Meet Debt Reserve Account Requirements</u> : At fiscal year-end, the Series 2003 Debt Service Reserve Account was not in compliance with the Trust Indenture, which requires the District to maintain a minimum balance in the Series 2003 Debt Service Reserve Accounts. The Reserve Account was utilized to pay debt service in prior years and the reserve account has not been restored. The auditors recommend that the District use all available remedies to replenish the Reserve Account. (See PDF Page 32)	N/A	2023 (FY 2020-21)	Pursuant to the Indenture, the District previously filed a foreclosure action against three landowners for failure to pay assessments due on the Series 2003B Bonds. The Trustee created a Special Purpose Entity (SPE) to own and maintain the property subject to the foreclosure of the 2003 assessment lien. Another landowner voluntarily conveyed their land to this SPE in lieu of foreclosure. Unfortunately, the sale of these lands by the SPE to a builder did not generate enough funds to redeem the outstanding 2003B Bonds and, since the assessments were foreclosed upon or surrendered in lieu of foreclosure, there was no longer an assessment lien securing such 2003B Bonds. Funds from the Debt Service Reserve Account were used to make partial payments and, as there is no source of funds to replenish the account, they do not meet the requirements in the Indenture. Consequently, the District's position is that corrective action, to the extent it can be at this time, has been taken.	Yes
		<u>12-04 - Failure to Make Debt Service Payments When Due</u> : In the current and prior years, the District did not pay all the required principal due on the Series 2003 Bonds. The auditors recommend that the District bring the debt service payments current. (See PDF Page 33)	N/A	2023 (FY 2020-21)	The explanation for Finding #12-03 above also applies to this finding. Since most of the debt service for the Series 2003 Bonds are being made, especially at an interest rate higher than current municipal market rates, the District has been informed it is unlikely that the Bondholders would entertain any discussion relating to cancelling or restructuring the delinquent Series 2003B Bonds. The District has performed all of its obligations under the Indenture and has attempted in good faith to resolve the findings, but it cannot compel the Bondholders or the Trustee to take action to resolve this issue. Consequently, the District's position is that corrective action, to the extent it can be at this time, has been taken.	Yes

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Suwannee Water and Sewer District	Dixie County	<u>2016-001 - Controls and Board Oversight</u> : The District has no procedure in place to review and approve bank reconciliation to trial balance amounts. The auditor recommends that the bank reconciliation be agreed to the trial balance amounts and noted agreement indicated via a Board member's signature. (See PDF Page 56)	N/A	2023 (FY 2020-21)	The Board is now ensuring through the District's office staff that the bank reconciliation is in agreement with the trial balance amounts and noted agreement is indicated via a Board Member's signature on a monthly basis.	Yes
		<u>2016-005 - Utility Customer Deposits</u> : The auditor noted that the customer deposit list did not agree to the deposit account cash balance. The deposit cash account was used only to disburse refund amounts. All other deposit transactions were accounted for in the District's operating account. From the comparison of utility accounts billed for September 2022 to the number of utility deposits held at fiscal year-end, a difference of 15 accounts was noted. Failure to agree the transactions to the detailed customer list and list of active customers could lead to an under/over statement of the associated liability. To ensure that the utility deposit liability is correctly stated and supported by accurate documentation, the auditor recommends that the District reconcile its list of utility deposits to the cash transactions in the deposit account and resulting balance, as well as to the active customers, on a monthly basis. (See PDF Page 57)	N/A	2023 (FY 2020-21)	The District is now ensuring that the list of utility deposits are in agreement to the cash transactions in the deposit account and resulting balance, and to the active members, on a monthly basis.	Yes

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Suwannee Water and Sewer District (continued)	Dixie County (continued)	<u>2019-001 - Reconciliation of Cash</u> : The failure to reconcile cash or reconcile cash timely has been a chronic issue for a number of years and continues through 9/30/22. Operating cash was reconciled; however, multiple accounts were not. Audit adjustments were required to correct the balances. Unreconciled cash increases both the risk that accounting errors can occur without being promptly detected and the risk of loss. The auditor recommends that all transactions be recorded in a timely manner, preferably as they occur, and cash be reconciled immediately after the monthly bank statements are received. (See PDF Page 53)	SD	2023 (FY 2020-21)	The District is now ensuring that all transactions are recorded as they occur. Cash is reconciled immediately after monthly bank statements are received, and the General Manager reviews and approves the reconciliation and notes agreement to the cash reported on the District's books (trial balance). The reconciled balance is presented to the Board of Directors at its monthly Board meeting, noting that cash has been reconciled and the books are complete.	Yes
		<u>2019-003 - Payroll Classification</u> : The District did not agree the payroll and payroll-related liability accounts to the payroll records (Paychex). Transactions were recorded into trial balance accounts as they occurred, but without any reconciliation to the associated support. As a result, payroll accounts required audit adjustments to agree to the payroll records. The auditor recommends that quarterly the District agree the payroll journal amounts to the transfers on the bank statements and related quarterly payroll tax returns. In addition, the auditor recommends that the reconciliation be presented to the District Manager for approval. (See PDF Page 57)	N/A	2023 (FY 2020-21)	The District is now ensuring that quarterly the District agrees the payroll journal amounts to the transfers on the bank statements and related quarterly payroll tax returns. The reconciliation is being presented to the District Manager for approval.	Yes

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SWI Community Development District	Volusia County	<u>2022-001 - Failure to Meet Debt Service Requirements:</u> While waivers for payment shortfalls were obtained, the District failed to fully meet certain debt service requirements during the 2021-22 fiscal year due to a lack of funds based on revenue shortfalls versus projections. This resulted in the District meeting the condition for a financial emergency as defined in Section 218.503(1)(a), Florida Statutes. (See PDF Page 31)	N/A	N/A	N/A	Yes
Treeline Preserve Community Development District	Lee County	<u>2022-01 - Financial Condition Assessment:</u> The District did not have sufficient funds to make the Series 2007 debt service payments due during fiscal years 2010-2022, as applicable; consequently, the payments were not made. The District's failures to make its scheduled debt service payments, when due, are considered events of default. The District also has deficits in the debt service reserve fund. Furthermore, the District reported a deficit fund balance of \$4,182,452 in the debt service fund. The auditors recommend that the District take the necessary steps to alleviate the deteriorating financial condition. (See PDF Page 32)	N/A	2022 (FY 2019-20)	The District has adopted Resolution 2023-01 authorizing the dissolution of the District. The District has submitted the Petition to the City of Ft. Myers and, as of 4/10/2023, is waiting for final action by the City. This action will correct the previous findings by the independent auditor.	Yes
Westside Community Development District	Osceola County	<u>2011-01 - Debt Administration:</u> In prior years, the District had been unable to make certain scheduled debt service payments and meet debt service reserve requirements on the Series 2005 Special Assessment Revenue Bonds and the Series 2007 Special Assessment Revenue Bonds. During the current year, the balance outstanding, after a payment was made on the un-exchanged Series 2005 and Series 2007 Bonds, was cancelled. However, the District did not make all of the scheduled debt service payments for the Series 2005-2 and the Series 2007-2 Bonds during the current fiscal year. (See PDF Page 35)	N/A	2023 (FY 2020-21)	The cancellation of the bonds has occurred, but the landowner whose special assessments secure the Series 2005-2 and Series 2007-2 Bonds didn't pay their assessments timely in order for the Trustee to remit payment to the bondholders.	Yes

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The Woodlands Community Development District	Sarasota County	<u>13-01 - Failure to Make Debt Service Payments When Due:</u> In the current and prior years, the District did not pay all of the principal and interest due on the Series 2004A Bonds because the District did not receive special assessments from certain landowners. At fiscal year-end, the District was not in compliance with the requirements of the Bond Indenture and has met a financial emergency condition as described in Section 218.503(1), Florida Statutes. The auditors recommend that the District utilize all remedies available to bring debt service payments current. (See PDF Page 32)	N/A	2023 (FY 2020-21)	<p>In 2008, the original developer defaulted on payments of its Debt Assessments. As a result, the District was unable to make full debt service payments on its Series 2004A Bonds. The bonds are limited obligation revenue bonds, secured solely from a pledge of the Debt Assessments and are not a full faith and credit obligation of the District. In 2009, the District received direction from the Bond Trustee not to foreclose on the delinquent Debt Assessments, and in 2013 a Forbearance Agreement was entered into and the District was directed not to undertake any enforcement actions on the delinquent Debt Assessments. In 2017, the District, the Trustee, and a subsequent landowner entered into a settlement agreement relating to a proposed sale of one undeveloped parcel, which brought the delinquent Debt Assessments current for that parcel. In 2020 the District, the Trustee, and a subsequent landowner entered into a settlement agreement relating to a proposed sale of two undeveloped parcels that brought the delinquent Debt Assessments current for those two parcels. In 2022, the District, the Trustee, and a subsequent landowner entered into a settlement agreement relating to a proposed sale of three undeveloped parcels that brought the delinquent Debt Assessments current for those three parcels.</p> <p>On 4/7/2023, the landowners for the two remaining undeveloped and delinquent Debt Assessments sent a letter to the District requesting that the District and the Trustee enter into a settlement agreement that will allow the landowners to bring the delinquent Debt Assessments current for those two parcels to facilitate the sale and development of those parcels. The District will be considering a resolution approving the request at the 4/18/2023 meeting. If approved and the landowners bring the delinquent Debt Assessments current, then there will not be any delinquent Debt Assessments outstanding in the entire District. Since this is expected to occur</p>	Yes

