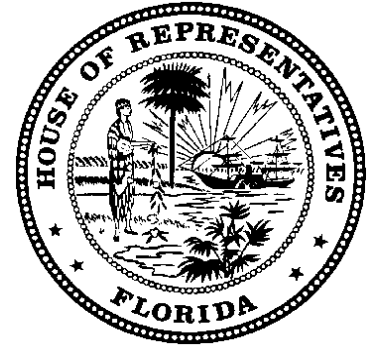


KATHLEEN PASSIDOMO
President of the Senate



PAUL RENNER
Speaker of the House



Joint Legislative Auditing Committee

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

Meeting Packet
Thursday, February 16, 2023
412 Knott Building

2:00 p.m. – 4:00 p.m.

The Florida Legislature
COMMITTEE MEETING AGENDA
JOINT LEGISLATIVE AUDITING COMMITTEE

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

MEETING DATE: Thursday, February 16, 2023

TIME: 2:00 – 4:00 P.M.

PLACE: 412 Knott Building

MEMBERS:

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

Representative Daniel “Danny” Alvarez, Sr.
Representative Christopher Benjamin
Representative Peggy Gossett-Seidman
Representative Dianne “Ms Dee” Hart
Representative Vicki L. Lopez

-
1. Presentation of the Auditor General’s operational audit of the Department of Management Services – Oversight of Private Correctional Facilities and response from the Department
 2. The Committee is expected to consider taking action against local governmental entities that have failed to file an annual financial report and/or annual financial audit report (if required) in accordance with ss. 218.32(1) and 218.39, F.S.
 3. The Committee is expected to consider taking action against local governmental entities that have failed to provide the Auditor General with significant items missing from audit reports submitted in accordance with s. 218.39, F.S.
 4. The Committee is expected to consider taking action against local governmental entities that have met a condition of a financial emergency and have failed to respond to the Governor’s Office, pursuant to s. 218.503(3), F.S.

DEPARTMENT OF MANAGEMENT SERVICES

Oversight of Private Correctional Facilities

OPERATIONAL AUDIT

REPORT No. 2022-203

LEGISLATIVE AUDITING COMMITTEE

FEBRUARY 16, 2023



AUDIT SCOPE AND BACKGROUND

- ❖ Department of Management Services oversight of private correctional facilities during the period July 2018 through February 2020.
- ❖ During the period of our audit, the Department contracted with three providers to operate and manage the seven private correctional facilities located throughout the State:
 - ❖ CoreCivic of Tennessee, LLC
 - ❖ GEO Group, Inc.
 - ❖ Management and Training Corporation (MTC)

Private Correctional Facility Contracts
Active During the Period July 2018 Through June 2021

Provider	Correctional Facility/ Contract Numbers	Contract Begin Date	Original Contract End Date	Amended Contract End Date	Original Contract Amount	Total Contract Amount ^a as of 06-30-2021
CoreCivic	Lake City Youthful Offender Facility (DMS 08/09-076)	07-31-2009	06-30-2012	06-30-2022	\$ 59,495,925	\$ 251,265,837
GEO	Bay Correctional Facility (DMS 13/14-009A)	02-01-2014	01-31-2017	07-31-2021	47,511,229	123,815,095
	Blackwater River Correctional Facility (DMS 08/09-026)	11-01-2010	10-31-2013	10-03-2021	91,980,000	344,896,601
	Graceville Correctional Facility (DMS 12/13-010)	02-01-2014	01-31-2017	08-31-2021	74,060,982	195,960,413
	Moore Haven Correctional Facility (DMS 13/14-009B)	02-01-2014	01-31-2017	06-30-2021	47,187,656	121,315,511
	South Bay Correctional Facility (DMS 08/09-077)	07-01-2009	06-30-2012	12-31-2022	225,033,702	587,248,052
MTC	Gadsden Correctional Facility (DMS 17/18-025)	02-01-2018	07-31-2019	07-31-2019	29,697,228	30,299,924
	Gadsden Correctional Facility (DMS 17/18-023)	08-01-2019	06-30-2021	06-30-2022	41,241,000	42,232,600
Totals					<u>\$616,207,722</u>	<u>\$1,697,034,033</u>

^a Total contract amount includes the original contract amount, applicable contract renewals, extensions, and amendments (e.g., increases in per diem rates) made through June 30, 2021.

Source: Department and Florida Accountability Contract Tracking System records.

BACKGROUND

AUDIT FINDINGS

Finding 1: Provider Monitoring

The Bureau of Private Prison Monitoring (Bureau) did not always issue written notices of noncompliance or document the basis for not issuing notices of noncompliance to private prison providers when continued noncompliance was identified by Bureau monitoring activities. Additionally, Department controls over the issuance of notice letters and adjustment of private correctional facility provider compensation need enhancement to ensure that Department records evidence the basis for issuing or not issuing notice letters and applying provider compensation adjustments.

AUDIT FINDINGS

Notice Letters Issued and Provider Compensation Adjustments

July 2017 Through February 2020

Provider	Correctional Facility	July 2017 – June 2018		July 2018 – June 2019		July 2019 – February 2020	
		Notice Letters	Adjustment Amount	Notice Letters	Adjustment Amount	Notice Letters	Adjustment Amount
CoreCivic	Lake City Youthful Offender Facility	3	\$ 22,500	-	\$ -	1	\$ 5,000
GEO	Bay Correctional Facility	-	-	-	-	-	-
	Blackwater River Correctional Facility	8	77,750	1	5,000	-	-
	Graceville Correctional Facility	7	47,500	-	-	-	-
	Moore Haven Correctional Facility	3	42,500	2	17,500	1	10,000
	South Bay Correctional Facility	5	27,000	1	6,000	2	8,500
MTC	Gadsden Correctional Facility	7	267,500	8	30,000	-	-
Totals		<u>33</u>	<u>\$484,750</u>	<u>12</u>	<u>\$58,500</u>	<u>4</u>	<u>\$23,500</u>

Source: Department records.

AUDIT FINDINGS

Finding 2: Facility Maintenance Monitoring

The Bureau had not established policies and procedures for monitoring provider maintenance activities at the private correctional facilities and Bureau monitoring tools were not always completed, Bureau monitoring reports did not evidence supervisory review, written notice of noncompliance was not given to providers, and Bureau records did not evidence that provider deficiencies were timely followed up on or corrective actions were timely implemented.

AUDIT FINDINGS

Finding 3: Monitoring of Health Care Services

Bureau policies and procedures for, and documentation of, review of the on-site nursing consultant's activities need improvement to demonstrate that health care monitoring services at private correctional facilities are provided in accordance with contract terms. Additionally, Bureau records did not always evidence that appropriate actions were taken in response to the consultant's findings.

AUDIT FINDINGS

Finding 4: Monitoring of Facility Staffing

Bureau monitoring of private correctional facility staffing needs enhancement to ensure that appropriate and qualified staff are assigned to provide for and maintain the security, control, custody, and supervision of inmates.

AUDIT FINDINGS

Finding 5: Incident Reporting

Bureau efforts to review and verify the accuracy and completeness of private correctional facility provider incident reporting need enhancement to ensure that incidents are correctly reported and appropriately handled in accordance with applicable contract provisions and Bureau policies and procedures.

AUDIT FINDINGS

Finding 6: Insurance Coverages

The Bureau did not ensure that private correctional facility providers obtained and maintained required insurance coverages.

Required Insurance Coverages

Coverage	Required Insurance Coverage Amounts		
	Per Occurrence	Yearly Aggregate	Additional Insured
General Liability (to include fire and legal liability)	\$2,000,000	\$10,000,000	Yes ^a
Civil Rights Liability	\$2,000,000	\$5,000,000	Yes ^a
Vehicle Liability	\$2,000,000	N/A	No
Employee Dishonesty	\$50,000	N/A	No
Workers' Compensation	Specific to Contract	N/A	No
Professional Liability	\$2,000,000	\$5,000,000	No
Umbrella Liability (to include premises liability)	\$10,000,000	\$35,000,000	No
Contractual Liability	\$2,000,000	\$10,000,000	Yes ^a
Environmental Impairment Liability	\$1,000,000	\$2,000,000	Yes ^a
Boiler and Machinery (to include business interruption)	\$1,000,000	N/A	No
Property	Full Value	N/A	Yes ^a

^a The State and the Department are to be included as additional insureds.

Source: Department records.

AUDIT FINDINGS

AUDIT FINDINGS

Finding 7: Inmate Bank and Commissary Financial Statements

Bureau controls need improvement to ensure that audited provider Inmate Bank and Commissary financial statements are timely received and appropriately reviewed.



CHRISTI ALEXANDER, CPA

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**DEPARTMENT OF
MANAGEMENT SERVICES**

Oversight of Private Correctional Facilities



Sherrill F. Norman, CPA
Auditor General

Secretary of the Department of Management Services

The Department of Management Services is established by Section 20.22, Florida Statutes. The head of the Department is the Secretary who is appointed by the Governor and subject to confirmation by the Senate. During the period of our audit, the following individuals served as Secretary:

Jonathan Satter from February 5, 2019^a

Erin Rock through January 8, 2019

^a Position was vacant from January 9, 2019,
through February 4, 2019

The team leader was David Cain, CPA, and the audit was supervised by Christi Alexander, CPA.

Please address inquiries regarding this report to Christi Alexander, CPA, Audit Manager, by e-mail at christialexander@aud.state.fl.us or by telephone at (850) 412-2786.

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Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722

DEPARTMENT OF MANAGEMENT SERVICES

Oversight of Private Correctional Facilities

SUMMARY

This operational audit of the Department of Management Services (Department) focused on the oversight of private correctional facilities. Our audit disclosed the following:

Finding 1: The Bureau of Private Prison Monitoring (Bureau) did not always issue written notices of noncompliance or document the basis for not issuing notices of noncompliance to private prison providers when continued noncompliance was identified by Bureau monitoring activities. Additionally, Department controls over the issuance of notice letters and adjustment of private correctional facility provider compensation need enhancement to ensure that Department records evidence the basis for issuing or not issuing notice letters and applying provider compensation adjustments.

Finding 2: The Bureau had not established policies and procedures for monitoring provider maintenance activities at the private correctional facilities and Bureau monitoring tools were not always completed, Bureau monitoring reports did not evidence supervisory review, written notice of noncompliance was not given to providers, and Bureau records did not evidence that provider deficiencies were timely followed up on or corrective actions were timely implemented.

Finding 3: Bureau policies and procedures for, and documentation of, review of the on-site nursing consultant's activities need improvement to demonstrate that health care monitoring services at private correctional facilities are provided in accordance with contract terms. Additionally, Bureau records did not always evidence that appropriate actions were taken in response to the consultant's findings.

Finding 4: Bureau monitoring of private correctional facility staffing needs enhancement to ensure that appropriate and qualified staff are assigned to provide for and maintain the security, control, custody, and supervision of inmates.

Finding 5: Bureau efforts to review and verify the accuracy and completeness of private correctional facility provider incident reporting need enhancement to ensure that incidents are correctly reported and appropriately handled in accordance with applicable contract provisions and Bureau policies and procedures.

Finding 6: The Bureau did not ensure that private correctional facility providers obtained and maintained required insurance coverages.

Finding 7: Bureau controls need improvement to ensure that audited provider Inmate Bank and Commissary financial statements are timely received and appropriately reviewed.

BACKGROUND

Pursuant to State law,¹ the Department of Management Services (Department), Division of Specialized Services (Division), Bureau of Private Prison Monitoring (Bureau), is responsible for overseeing the

¹ Section 957.04, Florida Statutes.

State’s private prison system and ensuring private correctional facility compliance with contract terms and conditions. For the 2020-21 and 2021-22 fiscal years, the Legislature appropriated approximately \$2.9 million and \$3 million, respectively, for private prison monitoring and authorized 15 Bureau positions.²

The Bureau contracted with three providers, CoreCivic of Tennessee, LLC (CoreCivic); GEO Group, Inc. (GEO); and Management and Training Corporation (MTC), to operate and manage the seven private correctional facilities located throughout the State. Table 1 summarizes, by provider, information regarding the private correctional facilities managed, including the contract period and contract amounts. During the period July 2018 through June 2021, the Bureau oversaw contracts totaling approximately \$1.7 billion.

Table 1
Private Correctional Facility Contracts
Active During the Period July 2018 Through June 2021

Provider	Correctional Facility/ Contract Numbers	Contract Begin Date	Original Contract End Date	Amended Contract End Date	Original Contract Amount	Total Contract Amount ^a as of 06-30-2021
CoreCivic	Lake City Youthful Offender Facility (DMS 08/09-076)	07-31-2009	06-30-2012	06-30-2022	\$ 59,495,925	\$ 251,265,837
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Totals					<u>\$616,207,722</u>	<u>\$1,697,034,033</u>

^a Total contract amount includes the original contract amount, applicable contract renewals, extensions, and amendments (e.g., increases in per diem rates) made through June 30, 2021.

Source: Department and Florida Accountability Contract Tracking System records.

EXHIBIT A to this report provides additional private correctional facility location and demographic information.

² Chapters 2020-111 and 2021-36, Laws of Florida.

FINDINGS AND RECOMMENDATIONS

Finding 1: Provider Monitoring

The Bureau designated an on-site contract monitor (OCM) at each private correctional facility and, through various monitoring activities including monthly and quarterly reviews, was to determine whether private correctional facility provider programs and services were delivered in accordance with contract terms. Department guidance specified that provider programs and services were to be evaluated by the Bureau using a standard set of contract performance indicators (CPIs)³ that included areas such as classification, grievances, academic and vocational programs, health care, mental health and substance abuse services, employee training, safety, and security. If a deficiency was noted, the Bureau was to determine based on the severity of the deficiency whether written notice of noncompliance should be issued to the provider notifying the provider that they had 20 days to correct the deficiency and provide a corrective action plan (CAP). Adjustments to provider compensation could occur once the CAP was accepted or, if a noncompliance issue was not resolved within the established time frame, at which time the provider was notified by an official notice letter.

As part of our audit, we examined various monitoring records, including 14 of the 140 monthly CPI tools and 7 of the 42 quarterly CPI tools completed by the Bureau during the 20-month period July 2018 through February 2020. Our examination found that, for the issues subsequently described, the Bureau did not issue written notices of noncompliance to providers or did not document the basis for not issuing notices when continued noncompliance was identified. Specifically:

Monthly CPI Tools

- MTC did not follow up on maintenance issues noted by the OCM at the Gadsden Correctional Facility for 17 months (October 2018 through February 2020), maintain appropriate vehicle utilization logs for 3 months (September 2018 through November 2018), or provide key personnel proper radio equipment for 3 months (May 2019 through July 2019). Additionally, Bureau monitoring records indicated that MTC could not demonstrate that key security personnel had received appropriate training in accordance with Department of Corrections (DOC) requirements for 5 months (September 2019 through January 2020).
- GEO did not maintain adequate levels of security personnel at the Graceville Correctional Facility for two 3-month periods (March 2019 through May 2019) and (July 2019 through September 2019), nor properly maintained the fire safety system for 3 months (August 2018 through October 2018).
- Contrary to contract requirements, GEO did not provide the OCM for the Moore Haven Correctional Facility staffing information for 3 months (April 2019 through June 2019).

Quarterly CPI Tools

- MTC did not adequately update the certified correctional staff training system for 2 consecutive quarters (January 2019 through June 2019).
- GEO did not provide adequate education services at the Bay Correctional Facility for 3 consecutive quarters (April 2019 through December 2019).

³ CPIs were based on the terms and conditions of the contract, State law, Department of Corrections policies and procedures, and American Correctional Association Standards.

- GEO did not accurately report information regarding inmate participation in substance abuse programs at the South Bay Correctional Facility for 2 consecutive quarters (July 2018 through December 2018).

In response to our audit inquiry, Bureau management indicated that working with and addressing provider concerns contributed to written notices of noncompliance not being issued.

Our reviews of Bureau policies and procedures and interviews with Department and Bureau management disclosed that, during the period July 2018 through July 2019, several changes were made to the notice letter process. Specifically:

- Prior to July 2018, notice letters were handled by the Bureau. Notice letters were recommended by Bureau staff to the Bureau Chief, who reviewed and approved or denied issuance of the notice letters.
- In July 2018, responsibility for final notice letter decisions was shifted to the Division. Consequently, notice letters were first sent to the Bureau Chief for review and initial approval or denial and then forwarded to the Division Director for final review and approval or denial.
- Beginning July 2019, the Division Director was required to route the notice letters for approval or denial through the Department’s Legal Division and senior management that included the Department Secretary, Deputy Secretary, and Chief of Staff.