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The Woodlands Community Development District (continued)	Sarasota County (continued)				in the current fiscal year, the FY 2021-22 audit report will still have a repeat finding, but future audits will not. The District has performed all of its obligations under the Indenture and the Forbearance Agreement and has attempted in good faith to resolve the findings, but it cannot compel the property owners to bring the assessments current and resolve this issue and has been explicitly directed by the bondholders and the Bond Trustee to not make any attempts to do so.	
		<u>13-02 - Failure to Meet Debt Service Reserve Account Requirement:</u> The Series 2004A Debt Service Reserve Account was deficient at fiscal year-end. The balance in the Series 2004A Debt Service Reserve Account was used to pay debt service payments. The auditors recommend that the District utilize all remedies available to replenish the Debt Service Reserve Accounts. (See PDF Page 32)	N/A	2023 (FY 2020-21)	See Response to Finding #13-01 above. Also, funds from the Debt Service Reserve Account were used to make partial payments and, as there is no source of funds to replenish the account, the District does not meet the requirements in the Indenture. Although the delinquent Debt Assessments are expected to be brought current in this fiscal year, this audit finding will be repeated as the District has no source of funds to replenish the reserve account requirement.	Yes

FOOTNOTE/LEGEND:

1. These audits have been conducted by private certified public accountants, as required by Section 218.39(1), *Florida Statutes*.
2. **Material Weakness (MW):** a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that one of the following will not be prevented, or detected and corrected, on a timely basis:
 - a. a material misstatement of the entity’s financial statements, or
 - b. material noncompliance with a type of compliance requirement.

For example, a deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis.

The severity of the deficiency would determine whether it should be classified as a material weakness, a significant deficiency, or an additional matter.

3. **Significant Deficiency (SD):** less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Alligator Point Water Resources District	Franklin County	<p><u>2022-001 - Preparation of Financial Statements:</u> A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles (GAAP). For the current fiscal year, the District had no employees that are able to prepare the financial statements in accordance with GAAP. The auditors recommend that management select and apply the appropriate accounting principles to prepare the financial statements in accordance with GAAP. (See PDF Page 19)</p>	MW	2017 (FY 2014-15)	While it has been the District's practice to have its Fiscal Administrator prepare monthly financial reports for the Board of Directors and financial reports in preparation of the annual audit, the District has relied on the audit firm to identify and draft the financial statements and related note disclosures. It would be cost prohibitive to engage another accounting firm to draft the financial statements and related disclosures in advance of the year-end audit procedures.	No
		<p><u>2022-002 - Segregation of Duties:</u> Due to the size of the District's accounting and administrative staff, certain internal controls are not in place that would be preferred if staff were large enough to provide optimum segregation of duties. One employee is responsible for billing utility customers, collecting payments, entering deposits into the accounting system, preparing bank reconciliations, and making deposits at the financial institution. Also, the District is using pre-signed checks, provided by the Board, in order to facilitate daily operations and transactions. This situation dictates that the Board of Directors (Board) remains involved in the financial affairs of the District to provide oversight and independent review functions. The auditors recommend that the Board continue to be actively involved in the District's transactions through review of monthly Board packets and financials. The auditors also recommend that the District not use pre-signed checks in its operations and consider alternative methods for payments. (See PDF Page 19)</p>	MW	2017 (FY 2014-15)	The District is aware of this control problem, which is existent due to the lack of staff and funding for additional staff. The District's Board of Directors will remain involved in the financial affairs of the District as legally acceptable and to the benefit of the District's customers.	No

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Aucilla Area Solid Waste Administration	Dixie County, Jefferson County, Madison County, Taylor County	<u>2013-1 - Financial Statement Preparation</u> : The Administration is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles, and it does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 38)	SD	2017 (FY 2014- 15)	The Administration is a small government and has used available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the cash basis. Both staff and the Governing Board review the annual financial reports prepared by the audit firm utilizing these records and have the opportunity to ask any questions regarding the reports prior to its formal presentation at a scheduled meeting of the Governing Board. At this time, the Administration does not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements.	No
Avalon Beach / Mulat Fire Protection District	Santa Rosa County	<u>2022-003 - Adjustments to financial statements</u> : Adjustments to the financial records had to be proposed by the auditors in order for the financial statements to be materially correct and conform to generally accepted accounting principles. While the auditors realize it would not be feasible to implement procedures necessary to eliminate all proposed adjustments, the auditors recommend that the District strive to reduce the number of adjustments needed as much as possible. (See PDF Page 44)	SD	2020 (FY 2017- 18)	The District hired an outside bookkeeper in September 2019. The District expects this will help to continue to reduce the number of proposed audit entries required by the auditors each year. Additional oversight by the Board has been implemented in order to reduce the risk caused by this internal control weakness. The District requests that: (1) it not be required to acquire the resources necessary to completely eliminate this finding in future audits, and (2) the auditors be allowed to continue to assist in proposing certain adjusting journal entries when necessary. The District will continue to be vigilant in seeking to continue to reduce the number of required audit entries every year.	No

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Avalon Beach / Mulat Fire Protection District (continued)	Santa Rosa County (continued)	<u>2022-002 - Lack of Segregation of Duties:</u> Due to the limited number of District staff available, certain accounting and administrative duties were not segregated sufficiently to achieve an adequate internal control structure. This increases the possibility that errors or fraud could occur without being detected and corrected in a timely manner. While the costs associated with achieving proper segregation of duties appear to outweigh their benefits, the auditors recommend that the District separate duties as much as possible and continue to implement compensating controls when possible to reduce risk to an acceptable level. (See PDF Page 43)	SD	2019 (FY 2016- 17)	The local CPA retired several years ago, and the District, after much effort, has hired a new CPA. The District has now switched to a newly required bookkeeping system and is currently looking to employ a bookkeeper skilled in the new bookkeeping system. Once this person is hired, the District Treasurer and the Commissioners will implement certain compensating controls (specified in the response letter). The District has five paid full-time firefighters, and the remainder of the employees are volunteers, including the Commissioners and the Treasurer.	No
Baker County Development Commission	Baker County	<u>2022-02 - Financial Reporting:</u> As part of the audit process, the auditors proposed material adjustments to the Commission's financial statements and assisted with the preparation of the financial statements. The proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles. The auditors recommend that the Commission consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process. The auditors state that, by improving the financial reporting process, the Commission will have an enhanced ability to monitor its budget position on an ongoing basis. (See PDF Page 29)	MW	2017 (FY 2014- 15)	Because of limited staff, no one on staff has the education, training, or experience to always prepare the financial statements perfectly. However, with 30 years of business experience, the executive director has the ability to discuss entries and approve corrections when they are suggested by the accounting firm conducting the audits.	No

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Baker County Development Commission (continued)	Baker County (continued)	2022-01 - Separation of Duties: Because of a limited number of personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or all phases of a transaction. The Commission has implemented compensating controls to the extent possible, given available staff, to mitigate the risk of unintentional or intentional errors occurring and not being detected. However, the possibility still exists that unintentional or intentional errors or irregularities could exist and not be detected. The auditors recommend that, to the extent possible given available personnel, steps be taken to segregate employee duties so that no one individual has access to both physical assets and the related accounting records, or all phases of a transaction. (See PDF Page 29)	MW	2017 (FY 2014-15)	Staff is limited to one full-time employee (the executive director) and two part-time employees. Compensating controls have been implemented, to the extent possible, given the limited number of available staff. All checks require two signatures. An individual independent of the receipting process prepares bank reconciliations. Finally, the Board reviews and approves all expenses before checks are approved.	No
Baker County Hospital District	Baker County	2022-002 - Financial Reporting: As part of the audit process, the auditors proposed material adjustments to the District's financial statements and assisted with the preparation of the financial statements. The proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles. The auditors recommend that the District consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process. The auditors state that, by improving the financial reporting process, the District will have an enhanced ability to monitor its budget position on an ongoing basis. (See PDF Page 23)	MW	2017 (FY 2014-15)	Because of limited staff, no one on staff has the education, training, or experience to always prepare the financial statements perfectly. However, with 30 years of business experience, the executive director has the ability to discuss entries and approve corrections when they are suggested by the accounting firm conducting the audits.	No

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Baker County Hospital District (continued)	Baker County (continued)	<u>2022-001 - Separation of Duties</u> : Because of a limited number of personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or all phases of a transaction. The Authority has implemented compensating controls to the extent possible, given available staff, to mitigate the risk of unintentional or intentional errors occurring and not being detected. However, the possibility still exists that unintentional or intentional errors or irregularities could exist and not be detected. The auditors recommend that, to the extent possible given available personnel, steps be taken to segregate employee duties so that no one individual has access to both physical assets and the related accounting records, or all phases of a transaction. (See PDF Page 23)	MW	2017 (FY 2014-15)	Staff is limited to one full-time employee (the executive director) and two part-time employees. Compensating controls have been implemented, to the extent possible, given the limited number of available staff. All checks require signatures of two Board members; administrative staff is not authorized to sign checks. An individual independent of the receipting process prepares bank reconciliations. Finally, the Board reviews and approves all expenses before checks are approved.	No

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Bay Medical Center	Bay County	<u>2022-001 - Bay Medical Center d/b/a Bay Health Foundation</u> : The District lacks the personnel necessary to adequately segregate financial and accounting duties. Financial records and transactions without adequate segregation of duties are more at risk for misstatement due to fraud or errors. The auditors recommend that the Board of Directors remain involved in the financial affairs of the Bay Medical Center d/b/a Bay Health Foundation to provide oversight and independent review functions. (See PDF Page 51)	MW	2022 (FY 2019-20)	The Bay Medical Center d/b/a Bay Health Foundation (Foundation) has a small accounting and administrative staff, which precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. The Board of Directors (Board) is very involved in the operations of the Foundation. For example, staff cannot sign checks for any amount. Checks are signed by two Board officers and invoices are reviewed and initialed at that time by those officers. The Board and staff understand that having a small staff dictates that the Board remain involved in the financial affairs of the Foundation to provide oversight and independent review functions. The Board currently and will continue to maintain the following review functions: (1) Financial statements are prepared and presented to the Board monthly; (2) Two members of the Board sign checks and review invoices; and (3) An officer of the Board opens operating bank statements monthly and reviews for any irregularities. The Board understands that this issue may never be fully resolved due to limited staff and resources and will continue to be very involved in the operations.	No

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Beach Mosquito Control District	Bay County	<u>2022-1 - Separation of Duties:</u> The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the staff was large enough to provide optimum separation of duties. To the extent possible, duties should be segregated to serve as a check and balance and to maintain the best control system possible. Material errors or irregularities may occur without being detected by employees or management during the normal course of their duties. Oversight provided by the Board of Commissioners (Board) has been a mitigating factor which prevents this from being a material weakness. The Commissioners and the Director review the deposits and expenditures on a monthly basis and include their approval and comments in the minutes of the Board meetings to help override the lack of segregation of duties. However, the auditors still recommend that the segregation of duties be continuously reviewed and adjusted where possible to strengthen the system of internal control each year. (See PDF Page 50)	SD	2017 (FY 2014-15)	This finding may never be fully resolved due to limited staff. The District is a small government with limited staff and limited funds, and the Board of Commissioners does not believe that it is practical to hire another employee to assist in the separation of duties. Certain procedures have been implemented to address the lack of segregation of duties, such as the Commissioners and the Director reviewing the monthly deposits and expenditures and including approval and comments in the minutes of the Board meetings.	No
Cedar Key Water and Sewer District	Levy County	<u>2022-001 - Limited Segregation of Duties:</u> The District employs a limited number of personnel and may not be able to adequately segregate certain duties at all times. Consequently, the possibility exists that unintentional errors or irregularities could exist. The auditors recommend that the District segregate duties whenever practical, and the Board continue its practice of ongoing oversight to mitigate the control deficiency. (See PDF Page 16)	SD	2017 (FY 2014-15)	The District is a small governmental entity, and all accounting responsibilities are performed primarily by a single individual. The District understands this situation creates an internal control weakness and has adopted review and control oversight procedures by management and the Board Members, where possible. At this time, the District does not believe it is cost beneficial to hire additional staff, which would be required, to eliminate this finding. Compensating controls have been adopted and are described in the response letter.	No

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City-County Public Works Authority	Glades County	<u>2022-002 - Audit Adjustments</u> : The auditors proposed audit adjustments to revise the Authority's books at fiscal year-end. These adjustments involved the recording of accruals. The Authority has a limited number of personnel, and some accounts do not get reconciled properly due to time constraints. The auditors understand that this material weakness is already known to management and represents a conscious decision by management and the Board of Supervisors to accept that degree of risk because of cost or other considerations. (See PDF Page 22)	MW	2017 (FY 2014-15)	The Authority is located in a small rural community with limited resources. Unfortunately, the Authority is not in a financial position to hire additional staff. The system which has been implemented provides for more than sufficient checks and balances.	No
		<u>2022-001 - Segregation of Duties</u> : The Authority does not have adequate segregation of the accounting functions due to a limited number of personnel, which is necessary to ensure adequate internal controls. The auditors understand that this material weakness is already known to management and represents a conscious decision by management and the Board of Supervisors to accept that degree of risk because of cost or other considerations. The auditors recommend that, if additional segregation is not feasible, Authority management and the Board of Supervisors continue to implement and perform oversight procedures to help mitigate the lack of segregation as much as possible. (See PDF Page 21)	MW	2017 (FY 2014-15)	The Authority is located in a small rural community with limited resources. Unfortunately, the Authority is not in a financial position to hire additional staff. The system which has been implemented provides for more than sufficient checks and balances.	No

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Fellsmere Water Control District	Indian River County	<u>2022-001 - Segregation of Duties</u> : The limited size of the District's staff does not allow for proper segregation of duties in each phase of operations, which is not unusual in an organization of the District's size. Although segregation of duties is necessary for optimum efficiency in internal controls, management does not believe it is cost beneficial for the District. The high degree of involvement by the Board of Supervisors in the financial process provides a degree of compensating control for this weakness. (See PDF Page 36)	SD	2017 (FY 2014-15)	The District has an office staff consisting of two persons, and the limited size of the staff does not allow for segregation of duties in each phase of operations. After this finding by the auditors, the Board has had a higher degree of participation in the financial process because of the limited number of employees. The District operates on a very limited budget making it impossible to reorganize the accounting functions to separate incompatible tasks by hiring another accounting employee. The Board understands the need to consider this as a prudent expense given all of the circumstances, but at this time does not feel it can justify the raising of assessments to achieve this goal.	No
Fred R. Wilson Memorial Law Library	Seminole County	<u>2011-1 - Improve Knowledge of Internal Control over Financial Reporting</u> : The person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles (GAAP) in recording the Library's financial transactions or preparing its financial statements. The basis for this control issue is that the auditor cannot be considered part of the Library's internal control (i.e., cannot be substituted for elements within the Library's internal control system). The auditors recognize that this condition requires the Library's assessment of a cost effective solution. The auditors state that alternative solutions might include training accounting staff, hiring additional staff, engaging outside consultants, or obtaining assistance from knowledgeable volunteers to prepare financial statements in accordance with GAAP. (See PDF Page 24)	N/A	2017 (FY 2014-15)	The Library is a small entity, has relatively limited financial resources, and has only two full-time employees, both librarians. The Library has a CPA firm that prepares quarterly financial statements, and receives the bank statements prior to preparing these financial statements. Each quarter, all three of the Library's trustees review the bank statements and quarterly reports generated by the CPA firm. Much of the day-to-day financial transactions are administered jointly by the two librarians, both of whom have substantial experience handling the Library's affairs. The training and experience of the two librarians, together with the oversight provided by the Library's trustees (described in the letter), provide a consistent and reliable degree of care in the internal reporting of the Library's finances on a quarterly and annual basis.	No

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Fred R. Wilson Memorial Law Library (continued)	Seminole County (continued)	2011-2 - Internal Control: The auditors noted that one person has the primary responsibility for most of the financial administration and financial duties. As a result, many of those aspects of internal control which rely upon an adequate segregation of duties are, for all practical purposes, missing in the Library. The auditors recognize that the Library is not large enough to make the employment of additional people cost effective for the purpose of segregating duties and that this condition is quite common in many small organizations. The auditors state that increased involvement of the Board of Trustees, such as reviewing and signing all disbursement checks, compensates to a degree for the absence of adequate segregation of duties. The auditors also recommend that a Trustee open and review all bank statements, reconciliations, and unfavorable budget variances. (See PDF Page 24)	N/A	2017 (FY 2014-15)	The Library only has two employees, both librarians. Due to limited resources, the Library cannot afford to hire additional employees without incurring a dramatic reduction in services provided to patrons. The librarians do provide joint oversight of the Library's daily financial transactions, which are reported and reviewed by the three Library trustees on a quarterly basis. Given the modest resources, lack of known instances of misuses, and limited transactions of the Library, compensating controls involving Board trustees' oversight (described in the letter) are the most extensive and responsible internal controls available to the Library.	No

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Gadsden Soil and Water Conservation District	Gadsden County	<u>2017-003 - Financial Reporting</u> : The District has a small accounting staff necessitated by its overall small size. The District relies on the external auditor to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles (GAAP). The District does not consider it cost effective to develop and maintain a system of internal accounting control sufficient by itself to allow the preparation of financial statements in accordance with GAAP, nor to maintain internal staff with sufficient knowledge to develop and maintain controls to prevent, detect or correct misstatements in audited financial statements. The auditors recommend that the District continue to consider the effects of the cost of developing and benefits of implementing such a system as compared with understanding that, due to the size of its accounting department, it will continue to need external assistance with the preparation and understanding of financial statements in accordance with GAAP. (See PDF Page 36)	MW	2021 (FY 2018-19)	The District is a small organization with one part-time receptionist performing basic secretarial duties, who is shared with another agency. This District does not have the resources to hire a full-time person or someone with the knowledge/experience needed to prepare the financial statements. Hiring an outside firm or additional staff is also not within the District's ability due to limited finances. The District will continue to utilize the services of the District's auditors to ensure compliance.	No
		<u>2017-001 - Separation of Duties</u> : Custody of assets, record keeping and recording of assets should have adequate separation. Due to the size of the District and its small one-person bookkeeping system, proper separation of duties may not be feasible. The auditors recommend that management remain very active and involved in the day-to-day operations, records be maintained current and up-to-date, and controls be established to provide checks and balances. (See PDF Page 35)	SD	2021 (FY 2018-19)	The District has a part-time employee who is shared with another agency. The District is fiscally unable to hire another person to allow for the requested separation of duties. These issues may never be fully resolved because of the limited staff and limited resources. In an effort to address the concerns of the lack of separation of duties, the District's Board of Supervisors (Board) has taken the following steps: (1) A check request form must be completed for every check requested, which requires Board member approval and supporting documentation; (2) A monthly financial report is provided to the Board along with a copy of the bank statements; and (3) Two signatures are required on all checks. The District will continue conversations with the auditors to ensure staff are as effective as possible.	No