We examined all notice letters issued by the Department to private correctional facility providers during the period July 2017 through February 2020 that included adjustments to provider compensation. As shown in Table 2, our examination disclosed that, as the Department notice letter process evolved, both the number of notice letters issued to providers and the number and amount of adjustments to provider compensation significantly decreased, from 33 notice letters issued with compensation adjustments totaling \$484,750 during the 2017-18 fiscal year to 12 notice letters issued with compensation adjustments totaling \$58,500 during the 2018-19 fiscal year.

Table 2
Notice Letters Issued and Provider Compensation Adjustments
July 2017 Through February 2020

Provider	Correctional Facility	July 2017 – June 2018		July 2018 – June 2019		July 2019 – February 2020	
		Notice Letters	Adjustment Amount	Notice Letters	Adjustment Amount	Notice Letters	Adjustment Amount
CoreCivic	Lake City Youthful Offender Facility	3	\$ 22,500	-	\$ -	1	\$ 5,000
GEO	Bay Correctional Facility	-	-	-	-	-	-
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Totals		<u>33</u>	<u>\$484,750</u>	<u>12</u>	<u>\$58,500</u>	<u>4</u>	<u>\$23,500</u>

Source: Department records.

We also found that policies and procedures for the notice letter process were not revised to reflect the process changes and documentation evidencing Division or Department approvals or denials of notice letters and the basis for such decisions was limited and, at times, not available for our review. For

example, while Bureau monitoring records evidenced significant noncompliance related to security staffing by GEO at the Bay Correctional Facility⁴ and the Bureau recommended withholding \$180,000 from GEO, the Division Director denied the withholding without documenting for the public record the basis for the denial.

Similar security staffing noncompliance was noted in Bureau monitoring records for GEO at the Blackwater Correctional Facility,⁵ as well as that GEO withheld time sheet information from the Bureau and, consequently, the Bureau could not verify overtime data pursuant to contract requirements. According to Bureau monitoring records, after a notice of noncompliance was sent to GEO for withholding the time sheet information, GEO appealed and senior Department management addressed the issue with senior GEO management. However, Bureau records did not evidence resolution of the issue. Further, Bureau monitoring records indicated that, while a notice of noncompliance was sent to GEO for the security staffing issues, a week later the Division Director placed a hold on the notice and e-mail records indicated that the Division Director did not concur with the notice for a number of reasons, including that GEO was working to increase staffing and had been requested to provide a recruiting plan and timeline to ensure that staffing deficiencies were addressed.

Although we requested, Department management was unable to provide an explanation for why such documentation was not always available to evidence decisions made.

Absent the issuance of written notices of noncompliance for continued contractual noncompliance or documentation evidencing the basis for Department decisions to not issue such notices, Department management's ability to demonstrate that private correctional facility providers are subject to appropriate oversight and contract compliance is limited. Further, written policies and procedures that reflect current processes and documentation of Department decisions promotes transparency and ensures consistent monitoring and enforcement of contract terms.

Recommendation: We recommend that, when warranted by monitoring findings, the Department issue written notices of noncompliance to private correctional facility providers. Further, to promote transparency and ensure consistent monitoring and enforcement of contract terms, we recommend that Department management enhance policies and procedures and retain documentation evidencing Department decisions.

Finding 2: Facility Maintenance Monitoring

Pursuant to contracts with the Bureau, the providers operating and managing the seven private correctional facilities located throughout the State were to:

- Provide an environmentally clean, healthy, and safe facility for both employees and inmates.

⁴ According to Bureau monitoring records, GEO did not meet DOC security personnel requirements for 13 months (January 2019 through January 2020) and did not provide adequate levels of security and trained personnel for 9 months (February 2019 through October 2019).

⁵ According to Bureau monitoring records, GEO did not maintain adequate levels of security personnel for 11 months (August 2018 through June 2019) and did not meet minimum staffing requirements for critical security personnel for 5 months (February 2019 through June 2019).

- Maintain the physical structure of the facility and all tangible personal property contained therein, including leased furnishings and equipment, including all maintenance related to structural conditions or defects as well as ordinary routine maintenance.
- Maintain, preserve, and keep the facility and the leased furnishings and equipment in good repair, working order and condition, subject to normal wear and tear, and promptly make or cause to be made all necessary and proper repairs.

As part of our evaluation of Bureau monitoring activities, we interviewed Bureau management and examined Bureau records for 7 of the 28 facility maintenance monitoring engagements conducted by the Bureau during the period July 2018 through February 2020. We found that the Bureau had not established policies and procedures for maintenance monitoring and that the absence of such policies and procedures may have contributed to:

- Bureau monitoring tools not being used for 2 of the selected maintenance monitoring engagements.
- Monitoring reports for the 7 selected maintenance monitoring engagements not evidencing supervisory review.
- Bureau records for the 7 selected maintenance monitoring engagements evidencing provider noncompliance, but not:
 - Written notice of noncompliance to the providers.
 - Documentation submitted by the provider supporting that timely corrective action had been taken.
 - Documentation supporting that the Bureau timely followed up to ensure that corrective actions had been implemented.

The noncompliance issues noted during the maintenance monitoring engagements included plumbing leaks and fixtures identified with broken or missing components, multiple trouble codes present on fire alarm control panels, and certain security-related deficiencies.

In response to our audit inquiry, Bureau management indicated that the Bureau's maintenance monitoring process had not been formalized and that management was in the process of developing policies and procedures. Bureau management further indicated in April 2022 that maintenance monitoring had not been conducted since September 2020 when the responsible monitor separated from Department employment. However, a new monitor had been hired and monitoring was to resume in a few weeks.

Effective facility maintenance monitoring evaluates whether contract requirements are being met and identifies problems as early as possible so that corrective actions may be timely initiated. Absent written facility maintenance monitoring policies and procedures, the risk is increased that monitoring may not be appropriate or performed in accordance with management's expectations.

Recommendation: We recommend that Bureau management continue efforts to establish facility maintenance monitoring policies and procedures and ensure that:

- **Maintenance monitoring is routinely conducted within reasonable time frames.**
- **Monitoring tools are completed for all engagements.**
- **Monitoring reports are subject to supervisory review and, when appropriate, written notices of noncompliance are provided to providers.**
- **Follow-up is timely conducted to ensure identified deficiencies are promptly corrected.**

Finding 3: Monitoring of Health Care Services

Effective contract administration includes monitoring to assess contractor compliance with applicable contract provisions, laws, and regulations, and to provide a means for early detection of performance problems. In November 2018, the Department contracted with an on-site nursing consultant for the assessment of correctional health care services, including physical, mental health, substance abuse, dental, pharmacy, and related services delivered to inmates in private correctional facilities. Pursuant to the contract, the consultant was, among other things, to:

- Participate in planning strategy sessions with the Bureau to coordinate the annual monitoring schedule and evaluate, review, develop, and update the health care CPI monitoring tool as needed.
- Complete on-site monitoring at each of the seven private correctional facilities at least three times a year, with the first on-site monitoring to be completed on or before October 31 of each fiscal year. Third visits were to be completed by April 30.
- Collect and analyze evaluation data from each facility, assess the effectiveness of program services by interpreting the data collected from the evaluation, and prepare and submit to the Bureau within 10 days of an on-site visit a completed health care CPI monitoring tool and executive summary documenting the results from each on-site monitoring visit.
- Perform a quarterly electronic search of each health care employee's licensure status via the State's License Verification database and provide, within 15 days from the end of each quarterly review, a written report of the search results to the Bureau.

For each private correctional facility, the Bureau was to review the consultant-completed health care CPI monitoring tool and executive summary and notify the facility of the on-site monitoring results. If performance problems were identified by the consultant, the Bureau was responsible for issuing notice letters to ensure that facilities took appropriate and timely corrective actions. As similarly noted in Finding 1, if a CPI remained noncompliant, the Bureau was to notify the provider in writing that they had 20 days to correct the deficiency and provide a CAP. Adjustments to provider compensation could occur once the CAP was accepted or if a noncompliance issue was not resolved within the established time frame. During the period July 2018 through February 2020, the on-site nursing consultant conducted 34 quarterly monitoring visits at the seven private correctional facilities.

We evaluated Bureau processes and procedures for monitoring the on-site nursing consultant for compliance with applicable contract provisions, laws, and regulations, and found that the Bureau had neither established policies and procedures for reviewing whether the consultant satisfied all contract deliverables nor a mechanism to track Bureau review of consultant-completed health care CPI monitoring tools and executive summaries. The absence of such controls may have contributed to the issues noted on audit. Specifically:

- Our examination of records for 9 of the 34 monitoring visits disclosed that the health care CPI monitoring tools and executive summaries for 8 of the 9 monitoring visits did not evidence Bureau review. According to Bureau management, the tools and summaries had been reviewed, but the review dates and reviewer names were not recorded and will be added to review documents going forward.
- For the 25 monitoring visits during which the consultant noted deficiencies, Bureau records did not evidence that:

- The Bureau sent notice letters to the providers with deficiencies noted during 4 of the monitoring visits.
- The Bureau obtained from providers CAPs related to deficiencies noted during 5 of the monitoring visits.
- Bureau CAP acceptance or denial decisions were made for 9 of the monitoring visits.
- The Bureau followed up on 9 of the monitoring visits to ensure that corrective actions were implemented by the private correctional facility provider.
- During the period July 2018 through February 2020, the consultant performed only four of the seven required quarterly electronic searches for licenses of health care employees at the Bay, Gadsden, and Graceville Correctional Facilities and five of the seven required license searches at the Blackwater, Lake City, Moore Haven, and South Bay Correctional Facilities. Bureau management indicated that the consultant usually performed license searches three times a year, not quarterly, in conjunction with the nurse's on-site monitoring visits.
- Contrary to contract requirements, the consultant's health care CPI tools and executive summaries documenting the results of each monitoring visit were not always provided to the Bureau within 10 days of a monitoring visit. Specifically, consultant health care CPI monitoring tools and executive summaries for monitoring visits at the Gadsden Correction Facility and the South Bay Correctional Facility were provided 32 and 88 days, respectively, after the visits were conducted.

Without policies and procedures for, and adequate documentation evidencing, review of the on-site nursing consultant's activities and appropriate Bureau follow-up actions, the Department cannot clearly demonstrate that contractual services were provided in accordance with contract terms, contract deliverables were adequately received, or appropriate actions were taken in response to the consultant's findings.

Recommendation: We recommend that Bureau management establish policies and procedures for assessing the on-site nursing consultant's satisfaction of contract deliverables and a mechanism to track the Bureau's review of the consultant's health care CPI monitoring tool and executive summary. Additionally, we recommend that Bureau management enhance controls to ensure that:

- Bureau records evidence review of consultant health care CPI monitoring tools and executive summaries.
- Bureau records evidence that appropriate actions are taken in response to the consultant's findings.
- Health care employee license searches are conducted in accordance with contract terms.
- Consultant health care CPI monitoring tools and executive summaries are timely submitted.

Finding 4: Monitoring of Facility Staffing

State law⁶ provides that State agencies are responsible for enforcing the terms and conditions of all contracts and ensuring that deliverables are appropriately satisfied. Pursuant to contracts with the Bureau, providers were to at all times provide sufficient, trained staff to provide for and maintain the

⁶ Section 287.057, Florida Statutes.

security, control, custody, and supervision of inmates of the facility in compliance with applicable court orders, American Correctional Association Standards, and the contract. The provider was to, among other things, maintain or provide as applicable:

- An organization chart that included all positions within the facility, indicating which positions were certified, critical complement, and mission critical.
- A staffing pattern approved by the Department's contract manager prior to the service commencement date. Any modifications to the position requirements or the staffing patterns had to be approved in writing by the Department's contract manager. All name changes were to be sent to the OCM and noted on the Position Control Logs monthly.
- A finalized chart for each shift (i.e., daily shift rosters) indicating critical complement and positions required to be filled.
- A bi-weekly report that listed the number of hours each certified officer and temporary officer worked during the pay period. Part-time correctional officers could be used if they were fully trained and licensed. However, the use of part-time correctional officers was limited to a maximum of 32 hours per officer, per week, and a total not to exceed 1,440 hours per week for the facility. Full-time correctional officers were limited to no more than 32 hours of overtime in any 2-week period unless the provider had requested and was granted an exception to the limit by the Bureau.
- Records of participation in and compliance with the provisions of the Employment Eligibility Verification Program (E-Verify Program),⁷ including participation by provider subcontractors as applicable.
- A file containing job descriptions for each position included in the staffing pattern along with documentation of the facility's annual review of the job descriptions.

As part of our audit, we evaluated Bureau processes and examined Bureau records for assessing provider compliance with facility staffing requirements during the period July 2018 through February 2020. We found that the Bureau had not established policies and procedures to address the specific criteria and methods used to assess provider compliance or the Bureau monitoring documentation to be retained, which may have contributed to the issues noted on audit. Specifically, we found that:

- For August 2, 2018, and April 27, 2019, the applicable bi-weekly staffing reports were not available to evidence the number of hours worked by employees at the Moore Haven Correctional Facility. Additionally, for a Graceville Correctional Facility report, Bureau records did not evidence that an exception had been granted for a full-time employee's overtime work that exceeded by 7.45 hours the 32 hours per officer, per 2-week contract provision.
- 3 of the 14 daily shift rosters included in our audit testing were not available to evidence whether the appropriate number of qualified employees were on duty (Bay Correctional Facility on July 4, 2019, and the Moore Haven Correctional Facility on August 2, 2018, and April 27, 2019).
- Bureau records did not evidence verification of each providers' participation in and compliance with the E-Verify Program.

According to Bureau management, the methods used to assess provider performance and document Bureau monitoring activities varied by OCM. Further, Bureau management indicated that the Bureau did not maintain a central repository of the records received from the facilities and, instead, permitted OCMs

⁷ The E-Verify Program is administered by the United States Department of Homeland Security.

to retain their records via e-mail or other means. Consequently, because the OCM assigned to the Moore Haven Correctional Facility retired in January 2021, the Bureau's access to the records requested on audit was limited. Additionally, Bureau management indicated that the OCMs were to verify provider E-Verify Program participation via a sample at each facility, but documentation of such testing was not always maintained. Bureau management indicated that the CPI tool would be revised to include specific criteria and documentation requirements necessary to satisfy E-Verify Program participation and compliance.

Policies and procedures that address the conduct of monitoring activities and adequate CPI tools reduce the risk of inconsistent and ineffective monitoring techniques and outcomes and provide additional assurance that evidence demonstrating the conduct and results of monitoring efforts is appropriately prepared and retained.

Recommendation: We recommend that Bureau management enhance CPI tools and establish facility staffing monitoring policies and procedures. Such policies and procedures should specify the manner in which Bureau monitoring activities are to be conducted and documented.

Finding 5: Incident Reporting

Contract provisions required providers to adhere to Department and DOC policies and procedures related to incident reporting. Specifically, private correctional facility providers were required to submit to the DOC reports on reportable incidents, including inmate altercations with facility staff and incidents that required outside medical attention. Incident reports were to be uploaded to the DOC's Management Information Notification System (MINS) and were to contain several data points, including the names of the parties involved, a description of the incident, and corrective actions taken.

As part of our audit, we examined Bureau records for 60 of the 6,253 incidents reports uploaded to MINS by private prison providers during the period July 2018 through February 2020 and found that, as part of the Bureau's facility oversight responsibilities, the Bureau did not verify the accuracy or completeness of incident report information. Specifically, we noted that:

- 46 of the selected incident reports did not include the corrective actions taken.
- Department records did not evidence that the Bureau reviewed or verified the information included in the 60 selected incident reports, or determined whether the incidents were correctly reported and appropriately handled by the provider in accordance with applicable contract provisions and policies and procedures.

According to Bureau management, incident reports were not always verified for completeness and accuracy in MINS by the Bureau due to the high volume of incidents and limited resources.

Absent documented review and verification of the accuracy and completeness of incident report information and actions to evaluate provider actions related to the reported incidents, the Department has reduced assurance that providers correctly report and handle incidents in accordance with applicable contract provisions and policies and procedures.

Recommendation: We recommend that Department management review and verify the accuracy and completeness of incident report information and take appropriate actions to evaluate

provider actions. Such review, verification, and evaluation efforts should be documented in Department records.

Finding 6: Insurance Coverages

State law⁸ requires private correctional facility providers to provide the Department proof of satisfactory insurance coverage in amounts determined by the Department. Table 3 depicts, by insurance type, the minimum coverage per occurrence and minimum yearly aggregate coverage amounts as outlined in each provider’s private correctional facility contract with the Department.