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Gilchrist Soil and Water Conservation District	Gilchrist County	<u>14-01 - Financial Statement Preparation Knowledge:</u> District personnel's lack of knowledge and familiarity with Governmental Accounting and Financial Accounting Standards prohibits the District from being able to prepare financial statements with adequate and proper disclosures and free of material misstatements. The auditors encourage District personnel to increase their knowledge of these standards sufficiently to allow them to prepare financial statements including the notes in accordance with generally accepted accounting practices. (See PDF Page 31)	N/A	2018 (FY 2015-16)	This District is a small governmental unit and cannot afford to hire an accounting professional with specialized knowledge to prepare governmental accounting financial statements. As a result, the auditors are significantly involved in the preparation of the financial statements. The auditors are not involved in the management of the District or in the safeguarding of District assets. The procedures for the handling of these aspects are examined in the audit.	No
Indian River Farms Water Control District	Indian River County	<u>2022-001 - Segregation of Duties:</u> The limited size of the District's staff does not allow for proper segregation of duties in each phase of operations, which is not unusual in an organization of this size. Although segregation of duties is necessary for optimum efficiency in internal controls, management does not believe it is cost beneficial for the District. The high degree of involvement by the Board of Supervisors in the financial process provides a degree of compensating control for this weakness. (See PDF Page 37)	SD	2017 (FY 2014-15)	The District acknowledges the weakness regarding the segregation of duties for optimum efficiency in internal control. The only action that would completely resolve this issue would be to hire an additional employee and reorganize as far as internal control of accounting tasks. Unfortunately, the District does not have the sustainable resources available to afford this additional expense, and it is unclear at this time when these resources will be available. The degree of involvement by the Board members has been increased to compensate for this weakness.	No

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Indian River Soil and Water Conservation District	Indian River County	<u>2022-001 - Segregation of Duties</u> : Proper internal controls require that an entity has adequate segregation of duties within significant accounting processes. Employee duties should be adequately separated between the authorization, custody and record keeping processes. One individual in the accounting department controls transactions from beginning to conclusion. The District does not have adequate financial resources to hire additional personnel to reassign responsibilities in such a way that different employees handle different portions of a transaction. The Board of Supervisors should exercise a high degree of involvement in the financial process to provide a degree of compensating controls for this weakness. (See PDF Page 25)	SD	2023 (FY 2020- 21)	The District has one paid employee; the Indian River County Board of County Commissioners provides the salary for a Staff Assistant II. The five elected supervisors receive no monetary compensation. The Board of Supervisors has a Secretary/Treasurer who diligently reviews the monthly bank statements, QuickBooks, and Checkbooks monthly to verify all accounts are in good standing. The staff does not sign any checks. The Board's Chairman and Secretary/Treasurer are the only individuals authorized to sign checks. All FDACS Cost-Share payments are signed off for approval by either the Chairman or the Secretary/Treasurer, prior to the payments being processed. The District acknowledges said weakness regarding the segregation of duties is necessary for optimum efficiency in internal controls. The only action that would completely resolve this issue would be to hire an additional employee and reorganize as far as internal control of accounting tasks. Unfortunately, the District does not have the sustainable resources available to afford this additional expense, and it is unclear at this when these resources will be available. The degree of involvement by the Board has been increased to compensate for this weakness. As a small entity with limited funding, the District will continue to have this finding.	No

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Jackson Soil and Water Conservation District	Jackson County	<p><u>2007-001 - Financial Reporting:</u> The District relies on the external auditor to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles (GAAP). The District has a small accounting staff necessitated by its overall small size. The District does not consider it cost effective to develop and maintain a system of internal accounting control sufficient by itself to allow the preparation of financial statements in accordance with GAAP, nor to maintain internal staff with sufficient knowledge to develop and maintain controls to prevent, detect or correct misstatements in audited financial statements. The auditors recommend that the District continue to consider the effects of the cost of developing and benefits of implementing such a system as compared with understanding that due to the size of its accounting department, it will continue to need external assistance with the preparation and understanding of financial statements in accordance with generally accepted accounting principles. (See PDF Page 59)</p>	MW	2017 (FY 2014-15)	The District considers the cost of maintaining a system of internal control to be prohibitive. The small size of the District, as well as the minimal number of staff, precludes the establishment of such a system. The District will make a concerted effort to identify and assess potential risks on a daily basis.	No
		<p><u>2006-001 - Separation of Duties:</u> Custody of assets, record keeping and recording of assets should have adequate separation. Due to the size of the organization, proper separation of duties may not be feasible. Controls should be implemented to help compensate for the weaknesses. This is a small one-person bookkeeping system. The auditors recommend that management remain very active and involved in the day-to-day operations, records be maintained current and up-to-date, and controls established to provide checks and balances. (See PDF Page 58)</p>	SD	2017 (FY 2014-15)	Due to limited staff and resources, this issue may never be completely resolved. The District will make every effort to separate the record keeping duties from the custody of assets as much as possible with its small (one person) administrative staff. The District continues to maintain an active role in the day-to-day operations.	No

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Levy Soil and Water Conservation District	Levy County	<u>13-01 - Financial Statement Preparation Knowledge:</u> District personnel's lack of knowledge and familiarity with Governmental Accounting and Financial Accounting Standards prohibits the District from being able to prepare financial statements with adequate and proper disclosures and free of material mis-statements. The auditor encourages District personnel to increase their knowledge of these standards sufficiently to allow them to prepare financial statements including the notes in accordance with generally accepted accounting principles. (See PDF Page 30)	N/A	2017 (FY 2014-15)	As a small county it would not be economically feasible to hire an accountant with the skills and knowledge to keep current with accepted accounting principles. The District appreciates the efforts of the auditors in preparing the financial statements and will continue to rely on their expertise in the future.	No
Madison County Soil and Water Conservation District	Madison County	<u>15-01 - Financial Statement Preparation Knowledge:</u> District personnel's lack of knowledge and familiarity with Governmental Accounting and Financial Accounting Standards prohibits the District from being able to prepare financial statements with adequate and proper disclosures and free of material misstatements. The auditor encourages District personnel to increase their knowledge of the standards sufficiently to allow them to prepare financial statements including the notes in accordance with generally accepted accounting principles. (See PDF Page 30)	N/A	2019 (FY 2016-17)	The size and budget of the District does not allow the employment of an experienced accountant. The financials and the audit are reviewed by the District's Board, which includes a local accountant.	No
Marion Soil and Water Conservation District	Marion County	<u>16-01 - Financial Statement Preparation Knowledge:</u> District personnel's lack of knowledge and familiarity with Governmental Accounting and Financial Accounting Standards prohibits the District from being able to prepare financial statements with adequate and proper disclosures and free of material misstatements. The auditor encourages District personnel to increase their knowledge of these standards sufficiently to allow them to prepare financial statements including the notes in accordance with generally accepted accounting principles. (See PDF Page 31)	N/A	2020 (FY 2017-18)	The District is a small governmental entity with no employees. This comment will continue to be repeated in future audits as the District does not have the resources to hire an accountant with expertise to prepare governmental financial statements. The District will continue to rely on its auditing firm to prepare the financial statements.	No

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North St. Lucie River Water Control District	St. Lucie County	<u>ML 2022-1 - Lack of Segregation of Duties:</u> The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum separation of duties. This situation dictates that the District implement a system to review and reconcile financial transactions on a regular basis and the Board of Supervisors remains involved in the financial affairs of the District to provide oversight and independent review functions. The auditors recognize that this condition requires staff assessment of a cost-effective solution and state that alternative solutions might include hiring additional staff. (See PDF Page 34)	N/A	2017 (FY 2014-15)	The District is a very small independent special district with limited resources. Staff includes one Superintendent of Works, five board members, and one bookkeeper. The District feels it has implemented as many controls that are feasibly possible to address these issues. The District does not anticipate receiving any additional funding that would allow for an increase in the number of staff, but plans to continue in its diligence to mitigate as much lack of segregation of duties as possible.	No
Polk Soil and Water Conservation District	Polk County	<u>18-01 - Financial Statement Preparation Knowledge:</u> District personnel's lack of knowledge and familiarity with Governmental Accounting and Financial Accounting Standards prohibits the District from being able to prepare financial statements with adequate and proper disclosures and free of material misstatements. The auditor encourages District personnel to increase their knowledge of these standards sufficiently to allow them to prepare financial statements including the notes in accordance with generally accepted accounting principles. The auditor also noted that the District, as a small entity with limited funding, will continue to have this finding and the Board is involved in the review and management of the District's financials. (See PDF Page 31)	N/A	2022 (FY 2019-20)	Due to the small size and limited resources of the District, this issue may never be fully resolved. In an effort to maintain the integrity of the District's assets, financial transactions require the signature of two Board members, and staff does not have signature authority on any of the accounts. All records are available for review at any time, and the Board members review the financial statements at regularly scheduled meetings. District dissolved 6/9/2023	No

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Putnam Soil and Water Conservation District	Putnam County	<u>16-01 - Financial Statement Preparation Knowledge:</u> District personnel's lack of knowledge and familiarity with Governmental Accounting and Financial Accounting Standards prohibits the District from being able to prepare financial statements with adequate and proper disclosures and free of material misstatements. The auditor encourages District personnel to increase their knowledge of these standards sufficiently to allow them to prepare financial statements including the notes in accordance with generally accepted accounting principles. (See PDF Page 31)	N/A	2020 (FY 2017-18)	The District is a small governmental entity with no employees. This comment will continue to be repeated in future audits as the District does not have the resources to hire an accountant with expertise to prepare governmental financial statements. The District will continue to rely on its auditing firm to prepare the financial statements.	No
Seminole County Port Authority	Seminole County	<u>2022-2 - Improve Knowledge of Internal Control over Financial Reporting:</u> The person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles (GAAP) in recording the Authority's financial transactions or preparing its financial statements and related disclosures. The basis for this control issue is that the auditor cannot be considered part of the Authority's internal control (i.e., cannot be substituted for elements within the Authority's internal control system). The auditors state that they bring this condition to the Authority's attention in accordance with professional standards, but recognize that it requires the Authority's assessment of a cost-effective solution and state that alternative solutions might include training accounting staff, hiring additional staff or engaging outside consultants, or obtaining assistance from knowledgeable volunteers to prepare financial statements in accordance with GAAP. (See PDF Page 38)	N/A	2017 (FY 2014-15)	The Authority's Board and management have decided from a cost/benefit analysis, it is not practical to expend funds to employ additional personnel to correct this deficiency. The Authority has engaged the auditors to assist in the preparation of the year-end financial statements and required notes and other information. The only benefit the Authority would realize from having the internal expertise to produce the financial statements would be to remove this finding.	No

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Seminole County Port Authority (continued)	Seminole County (continued)	2022-1 - Internal Control: One person at the Authority has the primary responsibility for most of the accounting and financial duties. As a result, many of those aspects of internal control which rely upon and adequate segregation of duties are, for all practical purposes, missing in the Authority. The auditors recognize that the Authority is not large enough to make the employment of additional people cost effective for the purpose of segregating duties and that this condition is quite common in many small organizations. The auditors state that increased involvement of the Board of Directors mitigates, to a limited degree, for the absence of adequate segregation of duties. (See PDF Page 38)	N/A	2017 (FY 2014- 15)	The Authority has limited staff that consists of one executive secretary/assistant and one executive director. The Authority's Board and management have decided from a cost/benefit analysis, it is not practical to expend funds to employ additional personnel to correct this deficiency. Procedures implemented to mitigate the deficiency are described in the response.	No
South Seminole and North Orange County Wastewater Transmission Authority	Orange County, Seminole County	2022-01 - Lack of Segregation of Duties: The size of the Authority's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. The auditors state that management is aware of this situation and should continue to exercise a high level of management review and supervision. Also, the auditors recommend that the Board of Directors remain involved in the financial affairs of the Authority to provide oversight and independent review functions. (See PDF Page 48)	MW	2017 (FY 2014- 15)	This finding relates to an area that may never be fully resolved due to limited staff and resources. The Authority's executive director is the only employee. All other controls/services, such as legal, bookkeeping, engineering, IT, auditing, capital improvements, and maintenance, are performed by private contractors or afforded by the municipal membership. Certain internal controls and procedures that have been implemented to compensate are described in the response.	No

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Suwannee County Conservation District	Suwannee County	<u>12-01 - Financial Statement Preparation Knowledge:</u> District personnel's lack of knowledge and familiarity with Governmental Accounting and Financial Accounting Standards prohibits the District from being able to prepare financial statements with adequate and proper disclosures and free of material misstatements. The auditor encourages District personnel to increase their knowledge of these standards sufficiently to allow them to prepare financial statements including the notes in accordance with generally accepted accounting principles. (See PDF Page 31)	MW	2017 (FY 2014- 15)	As a small entity, it would not be economically feasible to hire an accountant with the skills and knowledge to keep current with generally accepted accounting principles. The District feels the limited funds it receives are better being used to serve its constituents.	No
Taylor Coastal Water and Sewer District	Taylor County	<u>2010-1 - Financial Statement Preparation:</u> The District is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles, and it does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 37)	SD	2017 (FY 2014- 15)	The District is a very small government and has used available resources to employ a competent accountant who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on a cash basis. Both staff and the Board of Commissioners review the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation. At this time, the District believes it would not be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements.	No

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Special District	County	Audit Finding	MW or SD?	Year Last Response Received (RE: Fiscal Year)	Summary of Entity's Most Recent Response	Recommend Requiring a Written Response this Year?
Taylor County Development Authority	Taylor County	<u>2021-1 - Financial Reporting: Financial Statement Preparation:</u> The Authority is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles, and it does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in such instances. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures. (See PDF Page 41)	SD	2021 (FY 2018-19)	The Authority runs all books, debits, credits, etc. through a third-party bookkeeping firm; however, this is apparently not enough for the audit firm to remove the finding.	No
Tri-County Airport Authority	Holmes County, Jackson County, Washington County	<u>2007-001 - Financial Reporting:</u> The Authority relies on the external auditors to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles (GAAP). The Authority has a small accounting staff necessitated by its overall small size and does not consider it cost effective to develop and maintain a system of internal accounting control sufficient by itself to prepare financial statements in accordance with GAAP, nor to maintain internal staff with sufficient knowledge to develop and maintain controls to prevent, detect, or correct misstatements in the financial statements. The auditors recommend that the Authority continue to consider the cost and benefits of developing and implementing such a system with the understanding that, due to the size of the entity, external assistance will likely continue to be needed to assist in preparing the accounting records to produce the financial statements in accordance with GAAP. (See PDF Page 21)	MW	2017 (FY 2014-15)	The Authority's Treasurer monitors the banking account on line, and all checks written on the account are required to be signed by both the Chairman and the Treasurer. A local accounting firm has been hired to assist with the preparation of the monthly statements and providing the required checks and balances needed.	No

MW = Material Weakness (see 2. In Legend)
SD = Significant Deficiency (see 3. In Legend)

**Local Governmental Entities That Failed to Take Full Corrective Action in Response to a Recommendation
Included in the FY 2021-22 Fiscal Year Audit Report and the Two Preceding Audit Reports¹**

FOOTNOTE/LEGEND:

1. These audits have been conducted by private certified public accountants, as required by Section 218.39(1), *Florida Statutes*.
2. **Material Weakness (MW)**: a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that one of the following will not be prevented, or detected and corrected, on a timely basis:
 - a. a material misstatement of the entity's financial statements, or
 - b. material noncompliance with a type of compliance requirement.

For example, a deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis.

The severity of the deficiency would determine whether it should be classified as a material weakness, a significant deficiency, or an additional matter.

3. **Significant Deficiency (SD)**: less severe than a material weakness, yet important enough to merit attention by those charged with governance.

From: JAIME HOELSCHER <JAIMEHOELSCHER@aud.state.fl.us>
Sent: Wednesday, July 12, 2023 7:56 AM
To: Dubose, Kathy <DUBOSE.KATHY@leg.state.fl.us>
Cc: GREG CENTERS <GREGCENTERS@AUD.STATE.FL.US>
Subject: Notification pursuant to Section 11.45(7)(j) Florida Statutes

Ms. Dubose,

Section 11.45(7)(j), Florida Statutes, requires the Auditor General to notify the Legislative Auditing Committee of any financial or operational audit report prepared pursuant to Section 11.45, Florida Statutes, which indicates that a State university or Florida College System institution (college) has failed to take full corrective action in response to a recommendation that was included in the two preceding financial or operational audit reports.

This e-mail is to notify you that audit reports issued during the period July 1, 2022, through June 30, 2023, for the 12 State universities and 28 colleges disclosed 3 State colleges that failed to take full corrective action in response to one or more recommendations included in the two preceding financial or operational audit reports. Please see the attached document identifying the respective institutions, the applicable audit reports, and the recurring findings.