**Table 3
Required Insurance Coverages**

Coverage	Required Insurance Coverage Amounts		
	Per Occurrence	Yearly Aggregate	Additional Insured
General Liability (to include fire and legal liability)	\$2,000,000	\$10,000,000	Yes ^a
Civil Rights Liability	\$2,000,000	\$5,000,000	Yes ^a
Vehicle Liability	\$2,000,000	N/A	No
Employee Dishonesty	\$50,000	N/A	No
Workers’ Compensation	Specific to Contract	N/A	No
Professional Liability	\$2,000,000	\$5,000,000	No
Umbrella Liability (to include premises liability)	\$10,000,000	\$35,000,000	No
Contractual Liability	\$2,000,000	\$10,000,000	Yes ^a
Environmental Impairment Liability	\$1,000,000	\$2,000,000	Yes ^a
Boiler and Machinery (to include business interruption)	\$1,000,000	N/A	No
Property	Full Value	N/A	Yes ^a

^a The State and the Department are to be included as additional insureds.

Source: Department records.

To assess whether the Department ensured that private correctional facility providers obtained and maintained required insurance coverages, we examined certificates of insurance for the three private correctional facility providers and found that during the 20-month period July 2018 through February 2020:

- GEO had not obtained and maintained the minimum per occurrence coverage or the minimum aggregate coverage amounts for general liability, employee dishonesty, professional liability, umbrella liability (including premises liability), contractual liability, and property. Additionally, the general liability insurance policy did not include fire or legal liability coverage and the environmental impairment liability did not name the State and Department as additional insureds.
- MTC had not obtained and maintained the minimum per occurrence coverage or the minimum aggregate coverage amounts for general liability, civil rights liability, vehicle liability, employee dishonesty, workers’ compensation, professional liability, umbrella liability (including premises liability), contractual liability, environmental impairment liability, and property for periods ranging

⁸ Section 957.04(1)(b), Florida Statutes.

from 3 to 20 months. Additionally, for the 17 months the general liability insurance policy was in effect, the policy did not include fire or legal liability coverage nor name the State and Department as additional insureds.

- CoreCivic had not obtained and maintained the minimum per occurrence coverage or the minimum aggregate coverage amounts for civil rights liability, employee dishonesty, professional liability, contractual liability, environmental impairment liability, boiler and machinery, and property for periods ranging from 11 to 20 months. Additionally, the general liability insurance policy did not include fire or legal liability coverage or list the State and Department as additional insureds, the umbrella liability policy did not include premises liability coverage, and the boiler and machinery liability policy did not include business interruption coverage.

In response to our audit inquiry, Bureau management indicated that the Bureau's review of insurance coverages did not include a comparison of the providers' certificates of insurance to contract requirements.

Appropriate insurance coverage mitigates the Department's risk of loss in the event of an occurrence causing injury to a person or damage to property.

Recommendation: We recommend that Bureau management enhance insurance review processes to verify that private correctional facility providers obtain and maintain required insurance coverages.

Finding 7: Inmate Bank and Commissary Financial Statements

Bureau contracts required providers to provide the Bureau audited financial statements that clearly distinguished between Inmate Bank and Privately Operated Institutions Inmate Welfare Trust Fund (Commissary) accounts no later than January 31 or October 1 each year, depending on the provider's fiscal year. Pursuant to State law⁹ and contract terms, providers are to maintain Inmate Bank funds separate and apart from other funds, and Commissary account funds (e.g., net proceeds derived from operating inmate canteens, vending machines used primarily by inmates, receipts from telephone commissions, interest earned on the account) are to be expended only pursuant to legislative appropriation.

To ensure that audited financial statements are timely received and appropriately reviewed and corrective actions are taken for applicable findings, an effective review process is essential. Such a review process should include written policies and procedures and checklists to facilitate review of the financial statements; a method to track financial statements that are due, received, and reviewed; documentation of Bureau actions to obtain financial statements not received; and required actions to follow up on noncompliance or other auditor-noted deficiencies.

As part of our audit, we interviewed Bureau management, evaluated Bureau controls, and examined Bureau records for 14 (7 Inmate Bank and 7 Commissary) of the 28 financial statements due to and received by the Bureau during the period July 2018 through February 2020. Our audit procedures found that the Bureau had not established policies and procedures for reviewing Inmate Bank and Commissary financial statements. The absence of established policies and procedures may have contributed to the other issues noted on audit, specifically:

⁹ Section 945.215, Florida Statutes.

- Bureau records did not evidence review for any of the 14 selected financial statements.
- For 9 (5 Inmate Bank and 4 Commissary) of the 14 selected financial statements, Bureau staff did not record the date the financial statements were received, thus inhibiting the Bureau's ability to demonstrate that the statements were timely received from the providers.
- For the 2 Inmate Bank and 3 Commissary financial statements that Bureau staff recorded the dates received, one provider submitted an Inmate Bank and a Commissary financial statement 57 days after the October 1 due date.

According to Bureau management, staff turnover contributed to the Bureau not documenting when certain financial statements were received or reviewed.

Absent a documented review process, including applicable policies and procedures, the Department's assurance that audited provider Inmate Bank and Commissary financial statements are timely received and appropriately reviewed is minimized and noncompliance or deficiencies noted by the auditors may not be promptly followed up on and resolved.

Recommendation: We recommend that Bureau management establish an effective audited financial statement review process that includes written policies and procedures and checklists to facilitate review of the financial statements; a method to track financial statements that are due, received, and reviewed; documentation of Bureau actions to obtain financial statements not received; and actions to follow-up on noncompliance or other deficiencies noted by auditors.

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.

We conducted this operational audit from April 2020 through September 2021 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 Department of Management Services (Department) focused on the oversight of private correctional facilities. The overall objectives of the audit were:

- To evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- To examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in 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's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. 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 agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department personnel to obtain an understanding of the oversight of private correctional facilities.
- Obtained an understanding of selected Department information technology (IT) controls, assessed the risks related to those controls, evaluated whether selected general IT controls for the Private Prison Accountability Log and Management System were in place, and tested the effectiveness of the selected controls.
- Examined the seven private correctional facility provider contracts in effect during the period July 2018 through February 2020 and related records to determine whether Department contract procurements, extensions, renewals, and amendments made over the life of each contract, and the contract documents, were in accordance with Chapter 957, Florida Statutes, and other applicable laws, rules, and regulations, and whether the providers obtained and maintained adequate insurance coverages.
- From the population of 138 contract payments, totaling \$246,494,364, made to private correctional facility providers during the period July 2018 through February 2020, examined 14 selected contract payments (2 from each of the 7 correctional facilities), totaling \$25,769,515, to determine whether the payments were made in accordance with contract provisions and applicable laws, rules, and regulations.

- From the population of 28 (14 Inmate Bank and 14 Commissary) audited financial statements received by the Department from private correctional facility providers during the period July 2018 through February 2020, examined 14 (7 Inmate Bank and 7 Commissary) selected audited financial statements to determine whether the audited financial statements were in accordance with contract provisions and timely received, appropriately reviewed, and followed up on, if necessary, for noted findings.
- Examined Department records for the 7 private correctional facilities under contract with the Department during the period July 2018 through February 2020 to determine whether the providers maintained American Correctional Association accreditation for the facilities.
- Examined Department records for 14 (2 from each of the 7 private correctional facilities) of the 140 on-site monthly monitoring engagements conducted by the Department during the period July 2018 through February 2020 to determine whether the engagements were completed in accordance with Chapter 957, Florida Statutes, applicable policies and procedures, and contract provisions.
- Examined Department records for 7 (1 from each of the 7 private correctional facilities) of the 42 quarterly monitoring engagements conducted by the Department during the period July 2018 through February 2020 to determine whether the engagements were completed in accordance with Chapter 957, Florida Statutes, applicable policies and procedures, and contract provisions.
- Examined Department monitoring records for all 34 monitoring engagements conducted by the on-site nursing consultant during the period July 2018 through February 2020 to determine whether the Bureau had established policies and procedures for monitoring the consultant for compliance with applicable contract provisions, laws, and regulations, and a mechanism to track Bureau review of consultant completed health care CPI monitoring tools and executive summaries.
- Examined Department records for 9 of the 34 monitoring engagements conducted by the on-site nursing consultant during the period July 2018 through February 2020 to determine whether the engagements were completed in accordance with Chapter 957, Florida Statutes, applicable policies and procedures, and contract provisions.
- Examined Department records for 7 (1 from each of the 7 private correctional facilities) of the 28 maintenance monitoring engagements conducted by the Department during the period July 2018 through February 2020 to determine whether the engagements were completed in accordance with Chapter 957, Florida Statutes, applicable policies and procedures, and contract provisions.
- From the population of 138 invoices and corresponding monthly Position Control Logs submitted by providers to the Bureau during the period July 2018 through February 2020, examined 14 selected invoices and corresponding monthly Position Control Logs (2 from each of the 7 private correctional facilities) to determine whether facility staffing levels were in accordance with applicable contract provisions.
- From the population of 6,253 incident reports uploaded by providers to the Department of Corrections Management Information Notification System during the period July 2018 through February 2020, examined 60 selected incident reports to determine whether the reports were completed in accordance with applicable contract provisions and policies and procedures.
- Examined all notice letters issued by the Department during the period July 2017 through February 2020 that included adjustments to provider compensation to determine whether the adjustments were appropriately assessed in accordance with applicable laws, contract provisions, and other guidelines.

- Analyzed workers' compensation reports for injuries that occurred at the seven private correctional facilities during the period July 2018 through February 2020 to determine whether incidents were reported in accordance with Department policy.
- Analyzed Position Control Log data for the seven private correctional facilities for the period July 2018 through February 2020 to determine whether position vacancies and position vacancy days were accounted for in accordance with contract terms.
- Analyzed monthly Man-Day Billing reports for the seven private correctional facilities for the period July 2018 through February 2020 to determine whether private correctional facility occupancy rates did not exceed capacity and whether total private correctional facility inmate counts were adjusted to alter per diem rates.
- 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

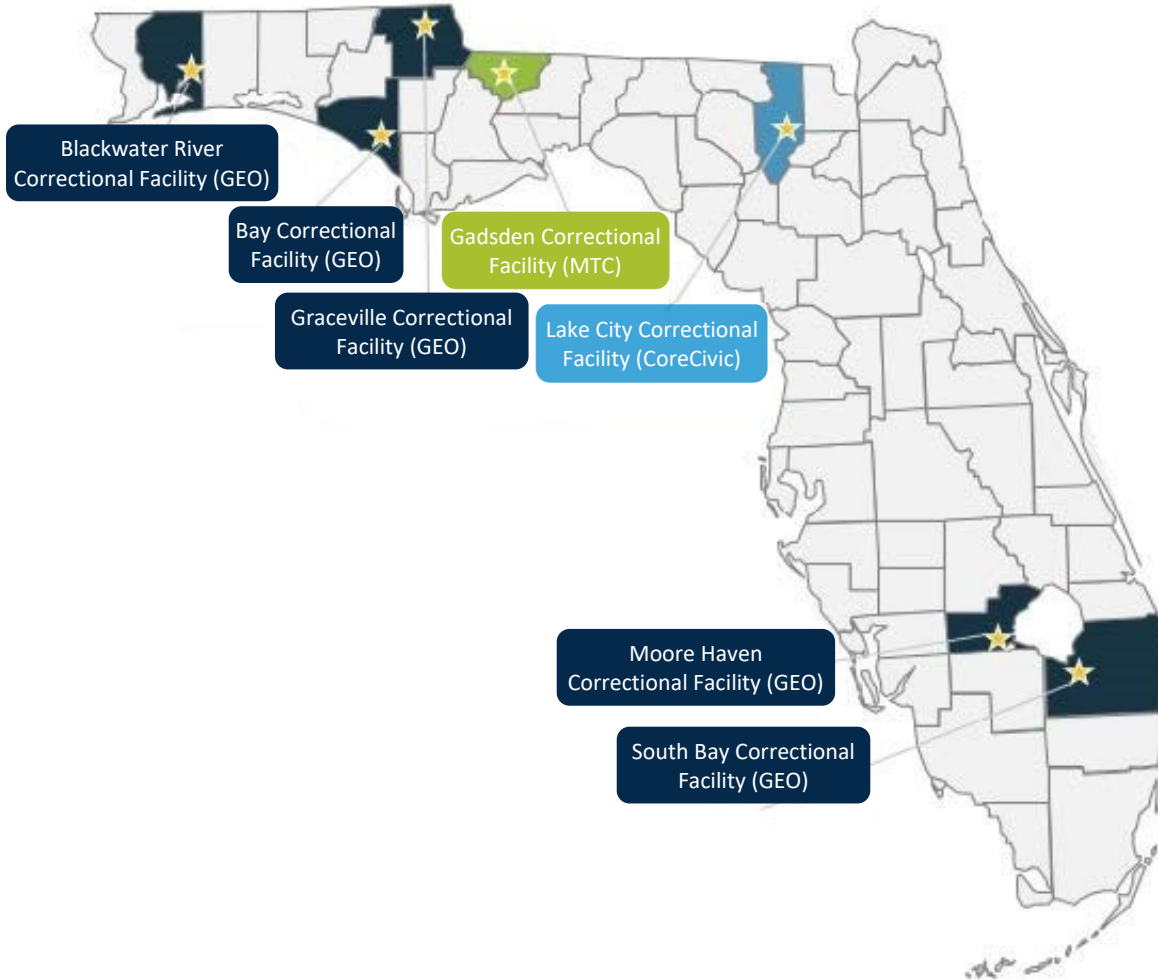
Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

EXHIBIT A

PRIVATE CORRECTIONAL FACILITY LOCATIONS AND DEMOGRAPHICS



Source: Department records.

Provider	Correctional Facility	Capacity	Population Gender	Adult or Youthful
CoreCivic	Lake City Youthful Offender Facility	894	Male	Youthful Offenders (Age 18 – 24)
GEO	Bay Correctional Facility	985	Male	Adult
	Blackwater River Correctional Facility	2,000	Male	Adult
	Graceville Correctional Facility	1,884	Male	Adult
	Moore Haven Correctional Facility	985	Male	Adult
	South Bay Correctional Facility	1,948	Male	Adult
MTC	Gadsden Correctional Facility	1,544	Female	Adult

Source: DOC Web site, April 2022.

MANAGEMENT'S RESPONSE



4050 Esplanade Way
Tallahassee, FL 32399
850-488-2786

Ron DeSantis, Governor
J. Todd Inman, Secretary

June 24, 2022

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

Dear Ms. Norman:

Pursuant to subsection 11.45(4)(d), Florida Statutes, enclosed is our response to your operational audit of oversight of private correctional facilities. Our responses correspond with the findings and recommendations contained in the preliminary and tentative findings.

If further information is needed concerning our response, please contact Sarah Beth Hall, Inspector General, at 850-488-5285.

Sincerely,

J. Todd Inman
Secretary

JTI/mc

Enclosure

cc: Patrick Gillespie, Deputy Secretary of Business Operations
Raymond Spaulding, Director of Specialized Services
Sarah Beth Hall, Inspector General

Management Responses to Preliminary and Tentative Findings

Finding 1: Provider Monitoring
Finding: The Bureau of Private Prison Monitoring (Bureau) did not always issue written notices of noncompliance or document the basis for not issuing notices of noncompliance to private prison providers when continued noncompliance was identified by Bureau monitoring activities. Additionally, Department controls over the issuance of notice letters and adjustment of private correctional facility provider compensation need enhancement to ensure that Department records evidence the basis for issuing or not issuing notice letters and applying provider compensation adjustments.
Recommendation: We recommend that, when warranted by monitoring findings, the Department issue written notices of noncompliance to private correctional facility providers. Further, to promote transparency and ensure consistent monitoring and enforcement of contract terms, we recommend that Department management enhance policies and procedures and retain documentation evidencing Department decisions.
Management Response (Planned Corrective Action): Develop an electronic routing process that identifies all reviewers for notices of non-performance and the assessment of financial consequences, captures each reviewer’s approval/disapproval and the reason to disapprove.

Finding 2: Facility Maintenance Monitoring
Finding: The Bureau had not established policies and procedures for monitoring provider maintenance activities at the private correctional facilities and Bureau monitoring tools were not always completed, Bureau monitoring reports did not evidence supervisory review, written notice of noncompliance was not given to providers, and Bureau records did not evidence that provider deficiencies were timely followed up on or corrective actions were timely implemented.
Recommendation: We recommend that Bureau management continue efforts to establish facility maintenance monitoring policies and procedures and ensure that: <ul style="list-style-type: none">• Maintenance monitoring is routinely conducted within reasonable time frames.• Monitoring tools are completed for all engagements.• Monitoring reports are subject to supervisory review and, when appropriate, written notices of noncompliance are provided to providers.• Follow-up is timely conducted to ensure identified deficiencies are promptly corrected.
Management Response (Planned Corrective Action): <ul style="list-style-type: none">• A schedule is established and implemented. Since the position was filled, a schedule has been established to conduct the first monitoring visit at the seven facilities.• Maintenance Contract Performance Indicator (CPI) monitoring was added to the Operations Manual in 2021. The individual assigned to the Facility Maintenance Monitor (FMM) position is required to prepare, implement and report CPI monitoring in accordance with the Operations Manual.

- The supervisor’s review is captured on the monitoring report. Indicators rated as not compliant are reviewed by the FMM and the bureau chief. Written notices of non-performance will be issued to the providers to address performance issues following legal review.
- The FMM monitoring schedule will ensure outstanding/recurring performance issues are timely identified and will result in a notice to assess financial consequences.

**Finding 3:
Monitoring of Health Care Services**

Finding: Bureau policies and procedures for, and documentation of, review of the on-site nursing consultant’s activities need improvement to demonstrate that health care monitoring services at private correctional facilities are provided in accordance with contract terms. Additionally, Bureau records did not always evidence that appropriate actions were taken in response to the consultant’s findings.

Recommendation: We recommend that Bureau management establish policies and procedures for assessing the on-site nursing consultant’s satisfaction of contract deliverables and a mechanism to track the Bureau’s review of the consultant’s health care CPI monitoring tool and executive summary. Additionally, we recommend that Bureau management enhance controls to ensure that:

- Bureau records evidence review of consultant health care CPI monitoring tools and executive summaries.
- Bureau records evidence that appropriate actions are taken in response to the consultant’s findings.
- Health care employee license searches are conducted in accordance with contract terms.
- Consultant health care CPI monitoring tools and executive summaries are timely submitted.

Management Response (Planned Corrective Action):

- Health Care CPI monitoring was added to the Operations Manual in 2021. The individual assigned to conduct health care monitoring is required to prepare, implement and report CPI monitoring in accordance with the Operations Manual.
- Review of the Health Care Contract Performance Indicator (CPI) by the Respect supervisor and Department supervisors was added to the Health Care CPI tool for the 2021-22FY reports.
- Indicators rated as not compliant will be reviewed by the management review specialist and the bureau chief. Written notices of non-performance will be issued to the providers to address all performance issues.
- Require Respect to conduct the license review on a quarterly basis versus when they conduct the on-site Health Care CPI review.
- Develop a template for Respect to use for the monitoring schedule that will automatically input the report submission date. Schedule Outlook calendar invitations for the report submission.

Finding 4: Monitoring of Facility Staffing
Finding: Bureau monitoring of private correctional facility staffing needs enhancement to ensure that appropriate and qualified staff are assigned to provide for and maintain the security, control, custody, and supervision of inmates.
Recommendation: We recommend that Bureau management enhance CPI tools and establish facility staffing monitoring policies and procedures. Such policies and procedures should specify the manner in which Bureau monitoring activities are to be conducted and documented.
Management Response (Planned Corrective Action): The methodology for indicators that evaluate the qualifications of staffing will be updated to include that the detail of the review is documented in the notes.

Finding 5: Incident Reporting
Finding: Bureau efforts to review and verify the accuracy and completeness of private correctional facility provider incident reporting need enhancement to ensure that incidents are correctly reported and appropriately handled in accordance with applicable contract provisions and Bureau policies and procedures.
Recommendation: We recommend that Department management review and verify the accuracy and completeness of incident report information and take appropriate actions to evaluate provider actions. Such review, verification, and evaluation efforts should be documented in Department records.
Management Response (Planned Corrective Action): Due to limited resources, a sample of incidents reports will be reviewed to ensure accuracy and completeness of incident report information. The methodology will be updated to ensure the review is documented on the CPI.

Finding 6: Insurance Coverages
Finding: The Bureau did not ensure that private correctional facility providers obtained and maintained required insurance coverages.
Recommendation: We recommend that Bureau management enhance insurance review processes to verify that private correctional facility providers obtain and maintain required insurance coverages.
Management Response (Planned Corrective Action): Develop a checklist of insurance requirements for each contract to review against the provider's insurance certificates or renewal certificates.

Finding 7: Inmate Bank and Commissary Financial Statements
Finding: Bureau controls need improvement to ensure that audited provider Inmate Bank and Commissary financial statements are timely received and appropriately reviewed.
Recommendation: We recommend that Bureau management establish an effective audited financial statement review process that includes written policies and procedures and checklists to facilitate review of the financial statements; a method to track financial statements that are due, received, and reviewed; documentation of Bureau actions to obtain financial statements not received; and actions to follow-up on noncompliance or other deficiencies noted by auditors.
Management Response (Planned Corrective Action): Develop policy and procedure or a checklist for the tracking and review of the financial statements. Consider outsourcing the review the financial statements to an accounting firm (PPM does not currently employ a CPA).

**2 Local Governmental
Entities
(Failed to File AFR and/or
Audit Report)**

Local Government Financial Reporting – Materials Provided

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

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

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

Local Government Financial Reporting

Summary of Requirements and Enforcement Authority

Related to the Joint Legislative Auditing Committee and Action Taken

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

Annual Financial Report (AFR)

- All counties, municipalities, and independent special districts¹ were required to file an AFR with the Department of Financial Services (DFS) for FY 2020-21 no later than 9 months after the end of the fiscal year (June 30, 2022, for most entities)² [s. 218.32(1), F.S.]
- Dependent special districts are also required to file an AFR, but they may be required to file the report with their county or municipality rather than with DFS [s. 218.32(1)(a) & (b), F.S.]
- Either staff of the entity or a certified public accountant may complete the AFR; specified staff of the entity are required to complete the certification page
- DFS notifies the Committee of the entities that have failed to file the AFR [s. 218.32(1)(f), F.S.]
- Committee staff monitor the submission of late-filed AFRs and contact all entities that continue to be non-compliant³
- DFS will assist entity staff in completion of the electronic AFR once the entity has the information needed
- The Committee may schedule a hearing to determine if action should be taken [s. 11.40(2), F.S.]

Annual Financial Audit⁴ (audit)

- The following table shows the audit requirements for counties, municipalities, and special districts [s. 218.39(1), F.S.]:

Type of Entity	Audit Requirement
Counties	Annual audit required
Municipalities – Revenues or expenditures over \$250,000	Annual audit required
Municipalities – Revenues or expenditures between \$100,000 and \$250,000	Audit required if an audit has not been performed for the previous two fiscal years
Municipalities – Revenues or expenditures below \$100,000	No audit required
Special Districts – Revenues or expenditures over \$100,000	Annual audit required
Special Districts – Revenues or expenditures between \$50,000 and \$100,000	Audit required if an audit has not been performed for the previous two fiscal years
Special Districts – Revenues or expenditures below \$50,000	No audit required
Community Redevelopment Agencies (CRA)⁵ – Revenues or expenditures over \$100,000, as reported on the trust fund financial statements	Annual audit required

- Audit reports for FY 2020-21 were required to be filed with the Auditor General no later than 9 months after the end of the fiscal year (June 30, 2022, for most entities) [s. 218.39(1), F.S.]

¹ As of December 8, 2022, the Department of Economic Opportunity’s website lists 1,903 active special districts; 1,287 are independent and 616 are dependent. A dependent special district has at least one of several characteristics including: the governing board is the same as the one for a single county or single municipality or its governing board members are appointed by the governing board of a single county or single municipality. An independent special district has no dependent characteristics.

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

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

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

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

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

Committee Hearings: Authority and Action Taken

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

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

- During the years 2009 through December 2021, the Committee directed action against a total of 3 counties, 76 municipalities, and 206 special districts (multiple times for some of these entities). Most of these entities filed the required reports either by the date Committee staff was directed to notify DFS, DOR, or the Department of Community Affairs (DCA)/DEO, as applicable, or within the timeframe the state agencies had to commence with action once notified by the Committee.⁹ When the required reports are filed prior to the effective date of the action, revenue is not withheld (counties, municipalities) and legal action does not occur (special districts).
- As a result of the Committee's action since 2009, revenue has been withheld from 27 municipalities (multiple times for a few of them), 2 special districts were dissolved directly by their respective local governing authority (LGA), 17 special districts were declared inactive by DCA/DEO (with most subsequently dissolved by their respective LGA), and a petition was filed in court against 28 special districts (multiple times for a few of them).

⁶ The Auditor General may conduct a financial audit of a local governmental entity, either under her own authority or at the direction of the Committee. If this occurs and the entity is timely notified, the entity is not required to engage a private CPA to conduct an audit. The Auditor General conducts very few audits of local governmental entities. Generally, if an audit is conducted it is an operational audit, not a financial audit.

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

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

⁹ DCA no longer exists; this function is now handled by DEO. DFS and DOR are provided 30 days and DEO is provided 60 days to commence with action once they receive the notification from the Committee.

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	City of Apalachicola (Franklin)	3	7	FY 2020-21 AFR and Audit Report	<p>On 12/19/2022, Committee staff received correspondence from the City's Finance Director, which stated that: (1) Last December, the City's previous finance manager left employment, and he took over the position in mid-April; (2) During the interim time, very little was done regarding the 2020-21 audit, and after he started, it took a while for him to get familiar with the City and its financial management; (3) He has been working diligently trying to get the audit complete, but unfortunately the records and the accounting left by his predecessor was a bit lacking so it has been difficult; (4) City staff are currently finishing up the audit, and he expects to have a draft report ready by the end of December at the latest; and (5) This should allow the City to have the audit report approved by the City Commission during the first half of January 2023 and then submitted.</p> <p>Committee staff spoke with the partner of the City's CPA firm on 2/8/2023, who stated that: (1) The draft audit report has been presented to the City Commission, and he expects the final audit report to be issued within the next two weeks; and (2) Once the audit report is issued, the FY 2020-21 AFR and audit report will be submitted to the State.</p>	Take action if delinquent financial reports not received by 3/31/2023
2	Town of Campbellton (Jackson)	2	5	FY 2020-21 AFR and Audit Report	No response was received from the Town to either the Committee's certified letter dated 11/4/2022 or an email sent on 2/3/2023.	Take action if delinquent financial reports not received by 2/28/2023
3	City of Center Hill (Sumter)	11	52	FY 2020-21 AFR and Audit Report	On 2/3/2023, Committee staff received correspondence from the City Clerk, which stated that: (1) The City recently engaged a CPA firm to perform the City's audits for FYs 2020-21 and 2021-22; (2) The auditors started field work in November 2022 and are currently working to complete the FY 2020-21 audit; (3) While they have other clients for which they are performing audits, they have graciously agreed to take on the task of helping the City complete the audit that is currently behind, as well as the FY 2021-22 audit; and (4) She has spoken with a partner of the CPA firm, who has assured her that the audit would be completed between 4/30/2023 and 5/15/2023.	Take action if delinquent financial reports not received by 5/31/2023

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
4	City of Clermont (Lake)	13	25	FY 2020-21 AFR and Audit Report	<p>On 12/19/2022, Committee staff received correspondence from the City's Finance Director regarding the City's and its Community Redevelopment Agency (CRA)'s delinquent FY 2020-21 financial reports, which stated that: (1) The auditors are working on the final review of the City's financial statements and are expected to have draft statements to the City early in 2023 for review; (2) It is expected that the reports should be completed within the next 30-45 days; (3) The City has experienced multiple staffing shortfalls in the past 12 months in the Finance Department; the department has 18 full-time and 1 part-time position, and there are eight new employees in the last year with four current vacancies, two of these vacancies are high level finance positions; (4) In the meantime the City has hired an audit firm to assist in the completion of some of the required information for the City's auditors; and (5) This contract work has aided the City in completing the required schedules for the auditors, and it is expected that this contract work will continue until these two positions are filled.</p> <p>On 2/13/2023, Committee staff received correspondence from the City's Finance Director regarding the City's and its CRA's delinquent FY 2020-21 financial reports, which stated that: (1) She received an update from the auditors last week, and they are completing the final review and have started working on the financial statements for the above entities; (2) There is a separate audit of the financial statements for the CRA, independent of the City's audit; and (3) It is expected that the audit reports should be ready for City review in the next couple of weeks and the final audit reports issued in mid-March.</p>	Take action if delinquent financial reports not received by 4/30/2023
5	Town of Cloud Lake (Palm Beach)	24	89	FY 2020-21 AFR and Audit Report	No response was received from the Town to either the Committee's certified letter dated 11/4/2022 or an email sent on 2/3/2023.	Take action if delinquent financial reports not received by 2/28/2023
6	Village of El Portal (Miami-Dade)	34	108	FY 2020-21 AFR and Audit Report	<p>On 11/7/2022, the Village Manager sent an email acknowledging receipt of the Committee's certified letter dated 11/4/2022.</p> <p>On 2/13/2023, Committee staff spoke with the Village Manager regarding the status of the FY 2020-21 audit. She stated that: (1) The auditors are finalizing some pending items with the audit and the Village's attorney is working on the attorney's letter to provide to the auditors; and (2) She expects the audit report to be issued before the end of March, at the</p>	Take action if delinquent financial reports not received by 3/31/2023

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Village of El Portal (continued)				<p>latest. Committee staff also received correspondence from the Village’s CFO, which stated that Village staff are currently completing the notes to the financial statements and the Town’s responses to the audit findings, and the auditors have told the Town that they hope to be completed with the audit by the end of next week.</p> <p>History: - In February 2021, the Committee approved to take action on the Village if its FY 2018-19 AFR and audit report were not received by 2/12/2021; a post-meeting email was sent to the Village’s Mayor regarding such. The Village failed to submit the financial reports by the deadline, so State action began on 2/15/2021. On 6/28/2021, the Committee Chairs approved the Village’s request for a delay of State action and additional time to submit the delinquent financial reports until 8/31/2021, and State action was stopped on 6/29/2021. The Village failed to submit the reports as required, so State action began on 9/1/2021. - In December 2021, the Committee approved to continue action relating to the delinquent FY 2018-19 AFR and audit report and begin action relating to the Village’s FY 2019-20 AFR and audit report if they were not received by 12/6/2022 because the Village had not provided a response to Committee correspondence regarding the status of both the FY 2018-19 and FY 2019-20 delinquent financial reports. The Village failed to submit the FY 2019-20 financial reports by the deadline, so State action began relating to those reports on 12/7/2022. -The Town submitted the FY 2018-19 audit report and AFR (due by law no later than 6/30/2020) on 6/27/2022 and 7/6/2022, respectively, and the FY 2019-20 audit report and AFR (due by law no later than 6/30/2021) on 11/16/2022 and 11/22/2022, respectively. As a result of the Committee's actions and the Village’s failure to timely submit the FY 2018-19 and FY 2019-20 reports, the Village lost State funds that it would ordinarily have received.</p>	
7	Town of Esto (Holmes)	2	5	FY 2020-21 AFR and Audit Report FY 2019-20 AFR and Audit Report	<p>On 3/30/2022, the Committee Chairs approved a delay of state action regarding the Town’s FY 2019-20 AFR and audit report until 6/30/2022 based on communication with the Town’s contracted CPA (CPA), which stated that: (1) The Town was making an effort to become current with its financial reporting requirements, but incurred an issue with staffing; (2) The now former Town Clerk was not performing data entry responsibilities, and it was also discovered in December 2021 that she was misappropriating funds; (3) The Town has recently hired a new Town Clerk and has contracted with the CPA’s practice to assist her with the accounting records; and (4) The CPA and Town staff anticipate that the accounting records will be ready for the auditors by 4/30/2022 and will do everything in their capacity to ensure that the audit is completed by 6/30/2022. The Town failed to submit the reports by that deadline, so State action began on 7/1/2022.</p>	Take action if delinquent financial reports not received by 6/30/2023