Jaime Hoelscher, CPA
Audit Manager
Florida Auditor General
111 West Madison Street
Tallahassee, FL 32399
(850) 412-2868

AUDIT REPORTS ISSUED
 JULY 1, 2022, THROUGH JUNE 30, 2023, FOR
 UNIVERSITIES AND COLLEGES THAT FAILED TO TAKE
 FULL CORRECTIVE ACTION IN RESPONSE TO A RECOMMENDATION
 INCLUDED IN THE TWO PRECEDING AUDIT REPORTS

<u>COLLEGE/UNIVERSITY</u>	<u>REPORT NUMBERS</u>	<u>FINDING NUMBERS</u>
College of Central Florida	<u>2017-046</u>	2
	<u>2019-133</u>	3
	<u>2023-007</u>	6
Palm Beach State College	<u>2017-072</u>	2
	<u>2020-038</u>	1
	<u>2023-058</u>	3
South Florida State College	<u>2017-008</u>	1
	<u>2020-048</u>	1
	<u>2023-009</u>	1

From: TED WALLER <TEDWALLER@AUD.STATE.FL.US>
Sent: Friday, June 30, 2023 9:29 AM
To: Dubose, Kathy <DUBOSE.KATHY@leg.state.fl.us>
Subject: Notification pursuant to Section 11.45(7)(j) Florida Statutes

Ms. Dubose,

Section 11.45(7)(j), Florida Statutes, requires the Auditor General to notify the Legislative Auditing Committee of any financial or operational audit report prepared pursuant to Section 11.45, Florida Statutes, which indicates that a district school board has failed to take full corrective action in response to a recommendation that was included in the two preceding financial or operational audit reports. Also, pursuant to Section 218.39(8), Florida Statutes, the Auditor General is required to notify the Legislative Auditing Committee of any audit report prepared pursuant to Section 218.39, Florida Statutes, which indicates that a district school board has failed to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports.

This e-mail is to notify you that audit reports issued during the period July 1, 2022, through June 30, 2023, for the 67 district school boards disclosed 9 district school boards that failed to take full corrective action in response to one or more recommendations included in the two preceding financial or operational audit reports. Please see the attached document identifying the respective district school boards, the applicable audit reports, and the recurring findings.

Sincerely,

Ted Waller,
Audit Manager – District School Boards

AUDIT REPORTS ISSUED
 JULY 1, 2022, THROUGH JUNE 30, 2023, FOR
 DISTRICT SCHOOL BOARDS THAT FAILED TO TAKE
 FULL CORRECTIVE ACTION IN RESPONSE TO A RECOMMENDATION
 THAT WAS INCLUDED IN TWO PRECEDING AUDIT REPORTS

<u>DISTRICT SCHOOL BOARD</u>	<u>REPORT NUMBERS</u>	<u>FINDING NUMBERS</u>
1. Gadsden	<u>2023-056</u>	Operational: 3
	<u>2020-042</u>	Operational: 3
	<u>2017-147</u>	Operational: 2
2. Gilchrist	<u>2023-036</u>	Operational: 2
	<u>2020-068</u>	Operational: 3
	<u>2018-114</u>	Operational: 2
3. Hernando	<u>CPA Firm FY 2021-22</u>	Financial: 2017-1
	<u>2022-055</u>	Operational: 4
	<u>CPA Firm FY 2019-20</u>	Financial: 2017-1
4. Jefferson	<u>2023-163</u>	Financial: 2022-001
	<u>2022-184</u>	Financial: 2021-002
	<u>2021-159</u>	Financial: 2020-001
5. Miami-Dade	<u>2023-177</u>	Financial: AM 2022-001
	<u>2020-163</u>	Financial: AM 2019-001
	<u>2017-194</u>	Financial: 2016-001
	<u>2023-188</u>	Operational: 4, 9
	<u>2020-203</u>	Operational: 2, 6
	<u>2017-196</u>	Operational: 2, 8
6. Palm Beach	<u>2023-179</u>	Financial: AM 2022-001
	<u>2020-189</u>	Financial: AM 2019-001
	<u>2017-190</u>	Financial: 2016-001
	<u>2023-061</u>	Operational: 2
	<u>2019-218</u>	Operational: 2
	<u>2017-042</u>	Operational: 6

AUDIT REPORTS ISSUED
 JULY 1, 2022, THROUGH JUNE 30, 2023, FOR
 DISTRICT SCHOOL BOARDS THAT FAILED TO TAKE
 FULL CORRECTIVE ACTION IN RESPONSE TO A RECOMMENDATION
 THAT WAS INCLUDED IN TWO PRECEDING AUDIT REPORTS

DISTRICT
 SCHOOL BOARD

REPORT NUMBERS

FINDING NUMBERS

7. Putnam	2023-147	Financial: 2022-001
	2022-168	Financial: 2021-001
	2021-175	Financial: 2020-001
	2023-050	Operational: 2
	2020-093	Operational: 5
	2017-163	Operational: 8

8. Santa Rosa	2023-042	Operational: 5
	2020-110	Operational: 8
	2017-053	Operational: 8

9. Suwannee	2023-082	Financial: 2022-002
	2022-067	Financial: 2021-002
	2021-095	Financial: 2020-002

Note: Pursuant to Section 11.45, Florida Statutes, the Auditor General performs operational audits at least once every 3 years. As such, recurring operational audit findings are listed from the most recent operational audit reports.

From: SHANE HERMAN <SHANEHERMAN@AUD.STATE.FL.US>
Sent: Friday, May 05, 2023 9:23 AM
To: Pizzo, Jason; Caruso, Mike
Cc: White, Deborah; Dubose, Kathy
Subject: 2021-22 FY Notification Pursuant to Section 218.39(8), Florida Statutes
Attachments: 2022 PPY Findings Notification.xlsb

Good morning,

Section 218.39(8), Florida Statutes, requires the Auditor General to notify the Legislative Auditing Committee of any audit report prepared pursuant to Section 218.39, Florida Statutes, which indicates that an audited entity has failed to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports.

This e-mail is to notify you of the 2021-22 fiscal year charter school and technical career center audit reports that indicate the audited entity has failed to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports.

Please contact me if you or your staff have any questions about this information.

Thank you,

Shane Herman, C.P.A.

State of Florida, Auditor General
Local Government Reviews and Special Audits
(850) 412-2897
shaneherman@aud.state.fl.us

"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-email. Please contact me to make alternative arrangements to provide the information."

Charter School	Finding Category	CY Finding No.	PY Finding No.	PPY Finding No.	PDF Page No. (1)	Revision or Addendum (2)
Academy of Environmental Science	Separation of Duties	2013-1	2013-1	2013-1	30	No
Arts Academy of Excellence	Miscellaneous	2022-01	2021-01	2020-01	37	No
Rowlett Middle Academy	Miscellaneous	2022-01	2021-01	2020-01	54	No

Notes:

(1) The page number listed is the PDF document page number, not the report page number.

(2) This column indicates if there is an addendum or revised report on the Auditor General's Web site that is associated with the findings from the 2021-22 fiscal year audit report that should also be viewed.

Notification from Auditor General:
Local Governmental Entities

From: GINA BAILEY <GINABAILEY@AUD.STATE.FL.US>
Sent: Wednesday, October 04, 2023 3:10 PM
To: Caruso, Mike; Pizzo, Jason
Cc: Dubose, Kathy; White, Deborah
Subject: 2021-22 FY Notification Pursuant to Section 218.39(8), Florida Statutes
Attachments: 2022 PPY Findings Notification.xlsb

Section 218.39(8), Florida Statutes, requires the Auditor General to notify the Legislative Auditing Committee of any audit report prepared pursuant to Section 218.39, Florida Statutes, which indicates that an audited entity has failed to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports.

This e-mail is to notify you of the 2021-22 fiscal year local governmental entity audit reports that indicate the audited entity had failed to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports.

Please contact me if you or your staff have any questions about 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.

**Local Governmental Entities That Failed To Take Full Corrective Action In Repose To A Recommendation
Included In The 2021-22 Fiscal Year Audit Report And The Two Preceding Financial Audit Reports**