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Town of Esto (continued)				<p>On 8/29/2022, the Committee Chairs approved the Town's request to delay state action regarding the delinquent FY 2019-20 financial reports and present for consideration to the full Committee at a future Committee meeting the Town's request to be allowed to perform a financial audit for FY 2021-22 in lieu of financial audits for FY 2019-20 and FY 2020-21. Their decision was based on correspondence with the Town, which stated that: (1) The Town was victim of payroll fraud committed by the prior Town Clerk, who also did a poor job of data entry and record retention; (2) The Town Council assumed that her responsibilities were being taken care of but, after her termination, discovered that records were almost nonexistent and would be financially crippling to reproduce; (3) The Town's revenue does not generally exceed the audit threshold unless the Town receives significant grant income; (4) The Town Council has retained a CPA consultant to assist with control design and implementation, payroll processing, and financial reporting assistance; and (5) It is the Town Council's mission to be able to contract with an audit firm and submit audited financial statements by the deadline for FY 2021-22. [Committee staff note: This statutory deadline is no later than June 30, 2023.] The Town's CPA consultant confirmed the information provided by the Town and stated that: (1) Without the missing financial records, the Town's general ledger is incomplete and reliable draft financial statements cannot be created; and (2) The Town had also been informed by at least one CPA firm that it would not agree/be able to perform a financial audit because of the state of the Town's financial records.</p> <p>On 1/4/2023, Committee staff received correspondence from the Town Clerk regarding the status of FYs 2019-20 and 2020-21 audits. She provided a copy of a letter dated 12/21/2022 from the Town's recently engaged CPA firm which stated that: (1) They have been engaged to perform the Town's FYs 2019-20, 2020-21, and 2021-22 audits; (2) It is anticipated that the FY 2019-20 audit will fall under the standards of the Uniform Guidance [requires an audit of certain Federal awards received by the Town], and all three years will require a financial audit under <i>Government Auditing Standards</i>; (3) The engagement letters were dated 12/14/2022, and they have begun the planning phase of the audits; (4) They have met with the Town Clerk and Assistant Town Clerk and have given them guidance on the documents and procedures that will be needed for the audit, and they are currently gathering such information so as to enable an audit in accordance with professional auditing standards; and (5) They anticipate beginning audit fieldwork in mid-January 2023</p>	

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Town of Esto (continued)				<p>and to be able to present the final FY 2019-20 audit report in March 2023. In addition, the Town Clerk stated that, according to the audit firm if the Town's FY 2019-20 audit is finished in March 2023, then they should be able to start the Town's FY 2020-21 audit in April 2023. Tax season should not be a problem.</p> <p>History: -The Town submitted the FY 2018-19 AFR and audit report (due by law no later than 6/30/2020) on 10/22/2021 and 10/26/2021, respectively. These reports were delinquent due to delays related to COVID-19 and issues with the Town's accounting system that had resulted in the need to re-enter data in the accounting system for FY 2018-19 through FY 2020-21. - In December 2021, the Committee approved to take action against the Town if the FY 2019-20 AFR and audit report were not submitted by 3/31/2022.</p>	
8	Town of Fort White (Columbia)	6	10	FY 2020-21 AFR	<p>No response was received from the Town to either the Committee's certified letter dated 11/4/2022 or a courtesy email sent on 1/31/2023. [Note: The Town submitted its FY 2020-21 audit report on 11/7/2022.]</p>	Take action if delinquent financial report not received by 2/28/2023
9	City of Gretna (Gadsden)	3	8	FY 2020-21 AFR and Audit Report	<p>The City has not yet submitted its FY 2020-21 AFR and audit report (due by law no later than 6/30/2022). The City submitted its FY 2019-20 audit report and AFR (due by law no later than 6/30/2021) on 2/13/2023 and 2/14/2023, respectively. See the History section below for specifics relating to the FY 2019-20 delinquent financial reports.</p> <p>On 2/3/2023, Committee staff received correspondence from the City Manager regarding the status of City's FY 2019-20 and FY 2020-21 delinquent financial reports. He stated that the: (1) City is in possession of the draft FY 2019-20 audit report and is providing final comments to the CPA firm; (2) City expects to have the final audit report mid-week next week, along with a completed FY 2019-20 AFR; (3) CPA firm has begun the FY 2020-21 audit process, and the City should have a schedule of activities, with an anticipated completion date late next week; and (4) City doesn't expect the FY 2020-21 audit to take more than 90 days at this point.</p> <p>On 2/8/2023, Committee staff spoke with the partner of the City's CPA firm, who stated that: (1) The final draft audit report for FY 2019-20 was provided to the City last week, the City Manager is making a few revisions to the Management's Discussion and Analysis, and</p>	Take action if delinquent financial reports not received by 6/30/2023

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	City of Gretna (continued)				<p>he expects the final audit report to be issued and submitted to the State on 2/13/2023; (2) He expects to begin the FY 2020-21 audit next week and hopes to have it completed within three months; and (3) He is considering possibly beginning the FY 2021-22 audit as soon as the FY 2020-21 audit report is issued and submitted to the State.</p> <p>History: - In December 2021, the Committee approved to continue action on the City of Gretna relating to the delinquent FY 2018-19 AFR and audit report, including the AFR for the Gretna Neighborhood Improvement District. In addition, the Committee approved to take action on the City if the City's FY 2019-20 AFR and audit report, including the AFR for the Gretna Neighborhood Improvement District, were not received by 3/31/2022; a post-meeting email was sent to the City's Mayor regarding such. [Note: The City submitted the required FY 2018-19 AFRs and audit report (due by law no later than 6/30/2020) on 3/9/2022.] -The City failed to submit the FY 2019-20 financial reports by the deadline, so State action began on 4/5/2022. The City submitted its FY 2019-20 audit report and AFR, including the AFR for the Gretna Neighborhood Improvement District, on 2/13/2023 and 2/14/2023, respectively, and State action was stopped. -As a result of the Committee's action and the City's failure to timely submit the FY 2019-20 reports, the City has lost State funds that it would ordinarily have received.</p>	
10	Town of Havana (Gadsden)	3	8	FY 2020-21 AFR and Audit Report	<p>On 12/2/2022, Committee staff received correspondence from the Town Manager, which stated that: (1) The Town is working diligently to get back on track and in compliance and has requested that the Town's CPA firm get the Town back on its audit schedule as soon as possible this spring; (2) the Town has also asked that the CPA firm complete both the FY 2020-21 and FY 2021-22 audits at that time; (3) As it stands, the CPA firm anticipates scheduling the Town's next audits in April 2023; and (4) The Town humbly and sincerely requests an extension through 5/1/2023 to complete the FY 2020-21 audit.</p> <p>[Note: The Town submitted the FY 2019-20 AFR and audit report (due by law no later than 6/30/2021) on 11/1/2022 and 10/31/2022, respectively. The reports were delinquent due to delays related to prior year issues as noted in the History section below.]</p> <p>History: - In December 2021, the Committee approved to take action against the Town if the FY 2019-20 AFR and audit report were not submitted by 1/31/2022. The Town failed to submit the reports by that deadline, so State action began on 2/1/2022. - On 2/22/2022, the Committee Chairs approved a delay of state action regarding the Town's FY 2019-20 AFR and audit report until 6/30/2022 based on communication with the Town's new Interim Town Manager. Information provided regarding the status of the FY 2019-20 audit included: (1) The Town</p>	Take action if delinquent financial reports not received by 6/30/2023

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Town of Havana (continued)				<p>Manager position has experienced several changes since early 2019, when the Town Manager retired, and currently the Police Chief is the Interim Town Manager until the Town can find a qualified candidate; (2) The Town Clerk retired and the Town's Finance Director has been appointed as the Interim Town Clerk; she is also performing multiple job responsibilities in the Finance department because of staff vacancies; (3) The Town has a contracted CPA currently working on the financial records to ensure that all accounting entries have been posted to the accounting system and everything is ready for the Town's CPA firm to perform the audit; (4) The Town requests that the Committee give it until the end of April 2022 before any action is taken to withhold state funds; and (5) The Town's CPA firm has been performing the Town's audits for a number of years and is also engaged to perform the Town's FY 2020-21 audit.</p> <p>-On 5/4/2022, 7/2/2022, and 8/24/2022, the Committee Chairs approved the Town's request to delay state action regarding the delinquent FY 2019-20 financial reports until 6/30/2022, 8/15/2022, and 9/30/2022, respectively. Their decision was based on correspondence with the Town, which indicated, in part, that: (1) The Town had recently hired a new Town Manager and was preparing to advertise for a new Town Clerk; (2) Once the Town Clerk position has been filled, the Town will be much better equipped to handle all financial and operational functions without delay; and (3) The audit was in process, but various issues relating to utilities accounting and grant expenditures had been encountered that required additional time to resolve. The Town failed to submit the reports by the 9/30/2022 deadline, so State action began on 10/3/2022. The Town became compliant on 11/1/2022, prior to any State funds being withheld.</p>	
11	City of High Springs (Alachua)	6	10	FY 2020-21 AFR and Audit Report	<p>On 11/15/2022, Committee staff received correspondence from the City's Finance Director regarding the City's and its Community Redevelopment Agency (CRA)'s delinquent FY 2020-21 financial reports, which stated that: (1) The City, in an update call with auditors on 11/14/2022, have established that the audits for both the City and the CRA will be complete and the AFR submitted by the end of December 2022; (2) There were several gaps in staffing in Finance at the City over the last two years, and the City is reaching a place where it is current with all financial activities and staff has begun preparing for the FY 2021-22 Audit to ensure completion by 6/30/2023; and (3) If for any reason, the City is unable to complete the FY 2020-21 audits by the end of December, she will update our office immediately.</p> <p>On 1/12/2023, Committee staff received correspondence from the City's Finance Director regarding the City's and its CRA's delinquent FY 2020-21 financial reports, which stated that: (1) The audit is in partner review at the auditors' office, so the City anticipates issuance of the final audit report soon; and (2) She will forward the audit report as soon as it is complete.</p>	Take action if delinquent financial reports not received by 3/31/2023

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
12	City of Jacob City (Jackson)	2	5	FY 2020-21 AFR	No response was received from the City to either the Committee’s certified letter dated 11/4/2022 or courtesy emails sent on 10/26/2022 and 2/3/2023. [Note: The City submitted its FY 2020-21 audit report on 7/15/2022.]	Take action if delinquent financial report not received by 2/28/2023
13	Town of Loxahatchee Groves (Palm Beach)	31	94	FY 2020-21 AFR and Audit Report	On 11/21/2022, Committee staff received correspondence from the Town Manager, which stated that: (1) The auditor has been seriously ill and will not have the final audit report prior to the 12/19/2022 deadline (in Committee letter), as previously anticipated; and (2) New auditors have been engaged and are about to start the FY 2021-22 audit. On 12/22/2022, Committee staff received correspondence from the Town Manager, which stated that: (1) She is hopeful that she will have a draft audit report and financial statements before the new year; (2) The reasons for the latest delay are computer and phone issues at the auditors’ office; (3) She does not expect any surprises in the audit report or any adverse financial conditions; and (4) The new auditors have started the FY 2021-22 audit process and have agreed to the end of March 2023 as the deadline to issue the audit report. On 2/6/2023, Committee staff received correspondence from the Town Manager, which stated that: (1) The FY 2020-21 audit is in the home stretch, and the audit report should be available any day now; and (2) The Town was supposed to have it for 2/13/2023 advisory meeting, but is now expecting it before the end of the month.	Take action if delinquent financial reports not received by 3/31/2023
14	Town of Mangonia Park (Palm Beach)	24	88	FY 2020-21 AFR and Audit Report	On 1/5/2023, Committee staff received correspondence from the Town Manager which stated that: (1) Town staff is working with the auditors to close out the FY 2020-21 financial reports, and he anticipates having this completed within days or weeks at the most; (2) However, based on the uncertainty of the scheduling of work and Town Council meetings, the worst case scenario would be 3/1/2023 to have the reports completed and submitted; and (3) Town staff appreciates Committee staff working with them as the Town is still trying to catch up from the COVID-19 years and the backlog from not having a full-time finance person in place for over 13 months.	Take action if delinquent financial reports not received by 3/31/2023

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Town of Mangonia Park (continued)				On 2/6/2023, the Town Manager called Committee staff regarding the status of FY 2020-21 audit. He stated that: (1) he was checking to make sure that our office had received the letter he sent in early January; (2) there were only 1-2 items still pending with the audit; and (3) he still expects the audit report to be submitted no later than 3/1/2023.	
15	City of Neptune Beach (Duval)	4	16	FY 2020-21 AFR and Audit Report	<p>On 12/19/2022, Committee staff received correspondence from the City Mayor, which stated that: (1) The City has experienced turnover in the City’s Finance Department, with key positions needing to be replaced; due to the subsequent search for the Chief Financial Officer, Senior Accountant, and Accounts Payable Accountant, the City has experienced delays in the completion of the FY 2020-21 audit; (2) Due to the turnover, there was initially a delay in information being sent to the City’s audit firm, and they indicated that they will need to add the City’s audit to their existing schedule for completion; (3) The City’s Finance team has been very responsive to the audit firm’s requests, and the audit firm has stated that the City is nearing the end of the audit; and (4) It is the City’s hope to have the audit completed in January 2023.</p> <p>On 2/14/2023, Committee staff spoke to, and later received correspondence from, the City’s Chief Financial Officer, regarding the status of the FY 2020-21 audit. Information provided included that: (1) City staff are answering questions from the auditors and providing additional documentation as requested, with several items still pending; (2) The financial statement draft is expected to go to partner review at the CPA firm in approximately one week, and any questions that arise from such review will need to be answered; (3) The City will review the draft and produce the Management’s Discussion and Analysis for inclusion in the audit report; (4) Any necessary revisions will then be made and the CPA firm will perform its final in-house review; and (5) The City hopes to receive the audit report and submit it and the AFR no later than the end of April.</p>	Take action if delinquent financial reports not received by 4/30/2023
16	City of Opa-locka (Miami-Dade)	34	109	FY 2020-21 AFR and Audit Report	On 11/14/2022, Committee staff received correspondence from the Interim City Manager, which stated that: (1) In late fall, the City entered into an agreement with a consulting firm to provide internal accounting support, and the City’s Finance department’s staff, in collaboration with this firm, are working to prepare the books and verify accuracy of records for FY 2020-21; (2) The City’s CPA firm issued the City’s and the Opa-locka CRA’s FY 2019-20 Audit Reports on 10/21/2022 and 9/1/2022, respectively; (3) The City must replace its antiquated financial software with an integrated computer system wherein all modules	Take action if delinquent reports not received by 4/30/2023

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	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	City of Opa-locka (continued)				<p>communicate together, which will ultimately include changing all account numbers to the DFS' format, as required in submission of the AFR to DFS' LOGER system; (4) The City is coordinating a migration to a new governmental accounting financial software immediately and anticipate less than 36-months to complete integration of all present and foreseeable City needs; (5) Delivery of the FY2020-21 audits will not require a 24-month cycle, and the City anticipate, by the end of Summer 2023, to have issuance of the AFRs and the Audit Reports for the City of Opa-locka and Opa-locka CRA; and (6) The City continues to actively recruit professional seasoned staff with governmental experience to join the City's team and has a Senior Accountant that will begin work on 11/14/2022.</p> <p>On 2/9/2023, Committee staff spoke with the City's Finance Director regarding the implementation of the City's new ERP system and the status of the City's delinquent FY 2019-20 financial reports. She stated that: (1) The implementation of the new ERP system has been delayed until the Fall of 2023; (2) The City is expecting to provide a preliminary trial balance for FY 2020-21 to the City's CPA firm during the first week of March; (3) the City contracted with the City's former CPA firm in November 2022 to assist the City in getting the financial records for FY 2020-21 in order and ready for the audit, which includes the financial records for the City's Community Redevelopment Agency (CRA); and (4) The CRA's financial data will then be extracted from the City-wide financial data and provided to the CPA firm because the CRA is required to have a stand-alone audit, as required by law.</p> <p>As of 2/14/2023, the City remains in financial emergency status. In order to be released from this status and oversight from the Governor's Office, at a minimum the City must timely submit its required financial reports.</p> <p>History: -In March 2016, the FBI raided City Hall in a corruption probe zeroing in on top City officials and administrators. The raid followed a two-year investigation into allegations of kickback schemes involving City officials and administrative staff. (Source: Miami Herald and other local media sources) -On 6/1/2016, Governor Scott issued Executive Order Number 16-135 declaring the City is in a state of financial emergency based upon the conditions reported to the Governor by City officials (s. 218.503(3), Florida Statutes). The Governor, on 6/9/2016, appointed a 9-member financial emergency oversight board to oversee the activities of the City (s. 218.503(3)(g)1., Florida Statutes).</p>	

List 1:

MUNICIPALITIES

	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	City of Opa-locka (continued)				<p>-Since mid-2016, one then-City Commissioner, two City administrative staff, and the then-Mayor's son have plead guilty to federal bribery and extortion conspiracy charges. In addition, in May 2016 one then-City Commissioner was killed in a suspected suicide automobile accident the day before he was expected to surrender to state prosecutors on bribery charges. In mid-2018, a well-known lobbyist with close ties to City officials also plead guilty to federal bribery and extortion conspiracy charges. (Source: Miami Herald and other local media sources). It is currently unknown whether the FBI investigation is still ongoing.</p> <p>- The City has failed to timely file the required financial reports for the past seven fiscal years (average days late for the six years from FY 2014-15 through FY 2019-20 = 483.33 or in excess of 15 months).</p> <p>-As a result, the Committee has taken action against the City for four of these years' reports (2014-15, 2015-16, 2016-17, and 2019-20 fiscal years), and the City lost approximately \$2.02 million in State revenues that it would have otherwise been entitled to receive. Because the City pledged the State revenues for bond debt service satisfaction, it has received approximately \$2.5 million that would have otherwise been withheld.</p> <p>-At the Committee's direction, the Auditor General performed an operational audit of the City and its Community Redevelopment Agency (CRA) and issued the audit report in late June 2019, which included 99 findings and recommendations. The Committee held a hearing on this audit report in October 2019. The Auditor General is currently completing the 18-month follow-up audit required by law to determine the City's progress in addressing the audit findings.</p> <p>- In December 2021, the Committee approved to take action on the City and its CRA if the FY 2019-20 AFRs and audit reports were not received by 3/31/2022; a post-meeting email was sent to the City's Mayor regarding such.</p> <p>-On 3/30/2022, the Committee Chairs approved a delay of state action regarding the FY 2019-20 AFRs and audit reports until 5/31/2022 based on correspondence received from the Interim City Manager regarding, which stated that: (1) Because of substantial changes in the operations of the City and the Finance Department, the original estimated timeframe of 3/31/2022, to complete the FY 2019-20 audit was not attainable and additional time is needed (length of time not specified); (2) The City was aggressively attempting to complete the work with existing staff while recruiting for open positions; however, the City lost staff that maintained three key accountant roles within the Finance Department. This affected the continuity of work, represented 50% of the workforce required to complete the audit report, altered the City's progress to resolve prior year issues (i.e., audits, account reconciliations, research, etc.), and stretched the existing staff to continue where others left off while maintaining current operations; (3) There was also a major change in City leadership with the transition of a new Mayor, a new City Manager, and other key roles; and (4) The City respectfully requested that the City's intergovernmental revenues not be withheld in order that the City's progress may continue. In addition, because the City was still in financial emergency status, Committee staff spoke with staff at the Chief Inspector General's Office (Office) regarding the City's request. Information discussed included the following: (1) a new CPA firm was engaged to perform both the FY 2019-20 and FY 2020-21 audits, and the FY 2019-20 audit is currently in progress; (2) the contracted financial consultant was still working with the City to assist with day-to-day financial operations and assist with requested information for the audit; (3) the City was waiting for information</p>	

List 1:

MUNICIPALITIES

	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	City of Opa-locka (continued)				<p>being prepared by a third-party provider that was needed to complete the audit; estimated timeframe for receipt was six weeks; and (4) the City was still in communication with and providing requested information to the Office, although this had been slower under the new City leadership.</p> <p>-The City failed to submit the FY 2019-20 financial reports by the deadline, so State action began on 6/1/2022. The FY 2019-20 AFRs and audit reports for both the City and its CRA were submitted on 10/27/2022 and 10/25/2022, respectively, and State action was stopped.</p> <p>-As a result of the Committee's action and the City's failure to timely submit the FY 2019-20 reports, the City lost State funds that it would ordinarily have received.</p>	
17	Town of Otter Creek (Levy)	9	22	FY 2020-21 AFR and Audit Report	<p>On 11/17/2022, the Town Clerk called Committee staff and stated that the Town's FY 2020-21 audit is in progress and the auditors have assured her that the Town's audit report will be issued by the end of December 2022.</p> <p>Committee staff spoke with the Town Clerk on 2/6/2023 regarding the status of the audit. She stated that the Town has reviewed the draft audit report and is waiting on the final audit report, which should be provided any day now.</p> <p>On 2/13/2023, Committee staff received correspondence from the Town Clerk; she stated that the Town's audit is pending a presentation date to the Town Council, which could be within the next week, but will probably be a little later than that.</p>	Take action if delinquent financial reports not received by 3/31/2023
18	City of Pahokee (Palm Beach)	31	94	FY 2020-21 AFR and Audit Report	No response was received from the City to either the Committee's certified letter dated 11/4/2022 or an email sent on 2/3/2023.	Take action if delinquent financial reports not received by 2/28/2023
19	Town of Welaka (Putnam)	7	20	FY 2020-21 AFR and Audit Report	On 12/16/2022, Committee staff received correspondence from the Town Mayor, which stated that: (1) The Town is in the process of completing the FY 2020-21 audit and apologizes for the delay; (2) The Town has faced significant challenges and setbacks in recent days, including the death of the previous mayor of 17 years as the new Mayor's administration was taking office and the subsequent resignations by the Town Clerk and the Utility Clerk to pursue other opportunities; (3) This caused a significant setback as the Town Clerk worked very closely with the Town's CPA firm; (4) While the Town has since hired a new Town Clerk and Utility Clerk, the learning curve has been challenging; (5) The Town is working closely with the CPA firm to finalize the audit as quickly as possible and	Take action if delinquent financial reports not received by 3/31/2023

List 1:

MUNICIPALITIES

	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Town of Welaka (continued)				<p>anticipates having the audit completed by 1/31/2023; and (6) The Town, a small municipality with limited staff wearing many hats at times, requests patience as it works through this process.</p> <p>On 2/6/2023, Committee staff received correspondence from the Town Clerk, regarding status of FY 2020-21 audit. She stated that additional time until 3/31/2023 should be sufficient for the Town to submit the Town’s FY 2020-21 audit report and AFR. She also provided a copy of an email from the Town’s CPA firm, which stated that: (1) They are really close to being wrapped up with the audit; (2) The last item is to follow up on the legal letter; and (3) The audit firm’s internal review process will then begin, so they may have a couple more questions that come up and will need to be answered by the Town.</p>	
20	Town of White Springs (Hamilton)	3	7	FY 2020-21 AFR and Audit Report	<p>On 11/21/2022, the Town Manager called Committee staff and stated that: (1) She is working on financial schedules with the Town accountant to provide to the auditors; (2) The CPA firm that performed the Town’s FY 2019-20 audit has been engaged to perform the FY 2020-21 audit; and (3) She will talk with the Town accountant and the CPA firm to get a timeline for completion of the audit and provide an updated status by 12/19/2022.</p> <p>On 2/9/2023, Committee staff spoke with the Town Manager and requested the status of the Town’s FY 2020-21 audit report. She stated that she will: (1) contact the Town accountant and inquire about the status of the financial records for FY 2020-21 and when they will be ready to provide to the Town’s CPA firm for the audit; (2) contact the CPA firm to determine an estimated time frame for the audit, if the accounting records are provided to them in the next few weeks; and (3) send an email by 2/13/2023 with the updated status.</p> <p>No additional information has been provided to date.</p> <p>[Note: The Town submitted the FY 2019-20 AFR and audit report (due by law no later than 6/30/2021) on 8/3/2022 and 7/26/2022, respectively. The reports were delinquent due to delays related to prior year issues as noted in the History section below.]</p> <p>History: - In December 2021, the Committee approved to take action against the Town if the FY 2019-20 AFR and audit report were not submitted by 1/31/2022. On 1/31/2022, the Committee Chairs approved a delay of state action regarding the Town’s FY 2019-20 AFR and audit report until 4/1/2022 based on communication with the Town Manager and the Town’s CPA firm. Information provided regarding the status of the FY 2019-</p>	Take action if delinquent financial reports not received by 4/30/2023

List 1:

MUNICIPALITIES

	Municipality (County)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Town of White Springs (continued)				<p>20 audit included: (1) The Town hired a contracted accountant to prepare the financial records for the audit, and there was a delay in his completion of the work that was outside the control of the Town; (2) The accountant has recently communicated with the CPA firm and is expected to have the financial records ready for the audit this week; (3) The CPA firm anticipates beginning the audit as soon as the financial records are available and issue the audit report by the end of February 2022 if no complications arise during the audit; (4) The Town requests additional time until the end of March to submit the FY 2019-20 financial reports; and (5) The Town has also engaged the CPA firm to conduct the FY 2020-21 audit.</p> <p>-The Town failed to submit the reports by the deadline, so State action began on 4/5/2022. The Town submitted the FY 2019-20 AFR and audit report (due by law no later than 6/30/2021) on 8/3/2022 and 7/26/2022, respectively, and State action was stopped on 8/3/2022.</p> <p>-As a result of the Committee's action and the Town's failure to timely submit the FY 2019-20 reports, the Town lost State funds that it would ordinarily have received.</p>	

List 2:

SPECIAL DISTRICTS (INDEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Almarante Fire District (Okaloosa; Local Ordinance)	1, 2	3, 4	FY 2020-21 AFR	<p>On 11/5/2022, Committee staff received correspondence from the District's Deputy Chief, which stated that: (1) The District's bookkeeping was behind and thus District staff did not realize that the District's income for FY 2020-21 went over \$100,000, which required the need for a full audit; (2) The auditor was chosen and approved during the District's board meeting on 10/13/2022, and the engagement letter was signed shortly thereafter; (3) As of this writing (11/5/2022), the auditor has requested bank statements and financial reports for FY 2020-21; and (4) The estimated audit completion is not known at this time; however, the audit is in progress.</p> <p>On 2/9/2023, DEO forwarded to Committee staff an email received from the District's Deputy Chief, which stated that: (1) The District was notified on 2/7/2023 that the audit was completed and is awaiting the physical copies of the audit report, which are expected to arrive today or tomorrow; and (2) Once he has the paper copy in hand, he will be submitting the AFR.</p> <p>[Note: The District submitted its FY 2020-21 audit report on 2/12/2023.]</p>	Take action if delinquent financial reports not received by 3/31/2023
2	Dorcas Fire District (Okaloosa; Special Act)	1, 2	3, 4	FY 2020-21 AFR and Audit Report	<p>On 11/8/2022, Committee staff received correspondence from the District's registered agent, which stated that: (1) At this current time, the District has an active board without any elected officials (all seats are vacant at this time); (2) She has contacted the local office (SOE?), as well as the Appointments office at the EOG to get guidance and has been told many different things; (3) She contacted the DEO Special District Accountability Program this morning and obtained more information and directions than from any other office; (4) She has an appointment with a local attorney on 11/10/2022 for assistance on getting this resolved; (5) Before all this drama, the District's current auditor quit without notice, and the District's Board that they thought was active was looking for another auditor, but could not get anyone to commit due to the District's issues; (6) The District will not be able to submit anything by the 12/19/2022 deadline; and (7) Once she meets with the attorney, she will provide another update.</p> <p>On 11/16/2022, DEO forwarded to Committee staff an email dated 11/15/2022 received from the District's registered agent, which stated that: (1) She met with the attorney</p>	Take action if delinquent financial reports not received by 4/30/2023

List 2:

SPECIAL DISTRICTS (INDEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Dorcas Fire District (continued)				<p>and fortunately the District’s charter states an elected official remains active unless he/she is replaced by another elected official; (2) She was elected in 2016 so she is still an active board member; (3) The attorney gave her homework to go through all of the District Board’s minutes to find out who was elected, when and see if they ever resigned the proper way, and she is working on that task at this time.</p> <p>On 2/6/2023, DEO forwarded to Committee staff another email received from the District’s registered agent, which stated that the District has engaged a CPA firm to perform the audit, and she has a follow-up appointment with them on 2/10/2022. DEO requested that she provide an estimated timeframe for the audit to be performed and the audit report issued.</p> <p>The requested information has not been provided to date.</p>	
3	Hastings Drainage District (Putnam, St. Johns; Special Act)	7	18, 19, 20	FY 2020-21 AFR and Audit Report* (*=if audit threshold met)	No response was received from the District to the Committee’s certified letter dated 11/3/2022. In addition, the District did not provide a response to correspondence from DEO’s Special District Accountability Program regarding the delinquent financial report(s).	Take action if delinquent financial report(s) not received by 2/28/2023
4	Hillsborough Soil and Water Conservation District (Hillsborough; General Law)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2020-21 AFR and Audit Report	On 12/5/2022, DEO forwarded to Committee staff an email dated 12/3/2022 received from the District’s registered agent, which stated that: (1) The District is currently in the process of completing the FY 2020-21 audit and expects to have the complete audit report and Annual Financial Report submitted prior to 1/15/2023; (2) Since COVID, the District has been totally short staffed, with only herself (full time) and one part-time employee; (3) During this time, however, the District has continued programming at an extremely high level, including participation in 2022 at the Florida State Fair, the Hillsborough County Fair, the Florida Strawberry Festival, and its signature event, the Hillsborough 100 Conservation Challenge (held annually during April and May and includes almost 100 conservation projects completed by civic groups, churches, governmental entities, schools, youth groups and others); (4) On top of all this, the District handles agricultural cost share, and multiple competitions such as land judging,	Take action if delinquent financial reports not received by 3/31/2023

List 2:

SPECIAL DISTRICTS (INDEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Hillsborough Soil and Water Conservation District (continued)				<p>Envirothon, etc.; (5) In recent weeks, she has been able to add a full-time position and another part-time position, with 2 more positions coming after the first of the year; and (6) she assures that the audit will be in order (as it has been in the past), and that once the District is fully staffed, this won't occur in the future.</p> <p>On 1/18/2023, DEO forwarded to Committee staff an email dated 1/17/2023 received from the District's registered agent, which stated that: (1) The District is currently working on audits for both FYs 2020-21 and 2021-22 and expect everything complete by Friday, 2/24/2023; (2) This allows the District time to also fulfill all its commitments at the Florida State Fair (February 9 - 20th), for which it is currently preparing (includes exhibits and multiple events); and (3) Once everything is submitted, the District will be in a position to stay ahead.</p>	
5	Holmes Creek Soil and Water Conservation District (Holmes; General Law)	2	5	FY 2020-21 AFR and Audit Report	<p>On 12/5/2022, DEO forwarded to Committee staff an email dated 12/5/2022 received from the Business Operations Analyst - Jackson SWCD and Holmes Creek SWCD, Florida Department of Agriculture and Consumer Services (FDACS), regarding the status of the two SWCDs' FY 2020-21 audit, which stated that: (1) Both SWCDs were unable to meet DEO's 12/5/2022 audit deadline due to many factors; (2) She was hired October 2021 by the Jackson SWCD Board after an employee had resigned, and she has been "learning as I go" and was not knowledgeable of audit requirements until the time it was originally due. There were several files that had to be located and financial information processed before the auditors could even begin; (3) She was hired by Holmes Creek SWCD in April 2022 in contract with FDACS and Jackson SWCD to handle their administrative duties. They were severely behind as the previous employee unexpectedly passed away in August 2021, and it has taken quite some time to get everything caught up; (4) Both SWCDs have turned in everything to the auditors and it is currently being processed; (5) After speaking with the auditors, it looks as if the audits should both be completed by 1/31/2023, as the holidays this time of year have them a little behind; and (6) She has learned so much this year about guidelines, law, and requirements that this will not be an issue in the future, and the SWCDs are already preparing for the 2021-22 audit, which will not be late for either one of them.</p>	Take action if delinquent financial reports not received by 4/30/2023

List 2:

SPECIAL DISTRICTS (INDEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Holmes Creek Soil and Water Conservation District (continued)				<p>On 1/31/2023, DEO forwarded to Committee staff an email dated 1/30/2023 received from the Business Operations Analyst - Jackson SWCD and Holmes Creek SWCD, FDACS, regarding the status of the two SWCDs' FY 2020-21 audit, which stated that: (1) She has been in close contact with the auditors, and they are still nowhere near being complete; (2) There are still questions arising for both Districts and information needed to successfully complete the audits, and they are having a difficult time finding things from 2020; and (3) They are at the end of the process and are hoping the auditors don't request any more information.</p> <p>On 2/7/2023, Committee staff spoke with the Business Operations Analyst - Jackson SWCD and Holmes Creek SWCD, FDACS, regarding the status of the two SWCDs' audits. Regarding Holmes Creek SWCD, she stated that: (1) They are currently processing information requested by the auditors; and (2) This audit is closer to completion because a Federal Single Audit is not required. She will contact the auditors regarding both SWCDs and provide an update regarding the percentage complete and estimated timeframe for completion for both audits.</p> <p>No additional information has been provided to date.</p>	
6	Jackson Soil and Water Conservation District (Jackson; General Law)	2	5	FY 2020-21 AFR and Audit Report	<p>On 12/5/2022, DEO forwarded to Committee staff an email dated 12/5/2022 received from the Business Operations Analyst - Jackson SWCD and Holmes Creek SWCD, FDACS, regarding the status of the two SWCDs' FY 2020-21 audit, which stated that: (1) Both SWCDs were unable to meet DEO's 12/5/2022 audit deadline due to many factors; (2) She was hired October 2021 by the Jackson SWCD Board after an employee had resigned, and she has been "learning as I go" and was not knowledgeable of audit requirements until the time it was originally due. There were several files that had to be located and financial information processed before the auditors could even begin; (3) She was hired by Holmes Creek SWCD in April 2022 in contract with FDACS and Jackson SWCD to handle their administrative duties. They were severely behind as the previous employee unexpectedly passed away in August 2021, and it has taken quite some time to get everything caught up; (4) Both SWCDs have turned in everything to the auditors and it is currently being processed; (5) After speaking with the auditors, it looks as if the</p>	Take action if delinquent financial reports not received by 4/30/2023

List 2:

SPECIAL DISTRICTS (INDEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Jackson Soil and Water Conservation District (continued)				<p>audits should both be completed by 1/31/2023, as the holidays this time of year have them a little behind; and (6) She has learned so much this year about guidelines, law, and requirements that this will not be an issue in the future, and the SWCDs are already preparing for the 2021-22 audit, which will not be late for either one of them.</p> <p>On 1/31/2023, DEO forwarded to Committee staff an email dated 1/30/2023 received from the Business Operations Analyst - Jackson SWCD and Holmes Creek SWCD, FDACS, regarding the status of the two SWCDs' FY 2020-21 audit, which stated that: (1) She has been in close contact with the auditors, and they are still nowhere near being complete; (2) There are still questions arising for both Districts and information needed to successfully complete the audits, and they are having a difficult time finding things from 2020; and (3) They are at the end of the process and are hoping the auditors don't request any more information.</p> <p>On 2/7/2023, Committee staff spoke with the Business Operations Analyst - Jackson SWCD and Holmes Creek SWCD, FDACS, regarding the status of the two SWCDs' audits. Regarding Jackson SWCD, she stated that: (1) Some records relating to accounts receivable and accounts payable cannot yet be located; when she started in October 2021, the computer files had been deleted; and (2) Grant expenditures met the audit threshold for a Federal Single Audit, which is requiring additional time for the audit to be completed. She will contact the auditors regarding both SWCDs and provide an update regarding the percentage complete and estimated timeframe for completion for both audits.</p> <p>No additional information has been provided to date.</p>	
7	Orange Hill Soil and Water Conservation District (Washington; General Law)	2	5	FY 2020-21 AFR and Audit Report* (*=if audit threshold met)	In mid-December 2022, Committee staff spoke multiple times with staff assisting the District with submitting its FYs 2019-20 and 2020-21 AFRs. She stated that: (1) The FY 2019-20 AFR was submitted 12/14/2022; (2) They were currently in the process of inputting the financial data for the FY 2020-21 AFR; and (3) The District's FY 2020-21 revenues and expenditures were below the audit threshold; therefore, an audit was not required. Committee staff told her that once the FY 2020-21 AFR was submitted, it	Take action if delinquent report not received by 3/31/2023

List 2:

SPECIAL DISTRICTS (INDEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Orange Hill Soil and Water Conservation District (continued)				<p>would be provided to the Auditor General’s office if it indicated that an audit was not required for FY 2020-21.</p> <p>On 2/14/2023, Committee staff spoke with District staff, who stated that she is currently working to submit the FY 2020-21 AFR. Committee staff referred her to DFS to obtain answers to some specific questions regarding the AFR submission.</p> <p>History:</p> <ul style="list-style-type: none"> - In January 2021, Committee staff spoke with the District’s registered agent regarding the status of the District’s FY 2018-19 AFR. He stated that: (1) the District had lost all of its financial records and office furnishings due to flooding of the office building during a hurricane last year; (2) the office building has been gutted and is currently being renovated, but they expect that it will be the fall before the building is available for occupancy; (3) the District cannot complete either the FY 2018-19 or FY 2019-20 AFRs because of the destruction of the financial records; (4) the District’s revenues and expenditures are below the audit threshold; and (5) the District’s Board just recently met for the first time since the flooding. An email from the District’s Vice-Chair was subsequently received by Committee staff which confirmed this information. - In February and December 2021, the Committee approved no state action regarding the District’s FY 2018-19 and FY 2019-20 delinquent reports, respectively; however, the Committee encouraged the District to attempt to reconstruct the financial records for FY 2018-19 and FY 2019-20 and submit the respective AFRs at some future date. -The District’s total revenues and total expenditures have been below the audit threshold for each fiscal year since FY 2010-11. Average total revenues and average total expenditures were approximately \$4,600 and \$5,200, respectively. In addition, the District had generally submitted the required AFR to the DFS on or before the June 30 statutory deadline for each fiscal year since FY 2010-11. 	

List 2:

SPECIAL DISTRICTS (INDEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
8	Parkland Preserve Community Development District (St. Johns; Local Ordinance)	7	18, 19, 20	FY 2020-21 AFR and Audit Report	<p>On 12/16/2022, DEO forwarded to Committee staff an email received from the District's management company regarding the status of its FY 2020-21 audit, which stated that: (1) the District's audit firm is completing this audit; (2) All documentation has been provided to the audit firm, and the District is in open dialogue concerning any remaining questions/requests; and (3) Once answers are provided, the District expects to receive a draft audit report in early January 2023 and file the final audit report no later than 1/31/2023.</p> <p>On 2/14/2023, Committee staff received correspondence from the District's management company, which stated that: (1) They are providing final comments and support to the auditors and expect a draft audit report within the next week or two; and (2) The estimated date to file the reports is no later than 3/31/2023.</p>	Take action if delinquent report not received by 3/31/2023

List 3:

SPECIAL DISTRICTS (DEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Columbia County Industrial Development Authority (Columbia; General Law)	6	10	FY 2020-21 AFR and Audit Report* (*=if audit threshold met)	No response was received from the District to the Committee's certified letter dated 11/3/2022. In addition, the District did not provide a response to correspondence from DEO's Special District Accountability Program regarding the delinquent financial report(s).	Take action if delinquent financial report(s) not received by 2/28/2023
2	Community Redevelopment Agency of the Town of Havana (Gadsden; Local Ordinance)	3	8	FY 2020-21 AFR and Audit Report* (*=if audit threshold met)	The Agency is a component unit of the Town of Havana, and its AFR is linked to the Town's AFR, which cannot be submitted until the Town's FY 2020-21 audit is completed. [See List 1 for the status of the Town's audit.] However, the Agency is responsible for submitting its standalone audit report, if required. [Note: The FY 2017-18, FY 2018-19, and FY 2019-20 AFRs of the Town of Havana filed with the DFS show total revenues and total expenditures for the Agency below the thresholds in Section 218.39, Florida Statutes, that require a standalone financial audit.]	Take action if delinquent financial report(s) not received by 6/30/2023

List 3:

SPECIAL DISTRICTS (DEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
3	Downtown / Historic Ybor Tourism Marketing District (Hillsborough; Local Ordinance)	14, 16, 20, 23	61, 62, 63, 64, 65, 66, 67, 68, 69, 70	FY 2020-21 AFR and Audit Report* (*=if audit threshold met)	On 2/15/2023, Committee staff received correspondence from the Executive Director of the Hillsborough County Hotel & Motel Association regarding the status of the Downtown/Historic Ybor Tourism Marketing District's delinquent financial reports, which stated that: (1) After being guided by DEO staff that it would be best to confer with the City of Tampa (City) on the question of whether the District was or should be included in the City's Annual Financial Report filing, District staff and legal counsel has subsequently over the last six weeks conferred with City Finance Department staff and the City Attorney's Office as to whether the District was or should be included as part of the City's annual financial audit report as a dependent special district; (2) It has been mutually concluded that the District was not to be included under the City's annual financial audit report and the District should proceed with securing its separate independent audit; (3) Staff met with the current CPA firm to determine whether they had the audit capacity to meet the needed reporting required for the District, and they have stated that they will not be able to assist with the required audit; and (4) An engagement letter has been authorized and approved with a new CPA firm, and it is estimated that the District will be positioned to file the FY 2020-21 Audit Report no later than 6/30/2023.	Take action if delinquent financial report(s) not received by 5/31/2023
4	Downtown Clermont Redevelopment Agency (Lake; Local Ordinance)	13	25	FY 2020-21 AFR and Audit Report	The Agency is a component unit of the City of Clermont, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2020-21 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report. On 12/19/2022, Committee staff received correspondence from the City's Finance Director regarding the City's and its Community Redevelopment Agency's delinquent financial reports, which stated that: (1) The auditors are working on the final review of the City's financial statements and are expected to have draft statements to the City early in 2023 for review; (2) It is expected that these reports should both be completed within the next 30-45 days; (3) The City has experienced multiple staffing shortfalls in the past 12 months in the Finance Department; the department has 18 full-time and 1 part-time position, and there are eight new employees in the last year with four current	Take action if delinquent financial reports not received by 4/30/2023

List 3:

SPECIAL DISTRICTS (DEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Downtown Clermont Redevelopment Agency (continued)				<p>vacancies, two of these vacancies are high level finance positions; (4) In the meantime the City has hired an audit firm to assist in the completion of some of the required information for the City’s auditors; and (5) This contract work has aided the City in completing the required schedules for the auditors, and it is expected that this contract work will continue until these two positions are filled.</p> <p>On 2/13/2023, Committee staff received correspondence from the City’s Finance Director regarding the City’s and its CRA’s delinquent financial reports, which stated that: (1) She has received an update from the auditors last week, and they are completing the final review and have started working on the financial statements for the above entities; (2) There is a separate audit and financial statements for the CRA independent of the City’s audit; and (3) It is expected that the audit reports should be ready for City review in the next couple of weeks and the final audit reports issued in mid-March.</p>	
5	Gretna Neighborhood Improvement District (Gadsden; Local Ordinance)	3	8	FY 2020-21 AFR and Audit Report* (*=if audit threshold met)	<p>The District is a component unit of the City of Gretna, and its FY 2020-21 AFR is linked to the City’s AFR, which cannot be submitted until the City’s FY 2020-21 audit is completed and submitted. (Note: The City submitted its FY 2019-20 audit report and AFR, which included the AFR for the District (due by law no later than 6/30/2021) on 2/13/2023 and 2/14/2023, respectively.) [See List 1 for the status of the City’s audit.]</p> <p>To date, the City has not yet completed and submitted its FY 2020-21 AFR and audit report, including the AFR for the District (due by law no later than 6/30/2022). See the History section below for specifics relating to the FY 2019-20 delinquent financial reports.</p> <p>[Note: The City of Gretna reported zero total revenues and total expenditures for the District for at least the previous six fiscal years.]</p> <p>History: - In December 2021, the Committee approved to take: (1) no action on the special district since the City of Gretna (City) is responsible for submitting the District’s AFR, and (2) action on the City if the City’s FY</p>	No action on the special district since the City of Gretna is responsible for submitting the District’s AFR. [Note: Take action on City of Gretna if delinquent financial report(s) not received by 6/30/2023.]

List 3:

SPECIAL DISTRICTS (DEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Gretna Neighborhood Improvement District (continued)				2019-20 AFR and audit report, including the AFR for the District, were not received by 3/31/2022; a post-meeting email was sent to the City's Mayor on 12/8/2022 regarding such. -The City failed to submit the financial reports by the deadline, so State action against the City began on 4/5/2022. The City submitted its FY 2019-20 audit report and AFR, including the AFR for the District, on 2/13/2023 and 2/14/2023, respectively, and State action was stopped.	
6	High Springs Community Redevelopment Agency (Alachua; Local Ordinance)	6	10	FY 2020-21 AFR and Audit Report	<p>The Agency is a component unit of the City of High Springs, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2020-21 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report.</p> <p>On 11/15/2022, Committee staff received correspondence from the City's Finance Director regarding the City's and its Community Redevelopment Agency (CRA)'s delinquent financial reports, which stated that: (1) The City, in an update call with auditors on 11/14/2022, has established that the audits for both the City and the CRA will be complete and the AFR submitted by the end of December 2022; (2) There were several gaps in staffing in Finance at the City over the last two years, and the City is reaching a place where it is current with all financial activities and staff has begun preparing for the FY 2021-22 Audit to ensure completion by 6/30/2023; and (3) If for any reason, the City is unable to complete the FY 2020-21 audits by the end of December, she will update our office immediately.</p> <p>On 1/12/2023, Committee staff received correspondence from the City's Finance Director regarding the City's and its CRA's delinquent financial reports, which stated that: (1) The audit is in partner review at the auditors' office, so the City anticipates issuance of the final audit report soon; and (2) She will forward the audit report as soon as it is complete.</p>	Take action if delinquent financial reports not received by 3/31/2023

List 3:

SPECIAL DISTRICTS (DEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
7	Highlands County Industrial Development Authority (Highlands; General Law)	29	83	FY 2020-21 AFR and Audit Report* (*=if audit threshold met)	<p>On 2/9/2023, Committee staff received correspondence from the Executive Manager of Business & Economic Development with the Highlands County Economic Development office regarding the Highlands County Industrial Development Authority's delinquent financial report(s). The correspondence stated that: (1) He needs some help gathering what is needed to submit the delinquent financial report(s); (2) The Industrial Development Authority (IDA) is an advisory board under the Highlands County umbrella; when it was originally created, the IDA was an independent entity, and in 2017 the Economic Development office, Economic Development Commission, and the IDA were moved 100% under Highland County's jurisdiction; (3) Should the reporting for this go under the County's CAFR submitted to the state? I was under the impression this was agreed upon a couple of years ago, hence no report from 2021; and (4) Please advise how best to proceed.</p> <p>On 2/9/2023, Committee staff spoke with the Executive Manager of Business & Economic Development with the Highlands County Economic Development office and answered some of his questions regarding filing the AFR for Highlands County IDA with DFS. Committee staff then referred him to DFS to get answers to his specific questions relating to the preparation and submission of the AFR.</p>	Take action if delinquent report(s) not received by 3/31/2023
8	Loxahatchee Groves Water Control District (Palm Beach County; Special Act)	31	94	FY 2020-21 AFR and Audit Report	The District is a component unit of the Town of Loxahatchee Groves and is included in the Town's audit. Also, the District's AFR is linked to the Town's AFR, which cannot be submitted until the Town's FY 2020-21 audit is completed. [See List 1 for the status of the Town's audit.]	No action on the special district. The Town is responsible for submitting the District's AFR. [Note: Take action on Town of Loxahatchee Groves if delinquent reports not received by 3/31/2023.]