Entity ID	Entity	Constitutional Officer (For Counties)	Finding Category	CY Finding No	PY Finding No	PPY Finding No	PDF page # (1)	Revision or Addendum (2)
COUNTIES								
C00300	Bay County	Board of County Commissioners	Revenues/Collections	2022-001	2021-001	2020-002	217	No
C00700	Calhoun County	Sheriff	Separation of Duties	Sheriff 2004-002	Sheriff 2004-002	Sheriff 2004-002	169	No
		Supervisor of Elections	Separation of Duties	SOE 2004-01	SOE2004-001	SOE 2004-01	197	No
C02000	Gilchrist County	Sheriff	Fixed Assets	2022-002	2021-001	2020-002	103	No
C02900	Holmes County	Property Appraiser	Expenditures/Expenses	2012-02	2012-02	2012-02	195	No
		Sheriff	Separation of Duties	2010-01	2010-01	2010-01	262	No
C03600	Leon County	Board of County Commissioners	Financial Reporting	2022-008	2021-007	2020-005	119	No
C05000	Pasco County	Board of County Commissioners	Financial Reporting	2022-002	2021-002	2020-004	427	No
C05700	St. Johns County	Board of County Commissioners	Fund Equity	MLC 2020-002	MLC 2020-002	2020-002	263	No
C05900	Sumter County	Sheriff	Revenues/Collections	2022-001	2021-001	2020-001	166	No
C06600	Washington County	Property Appraiser	Separation of Duties	PA2003-003	PA2003-003	PA2003-003	249	No
		Supervisor of Elections	Separation of Duties	SOE2003-003	SOE2003-003	SOE2003-003	278	No
		Tax Collector	Separation of Duties	TC2003-003	TC2003-003	TC2003-003	314	No
SPECIAL DISTRICTS								
D01000	Alligator Point Water Resources		Financial Reporting	2022-001	2021-001	2020-001	19	No
			Separation of Duties	2022-002	2021-002	2020-002	19	No
D01100	Almarante Fire District		General Accounting Records	2022-02	2021-2	2014-1	37	No
D01450	Amelia Concourse Community T		Debt Administration	2012-01/2013-01/2014-01	2012-01/2013-01/2014-01	2012-01/2013-01/2	38	No
			Financial Condition	2012-02/2013-02/2014-02	2012-02/2013-02/2014-02	2012-02/2013-02/2	39	No
D02700	Aucilla Area Solid Waste Administration		Financial Reporting	2013-1	2013-1	2013-1	38	No
D02800	Avalon Beach / Mulat Fire Prote		Payroll and Personnel Administration	2022-001	2021-003	2020-003	43	No
			Separation of Duties	2022-002	2021-001	2020-001	43	No
			Financial Reporting	2022-003	2021-002	2020-002	44	No
D03000	Baker County Development Cor		Separation of Duties	2022-01	2021-001	2020-001	29	No
			Financial Reporting	2022-02	2021-002	2020-002	29	No
D03100	Baker County Hospital District		Separation of Duties	2022-001	2021-001	2020-001	23	No
			Financial Reporting	2022-002	2021-002	2020-002	23	No
D04300	Bay Medical Center		Separation of Duties	2022-001	2021-001	2020-002	51	No
D04900	Beach Mosquito Control District		Separation of Duties	2022-1	2021-1	2020-1	50	No
D05190	Big Bend Water Authority		Revenues/Collections	2022-001	2021-001	2020-001	33	No
D11100	Cedar Key Water and Sewer District		Separation of Duties	2022-001	2021-001	2020-001	16	No
D11970	Chapel Creek Community Development District		Debt Administration	2012-01	12-01	12-01	35	No
D12800	Children's Services Council of Okeechobee County		General Accounting Records	2022-1	2021-1	2020-1	31	No
D14200	City of Cedar Key Community Redevelopment Agency		Debt Administration	2022-1	2021-1	ML 2020-1	30	No
D16050	City-County Public Works Authc		Separation of Duties	2022-001	2021-001	2020-001	21	No
			General Accounting Records	2022-002	2021-002	2020-002	22	No
D16490	Clearwater Cay Community Dev		Debt Administration	2019-01	2019-01	2019-01	36	No
D18355	Community Redevelopment Agency of the Town of Lake Park		Budget Administration	2020-01	2020-01	2020-01	37	No
			Budget Administration	2022-1	2021-1	2020-1	32	No
D19630	Creekside Community Development District		Financial Condition	2022-01	2021-01	2020-01	32	No
D19900	Crossings At Fleming Island Con		Debt Administration	15-01	15-01	15-01	39	No
			Debt Administration	15-02	15-02	15-02	39	No
D27000	Fellsmere Water Control District		Separation of Duties	2022-001	2021-001	2020-001	36	No
D27660	Florida Crown Workforce Board, Inc.		Financial Condition	2022-001	2021-001	2020-001	36	No
D29300	Fred R. Wilson Memorial Law Li		Financial Reporting	2011-1	2011-1	2011-1	24	No
			Separation of Duties	2011-2	2011-2	2011-2	24	No
			Financial Condition	2018-2	2018-2	2018-2	24	No
D29700	Gadsden Soil and Water Conser		Separation of Duties	2017-001	2017-001	2017-001	35	No
			Financial Reporting	2017-003	2017-003	2017-003	36	No
D30700	Gilchrist Soil and Water Conservation District		Financial Reporting	14-01	14-01	14-01	31	No
D31280	Gramercy Farms Community De		Financial Reporting	12-01	12-01	12-01	35	No
			Debt Administration	12-03	12-03	12-03	33	No
			Financial Condition	12-04	12-04	12-04	36	No
			Budget Administration	2022-02	2021-06	2020-07	38	No
D37200	Holt Fire District		Budget Administration	2022-02	2021-06	2020-07	38	No
D38800	Indian River Farms Water Control District		Separation of Duties	2022-001	2021-001	2020-001	37	No

**Local Governmental Entities That Failed To Take Full Corrective Action In Repose To A Recommendation
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Entity ID	Entity	Constitutional Officer (For Counties)	Finding Category	CY Finding No	PY Finding No	PPY Finding No	PDF page # (1)	Revision or Addendum (2)
D39100	Indian River Soil and Water Conservation District		Separation of Duties	2022-001	2021-001	2019-001	25	No
D39600	Indigo Community Development District		Financial Condition	2011-01	2021-01	2020-01	37	No
D40400	Jackson Soil and Water Conserv		Separation of Duties	2006-001	2006-001	2006-001	58	No
			Financial Reporting	2007-001	2007-001	2007-001	59	No
D43900	Lake Region Lakes Management District		General Accounting Records	2022-001	2021-001	2020-001	35	No
D46600	Leon County Educational Facilit		Debt Administration	2022-001	2021-001	2020-001	39	No
			Debt Administration	2022-002	2021-002	2020-002	40	No
			Financial Condition	2022-003	2021-003	2020-003	42	No
D47100	Levy Soil and Water Conservation District		Financial Reporting	13-01	13-01	13-01	30	No
D48100	Madison County Soil and Water Conservation District		Financial Reporting	15-01	15-01	15-01	30	No
D49700	Marion Soil and Water Conservation District		Financial Reporting	16-01	16-01	16-01	31	No
D51980	Midtown Miami Community Development District		Fund Equity	2012-01	2012-01	2012-01	42	No
D55600	North Pointe Special Dependent Tax District		Transparency Requirements	2022-01	2021-01	2020-01	27	No
D56100	North St. Lucie River Water Control District		Separation of Duties	ML 2022-1	ML 2021-1	ML 2020-1	34	No
D62240	Panama City Beach Community Redevelopment Agency		Budget Administration	2022-001	2021-001	2020-001	32	No
D66500	Polk Soil and Water Conservat		Financial Reporting	18-01	18-01	18-01	31	No
			Budget Administration	18-02	18-02	18-02	32	No
			Expenditures/Expenses	20-01	20-01	20-01	32	No
D67650	Port Orange Town Center Community Redevelopment Agency		Financial Condition	2022-001	2021-001	2020-001	22	No
D67825	Portofino Isles Community Development District		Financial Condition	2022-01	2014-01, 2015-01, 2016,01	2014-01, 2015-01, 2	33	No
D67834	Portofino Vineyards Community Development District		Financial Condition	2022-01	2021-01	2020-01	24	no
D67835	Portofino Vista Community Development District		Financial Condition	2022-01	2021-01	2020-01	32	No
D68600	Putnam Soil and Water Conservation District		Financial Reporting	16-01	16-01	16-01	31	No
D69450	Reunion East Community Development District		Debt Administration	2021-02	2021-01	2020-01	34	No
D70000	Riverwood Community Development District		Revenues/Collections	2022-01	2021-01	2020-01	36	No
D70010	Riverwood Estates Community		Debt Administration	12-01	12-01	12-01	33	No
			Debt Administration	12-02	12-02	12-02	32	No
			Financial Reporting	12-03	12-03	12-03	34	No
D70265	SWI Community Development District		Debt Administration	2022-001	2021-001	2020-001	31	No
D72900	Seminole County Port Authority		Separation of Duties	2022-1	2010-1	2010-1	38	No
			Financial Reporting	2022-2	2010-2	2010-2	38	No
D74900	South Seminole and North Orange County Wastewater Transmission Au		Separation of Duties	2022-01	2021-01	2020-01	48	No
D75475	Southern Hills Plantation I Community Development District		Debt Administration	2018-01	2018-01	2018-01	35	No
D78210	Sterling Hill Community Develop		Debt Administration	12-03	12-03	12-03	32	No
			Debt Administration	12-04	12-04	12-04	33	No
D79650	Suwannee County Conservation District		Financial Reporting	12-01	12-01	12-01	31	No
D80200	Suwannee Water and Sewer Dis		Expenditures/Expenses	2016-001	2016-001	2016-001	56	No
			Cash	2016-005	2016-005	2016-005	57	No
			Cash	2019-001	2019-001	2019-001	53	No
			Payroll and Personnel Administration	2019-003	2019-003	2019-003	57	No
D81610	Taylor Coastal Water and Sewer District		Financial Reporting	2010-1	2010-1	2010-1	37	No
D81700	Taylor County Development Authority		Financial Reporting	2021-1	2017-1	2017-1	41	No
D82975	Treeline Preserve Community Development District		Debt Administration	2022-01	2021-01	2020-01	32	Yes, 2020 Report Addendum
D83000	Tri-County Airport Authority		Financial Reporting	2007-001	2007-001	2007-001	21	No
D89050	Westside Community Development District		Debt Administration	2011-01	2011-01	2011-01	35	No
D89820	Woodlands Community Develop		Debt Administration	13-01	13-01	13-01	32	No
			Financial Condition	13-02	13-02	13-02	32	No
MUNICIPALITIES								
M03400	Bonifay, City of		Financial Reporting	2022-001	2021-001	2020-001	57	No
M03900	Branford, Town of		Financial Reporting	2010-1	2010-1	2010-1	50	No
M04600	Bushnell, City of		Separation of Duties	2008-1	2008-2	2008-2	117	No
			Financial Condition	2011-1	2011-1	2011-1	120	No
			Debt Administration	2014-1	2014-1	2014-1	120	No
M05200	Carrabelle, City of		Financial Reporting	2022-001	2021-001	2020-001	57	No
			Separation of Duties	2022-002	2021-002	2020-002	57	No
M06000	Chiefland, City of		Budget Administration	2022-001	2021-001	2020-001	43	No

**Local Governmental Entities That Failed To Take Full Corrective Action In Repose To A Recommendation
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Entity ID	Entity	Constitutional Officer (For Counties)	Finding Category	CY Finding No	PY Finding No	PPY Finding No	PDF page # (1)	Revision or Addendum (2)
M07000	Coleman, City of		Financial Reporting	2022-1	2021-1	2020-1	63	No
			Separation of Duties	2022-2	2021-2	2020-2	63	No
M07400	Cottondale, City of		Separation of Duties	2003-001	2003-001	2003-001	53	No
			General Accounting Records	2016-05	2016-05	2016-05	57	No
M08300	Daytona Beach, City of		Budget Administration	2019-002	2019-002	2019-002	221	No
M08900	Delray Beach, City of		Payroll and Personnel Administration	SD 2021-001	SD 2021-001	2019-001	218	No
M09200	Dundee, Town of		Cash	2020-001	2020-001	2020-001	92	No
			General Accounting Records	2020-002	2020-002	2020-002	92	No
			Revenues/Collections	2020-004	2020-004	2020-004	93	No
M10400	Fanning Springs, City of		Financial Reporting	2013-1	2013-1	2013-1	62	No
M10700	Flagler Beach, City of		Information Technology	2022-002	2021-002	2020-002	66	No
			General Accounting Records	2022-003	2021-003	2020-003	67	No
			Fund Equity	2022-004	2021-004	2020-004	69	No
			Fund Equity	2022-005	2021-005	2020-005	69	No
M11500	Fort White, Town of		Financial Reporting	2011-1	2011-1	2011-1	42	No
M11900	Gainesville, City of		Cash	2022-01	2021-01	2020-01	293	No
			General Accounting Records	2022-02	2021-02	2020-02	293	No
M12100	Glen St. Mary, Town of		Separation of Duties	2022-001	2021-001	2020-001	48	No
			Financial Reporting	2022-002	2021-002	2020-002	48	No
M12500	Graceville, City of		Separation of Duties	2006-01	2006-01	2006-01	64	No
			Financial Reporting	2007-01	2007-01	2007-01	64	No
M12600	Grand Ridge, Town of		Financial Reporting	2022-001	2021-001	2020-001	52	No
			Separation of Duties	2022-002	2021-002	2020-002	52	No
M12900	Greensboro, Town of		Separation of Duties	2022-001	2021-001	2020-001	53	No
			General Accounting Records	2022-002	2021-002	2020-002	53	No
M13100	Greenwood, Town of		Financial Reporting	2007-001	2007-001	2007-001	43	No
M14500	Hiialeah, City of		Financial Condition	2015-02	2015-02	2015-02	199	No
M15000	Hilliard, Town of		Financial Reporting	2009-1	2009-1	2009-1	94	No
M15600	Horseshoe Beach, Town of		Financial Reporting	2011-1	2011-1	2011-1	44	No
M16600	Interlachen, Town of		Financial Reporting	2022-001	2021-001	2020-001	36	No
M17300	Jay, Town of		General Accounting Records	2022-1	2021-1	2020-1	57	No
			Fund Equity	2022-2	2021-2	2020-2	57	No
M18000	Key Biscayne, Village of		Revenues/Collections	MLC2020-001	MLC2020-001	MLC2020-001	112	No
M21600	Lynn Haven, City of		General Accounting Records	2022-001	2021-001	2020-002	74	No
M21700	Maccleenny, City of		Separation of Duties	2022-001	2021-001	2020-001	66	No
M22000	Maitland, City of		Information Technology	2022-003	2019-002	2019-002	143	No
M22100	Malabar, Town of		General Accounting Records	2022-001	2021-001	2020-001	36	No
M22200	Malone, Town of		Separation of Duties	2004-001	2004-001	2004-001	45	No
			Financial Reporting	2007-001	2007-001	2007-001	45	No
M23000	Mayo, Town of		Financial Reporting	2011-1	2011-1	2011-1	59	No
M23100	Mcintosh, Town of		Financial Reporting	2019-1	2019-1	2019-1	38	No
M23200	Medley, Town of		Fixed Assets	2022-01	2021-01	2020-02	94	No
			Purchasing/Contract Management	2022-02	2021-02	2020-03	94	No
M23400	Melbourne Beach, Town of		General Accounting Records	2022-001	2021-001	2020-001	58	No
M23500	Melbourne Village, Town of		Revenues/Collections	2022-01	2021-01	2020-03	53	No
			Purchasing/Contract Management	2022-02	2021-03	2020-04	54	No
M24300	Milton, City of		Cash	2022-001	2021-001	2020-001	106	No
M24700	Montverde, Town of		Financial Reporting	ML 2022-01	ML 2021-01	ML 2020-01	52	No
M24800	Moore Haven, City of		General Accounting Records	2022-001	2021-001	2020-002	94	No
M26000	North Miami, City of		Fixed Assets	2020-02	2020-02	IC 2020-02	254	No
			Revenues/Collections	2020-03	2020-03	ML 2020-02	255	No
			Fund Equity	ML 2023-01	2020-01	IC 2020-01	261	No
M26500	Oak Hill, City of		Separation of Duties	SD01(2009)	SD01(2009)	SD01(2009)	83	No
M26600	Oakland, Town of		General Accounting Records	10-05	10-05	10-05	68	No
M29500	Paxton, City of		Financial Reporting	2022-01	2021-01	2020-01	54	No
			Separation of Duties	2022-02	2021-02	2020-02	54	No

**Local Governmental Entities That Failed To Take Full Corrective Action In Repose To A Recommendation
Included In The 2021-22 Fiscal Year Audit Report And The Two Preceding Financial Audit Reports**

Entity ID	Entity	Constitutional Officer (For Counties)	Finding Category	CY Finding No	PY Finding No	PPY Finding No	PDF page # (1)	Revision or Addendum (2)
M29800	Penney Farms, Town of		Financial Reporting	2011-1	2011-1	2011-1	51	No
M30100	Pierston, Town of		Financial Reporting	2009-01	2009-01	2009-01	40	No
			Separation of Duties	2009-02	2009-02	2009-02	41	No
			Budget Administration	2018-01	2018-01	2018-01	44	No
M31100	Port Orange, City of		Budget Administration	2022-002	2021-003	2020-005	146	Yes
M32100	Riviera Beach, City of		Payroll and Personnel Administration	2019-007	2019-007	2019-007	244	No
			Information Technology	2020-001	2020-001	2020-001	245	No
			Other Control Deficiencies and Noncompliance	2020-005	2020-005	2020-005	245	No
			Purchasing/Contract Management	2020-006	2020-006	2020-006	245	No
M32800	Sarasota, City of		General Accounting Records	2019-1	2019-1	2019-1	284	No
M34600	St. Cloud, City of		Debt Administration	2022-1	2021-1	2020-1	162	No
			Revenues/Collections	2022-2	2021-2	2020-2	173	No
M34800	St. Lucie Village, Town of		Separation of Duties	2016-1	2016-1	2016-1	22	No
M34900	St. Marks, City of		Separation of Duties	2022-01	2021-001	2020-001	38	No
M35500	Surfside, Town of		Financial Condition	MLC 2020-001	MLC 2020-001	MLC 2020-001	138	No
M35700	Tallahassee, City of		Revenues/Collections	2019-003	2019-003	2019-003	225	No
M37500	Wausau, Town of		Revenues/Collections	2017-01	2017-01	2017-01	68	No
			Separation of Duties	2022-001	2021-001	2010-01	67	No
M38000	West Melbourne, City of		Fund Equity	2022-003	MC 2019-001	IC 2019-001	170	No
M39000	Windermere, Town of		Financial Reporting	22-01	21-01	20-01	39	No
M39200	Winter Haven, City of		Financial Reporting	2022-001	2021-002	2020-002	234	No

Notes:

- (1) The page number listed is the PDF document page number, not the report page number
- (2) This column indicates if there is an addendum or revised report on the Auditor General's Web site that is associated with findings from the 2021-22 fiscal year audit report that should be viewed

Florida Statutes (2023) related to State Lotteries

24.123 Annual audit of financial records and reports.—

(1) The Legislative Auditing Committee shall contract with a certified public accountant licensed pursuant to chapter 473 for an annual financial audit of the department. The certified public accountant shall have no financial interest in any vendor with whom the department is under contract. The certified public accountant shall present an audit report no later than 7 months after the end of the fiscal year and shall make recommendations to enhance the earning capability of the state lottery and to improve the efficiency of department operations. The certified public accountant shall also perform a study and evaluation of internal accounting controls and shall express an opinion on those controls in effect during the audit period. The cost of the annual financial audit shall be paid by the department.

(2) The Auditor General may at any time conduct an audit of any phase of the operations of the state lottery and shall receive a copy of the yearly independent financial audit and any security report prepared pursuant to s. 24.108.

(3) A copy of any audit performed pursuant to this section shall be submitted to the secretary, the Governor, the President of the Senate, the Speaker of the House of Representatives, and members of the Legislative Auditing Committee.