List 3:

SPECIAL DISTRICTS (DEPENDENT)

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

	District (County; Creation Method)	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
9	Opa-Locka Community Redevelopment Agency (Miami-Dade; Local Ordinance)	34	109	FY 2020-21 AFR and Audit Report	The Agency is a component unit of the City of Opa-locka, and its AFR is linked to the City's AFR, which cannot be submitted until the City's FY 2020-21 audit is completed. [See List 1 for the status of the City's audit.] However, the Agency is responsible for submitting its standalone audit report.	Take action if delinquent financial reports not received by 4/30/2023

List 4:

TAKE NO ACTION

	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
1	Apalachicola Community Redevelopment Agency (Franklin; Local Ordinance)	3	7	FY 2020-21 AFR and Audit Report* (*=if audit threshold met)	<p>On 2/8/2023, Committee staff spoke with the partner of the audit firm performing the FY 2020-21 audit of the City of Apalachicola, who stated that the CRA has been dissolved (it started in 1989; actually terminated in 2019 (at end of 30th year), which the City determined after research in 2022), and he has included a reference to such in the City’s audit report. He agreed to ask the City attorney to forward the dissolution documents to DEO’s Special District Accountability Program so that office is aware of the dissolution.</p> <p>Committee staff reviewed the minutes of the Apalachicola City Commission meeting on June 7, 2022, and noted the discussion regarding the return of CRA funds to Franklin County. The minutes include the following sentence: “It was determined by the City Attorney, that the City’s CRA was actually terminated at the end of the 2019 fiscal year.”</p>	No state action because CRA has been dissolved.
2	Campbellton-Graceville Hospital District (Jackson; Special Act)	2	5	AFR and Audit Report* for: FY 2020-21 FY 2019-20 FY 2018-19 FY 2017-18 FY 2016-17 FY 2015-16 FY 2014-15 FY 2013-14 (*=if audit threshold met)	<p>On 2/9/2023, DEO forwarded to Committee staff an email received from the District’s registered agent, which stated, “Can the legislature just go ahead and dissolve Campbellton-Graceville Hospital District? CGH hasn’t had any board members since the hospital property was sold in 2018. I believe CGH still has one bank account open at Peoples Bank in Graceville, Florida. There are also unclaimed assets at DFS. These assets should go to Jackson County upon the dissolution of the district. Would it help if Jackson County requested the dissolution from the legislature?” [Note: The DEO General Counsel’s office has been requested to review and respond to this email.]</p> <p>History: - Correspondence received in August 2021 from the DEO General Counsel’s office regarding the status of action against the District stated that “due to the ongoing bankruptcy, [the office] recommends taking no action at this time.” Committee staff asked the following to DEO: “The Hospital corporation claims that it is a separate entity from the Hospital District, which is why it could file for bankruptcy without the Governor’s consent. If that’s accurate, what bearing does the bankruptcy case even have on the Hospital District?” Correspondence from DEO received in September 2021 stated that “it is in the best interest of the Department to not proceed with declaring the Campbellton-Graceville Hospital District inactive while the bankruptcy is ongoing.” - Correspondence received in February 2019 from the DEO General Counsel’s office regarding the status of action against the District stated: (1) the Campbellton Graceville Hospital Corporation’s Chapter 11 Bankruptcy was still pending; and (2) the Jackson County Official Records indicated that</p>	Continue to delay state action on prior year delinquent financial reports and delay state action on FY 2020-21 delinquent financial reports, and have staff monitor District’s progress in complying with terms of Chapter 2018-188, Laws of Florida, to "wind down its affairs" now that the Hospital property has been sold.

List 4:

TAKE NO ACTION

	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Campbellton-Graceville Hospital District (continued)				<p>the hospital property was sold on 8/1/2018, which appeared to further the legislation from the 2018 Legislative Session.</p> <p>- Legislation passed during the 2018 Legislative Session relating to the District (HB 1449, now Chapter 2018-188, Laws of Florida): (1) authorized the District to complete the sale of the Campbell-Graceville Hospital facility to Northwest Florida Healthcare, Inc.; (2) required that, upon completion of such sale, the District remain in full operation and possession of all powers to be exercised solely to wind down its affairs; and (3) stated that, on the date the District closes on the authorized sale, Sections 4 and 5 of the Districts enacting law (Chapter 69-2290, Laws of Florida) are repealed and the authority of the Board of County Commissioners of Jackson County to impose any ad valorem taxes for maintenance and operations of the District is terminated.</p> <p>-In August 2017, Committee staff were informed that the Campbellton Graceville Hospital Corporation had filed bankruptcy. The Hospital Corporation claimed that it was a separate entity from the Hospital District, which was why it could file for bankruptcy without the Governor's consent. The Attorney General's Office had some involvement regarding the bankruptcy proceedings.</p> <p>-On 7/27/2017 Committee staff received an email from DEO stating that Hospital had closed on June 30th, but the clinic remained open. Neither Committee staff nor the Governor's Office were notified by the District of this, which is a condition of financial emergency, as required by Section 218.503(3), Florida Statutes.</p> <p>-The Committee, at its 11/2/2015 meeting, directed DEO to take action against the District for failure to file the AFR and audit report for the 2013-14 fiscal year. DEO filed a petition for enforcement in the Leon County Circuit Court in February 2016, and the Circuit Judge signed the Order of Final Judgment on 11/6/2016. The District failed to file the delinquent financial reports as ordered, so DEO published a "Proposed Notice of Inactive Status" in the local paper on 11/17/2016. The District objected and filed a "Petition for Formal Administrative Hearing" on 12/6/2016. A formal hearing with the Division of Administrative Hearings was scheduled for 2/24/2017.</p>	
3	Santa Rosa Bay Bridge Authority (Santa Rosa; Special Act)	1	2, 3	AFR and Audit Report* for: FY 2020-21 FY 2019-20 FY 2018-19 FY 2017-18 FY 2016-17 FY 2015-16 FY 2014-15 FY 2013-14	<p>On 7/28/2021, the Department of Transportation (DOT) issued a news release which stated that Governor DeSantis announced he had directed DOT: (1) to reduce the toll rates on the Garcon Point Bridge, the Authority's bridge (Bridge) to be consistent with other DOT toll facilities across the State; and (2) to ensure that the toll rates remain low, reach a settlement with the Bond Trustee and the bondholders to purchase the Bridge and transfer control to the Florida Turnpike Enterprise. The DOT news release further stated that Governor DeSantis also announced that he would be asking the Florida Legislature to take action to codify the lower toll rates into law.</p> <p>In June 2022, the DOT reached a settlement with the bondholders to pay \$134 million to transfer the ownership of the Garcon Point Bridge to the DOT. On 2/9/2023, Committee staff spoke with staff of DOT's legislative programs office, who</p>	Continue to delay state action

List 4:

TAKE NO ACTION

	Take No Action	Senate District	House District	Financial Report(s) Not Submitted	Comments	Staff Recommendation
	Santa Rosa Bay Bridge Authority (continued)			FY 2012-13 FY 2011-12 FY 2010-11 Audit Report for: FY 2009-10 FY 2008-09 (*=if audit threshold met)	stated that the DOT is currently working on statutory clean-up language to address the Santa Rosa Bay Bridge Authority. History: -Since at least 2009, the Committee has approved to delay action until a later date since the Authority only has restricted funds, which cannot be used to pay for an audit. DOT staffs the day-to-day operations of Authority, and until sometime in 2013 the DOT IG's Office compiled the financial statements and submitted the AFR for the Authority. -On 6/30/2011, the Authority was unable to make its \$5 million bond payment, and the trustee alerted the bondholders to the default. Since the bonds were not backed by the full faith and credit of the State, the State is not liable for the debt. DOT continues to operate and maintain the bridge. -In November 2013, the Authority's registered agent stated that DOT and the bond trustee had agreed to each pay half of cost for an independent reviewer/consultant to help review financial information and get AFRs submitted. -In January 2015, DEO forwarded an email from the Authority's registered agent of record to Committee staff. He stated that he had resigned from the Authority's Board in December 2014, following other members' resignations by about two months. Mellon Bank had sent a directive for the Board to increase the Garcon Point Bridge toll from \$3.75 to \$5; if such action had not been taken within 30 days, they were going to circumvent the Board and direct the State to raise the toll. He stated that he resigned because he had long said that he would not serve through another unwarranted toll increase and he meant it. DEO removed him as the registered agent in its records and requested, if he was aware or became aware of anyone else who was handling registered agent responsibilities for the Authority, that he let DEO know or ask the person to contact DEO. -Since 2/12/2015, the Department of Economic Opportunity, Special District Accountability Program (DEO)'s records have shown the Authority's registered agent name and address as "Unknown." Each subsequent year, DEO determined that the Authority could not be declared "Inactive" at the time. Neither DEO nor Committee staff have received any communication from the District in a number of years.	

From: DEREK NOONAN <DEREKNOONAN@AUD.STATE.FL.US>
Sent: Monday, September 26, 2022 10:30 AM
To: Zika, Ardian; Baxley, Dennis
Cc: White, Deborah; Dubose, Kathy
Subject: FY 2020-21 Section 11.45(7)(a) FS, Notification
Attachments: 2020-21 Section 11.45(7)(a) Notification for JLAC.xlsb

Pursuant to Section 11.45(7)(a), Florida Statutes, this e-mail is to notify you of the 168 local governmental entities listed on the attached document that, as of September 21, 2022, were either not in compliance (Attachment A), or may not have been in compliance (Attachment B), with the Section 218.39, Florida Statutes, audit report filing requirement for the 2020-21 fiscal year. A separate notification regarding district school boards, charter schools, and charter technical career centers that failed to provide for an audit for the 2021-21 fiscal year was made to you in our e-mail dated April 26, 2022.

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

Derek H. Noonan, Audit Manager
Auditor General, State of Florida
111 West Madison Street, Rm 401-P
Tallahassee, FL 32399-1450
Office (850) 412-2864

Note: 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
2020-21 Fiscal Year Audit Reports
Required - Not Received**

Attachment A

	COUNTIES	Entity ID	Note
1	Baker County	C00200	A
2	Dixie County	C01500	B
3	Gadsden County	C01900	A
4	Jefferson County	C03200	B
5	Washington County	C06600	A

	MUNICIPALITIES		
1	Altha, Town of	M00400	B
2	Apalachicola, City of	M00600	A
3	Avon Park, City of	M01500	A
4	Bellair, Town of	M02500	B
5	Bonifay, City of	M03400	A
6	Campbellton, Town of	M04900	B
7	Center Hill, City of	M05700	A
8	Century, Town of	M05800	A
9	Clermont, City of	M06400	B
10	Cloud Lake, Town of	M06600	B
11	Crescent City, City of	M07500	B
12	Eatonville, Town of	M09600	A
13	El Portal, Village of	M10000	A
14	Esto, Town of	M10100	A
15	Fort White, Town of	M11500	B
16	Gainesville, City of	M11900	A
17	Gretna, City of	M13200	A
18	Havana, Town of	M14100	A
19	Hialeah Gardens, City of	M14400	A
20	High Springs, City of	M14600	B
21	Indian Shores, Town of	M16400	B
22	Jacksonville, City of	M16900	B
23	Loxahatchee Groves, Town of	M21550	B
24	Manalapan, Town of	M22300	B
25	Mangonia Park, Town of	M22400	A
26	Mexico Beach, City of	M23600	B
27	Midway, City of	M24200	A
28	Neptune Beach, City of	M25200	B
29	Opa-Locka, City of	M27400	A
30	Otter Creek, Town of	M28000	B
31	Pahokee, City of	M28200	A
32	Panama City, City of	M29100	A
33	Panama City Beach, City of	M29200	B
34	Pembroke Park, Town of	M29600	A
35	Ponce de Leon, Town of	M30900	B
36	Redington Shores, Town of	M32000	A
37	South Palm Beach, Town of	M34100	B
38	Starke, City of	M35200	B
39	Sweetwater, City of	M35600	B
40	Welaka, Town of	M37800	B
41	White Springs, Town of	M38600	A
42	Yankeetown, Town of	M39600	A

INDEPENDENT SPECIAL DISTRICTS

1	Arlington Ridge Community Development District	D02250	A
2	Avalon Groves Community Development District	D02810	B
3	Aviary at Rutland Ranch Community Development District	D02875	B
4	Ballantrae Community Development District	D03350	B
5	Ballantrae Hillsborough Community Development District	D03355	B
6	Belmont Lakes Community Development District	D05060	A
7	Bridgewater of Wesley Chapel Community Development District	D07906	B
8	Carlton Lakes Community Development District	D10275	B
9	Central Broward Water Control District	D11300	B
10	Chapel Crossings Community Development District	D11975	B
11	Children's Services Council of Leon County	D12600	B
12	City Center Community Development District	D14005	B
13	Cypress Preserve Community Development District	D20301	B
14	Delta Farms Water Control District	D22000	B
15	Dorcas Fire District	D22900	A
16	Eastpoint Water and Sewer District	D25500	B
17	Epperson Ranch Community Development District	D26350	B
18	Flaghole Drainage District	D27300	B
19	Golden Lakes Community Development District	D31200	B
20	Grand Haven Community Development District	D31400	B
21	Green Corridor Property Assessment Clean Energy (PACE) District	D31785	B
22	Grove Resort Community Development District	D31911	B
23	Hawk's Point Community Development District	D33403	B
24	Heights Community Development District, The	D33475	B
25	Hendry-Hilliard Water Control District	D33800	B
26	Heritage Harbor Community Development District	D34100	B
27	Hillsborough Soil and Water Conservation District	D36400	A
28	Holmes Creek Soil and Water Conservation District	D37100	A
29	Jackson Soil and Water Conservation District	D40400	A
30	Key Marco Community Development District	D41700	A
31	Lake Ashton II Community Development District	D42615	A
32	Lake Lucie Community Development District	D43600	A
33	Lee County Trauma Services District	D46150	A
34	Lee Memorial Health System	D46200	A
35	Long Lake Ranch Community Development District	D47350	B
36	Lucaya Community Development District	D47830	B
37	Magnolia Park Community Development District	D48165	B
38	Myakka Ranch Community Development District	D53330	A
39	New River Community Development District	D53880	A
40	North Park Isle Community Development District	D55574	B
41	Solterra Resort Community Development District	D57050	A
42	Palm River Community Development District	D62070	B
43	Panther Trace Community Development District	D62555	B
44	Parkland Preserve Community Development District	D62562	B
45	Pembroke Harbor Community Development District	D63950	A
46	Pine Tree Water Control District (Palm Beach County)	D64700	A
47	Preserve at South Branch Community Development District, The	D67860	B
48	South Dade Soil and Water Conservation District	D74000	A
49	South Fork III Community Development District	D74363	B
50	Southern Hills Plantation II Community Development District	D75480	B

**Local Governmental Entities
2020-21 Fiscal Year Audit Reports
Required - Not Received**

Attachment A

51	Spencer Creek Community Development District	D75735	B
52	Stoneybrook at Venice Community Development District	D78245	B
53	Sugarland Drainage District	D78400	B
54	Sunrise Lakes Phase IV Recreation District	D79400	A
55	Touchstone Community Development District	D82570	B
56	Union Park Community Development District	D84350	B
57	Ventana Community Development District	D84954	B
58	Viera East Community Development District	D85100	B
59	Waterleaf Community Development District (Hillsborough County)	D87307	B

DEPENDENT SPECIAL DISTRICTS

1	Housing Finance Authority of Polk County	D37900	B
2	Jacksonville Housing Finance Authority	D23800	B
3	Jacksonville Public Library	D40460	B
4	Loxahatchee Groves Water Control District	D47701	B
5	Panama City Downtown Improvement Board	D62300	A
6	Panama City Port Authority	D62400	A
7	Suwannee Water and Sewer District	D80200	A

COMMUNITY REDEVELOPMENT AGENCIES

1	Apalachicola Community Redevelopment Agency	D01900	A
2	Avon Park Community Redevelopment Agency	D02900	A
3	Downtown Clermont Redevelopment Agency	D23150	B
4	Downtown Investment Authority	D23378	B
5	High Springs Community Redevelopment Agency	D34900	A
6	Jacksonville International Airport Area Redevelopment Agency	D40750	B
7	KingSoutel Crossing Community Redevelopment Agency	D41909	B
8	Opa-Locka Community Redevelopment Agency	D58570	A
9	Panama City Beach Community Redevelopment Agency	D62240	B
10	Panama City Community Redevelopment Agency	D62245	B
11	Quincy Community Redevelopment Agency	D68750	A
12	Renew Arlington Community Redevelopment Agency	D69430	B
13	Town of Eatonville Community Redevelopment Agency	D82605	A
14	U.S. Highway 17-92 Corridor Redevelopment Agency	D84220	A

127 Total Counties, Municipalities and Special Districts

NOTES

- A Based on previous audit reports or other financial reports filed by the entity, the entity was required to provide for an audit for the 2020-21 fiscal year. Although we mailed a letter to each entity requesting confirmation that an audit was performed or was in progress, these entities did not respond to our letter.
- B As of September 21, 2022, we had not received an audit report for the 2020-21 fiscal year; however, the entity confirmed that an audit was in progress.

**Local Governmental Entities
2020-21 Fiscal Year Audit Reports
May Have Been Required - Not Received**

Attachment B

		Entity ID	Last Fiscal Year Audit Received
<u>MUNICIPALITIES</u>			
1	Raiford, Town of	M31700	A

<u>INDEPENDENT SPECIAL DISTRICTS</u>			
1	Alachua Soil and Water Conservation District	D00700	A, B
2	Almarante Fire District	D01100	2018-19
3	Bermont Drainage District	D05100	A, B
4	Brevard Soil and Water Conservation District	D07900	A, B
5	Calhoun County Transportation Authority (Inactive 4/15/2021)	D09300	A, B
6	Campbellton-Graceville Hospital District	D09400	A
7	Cone Ranch South Community Development District (Dissolved 8/30/21)	D18375	A, B
8	Dead Lakes Water Management District (Inactive 4/22/2021)	D21600	A, B
9	Hastings Drainage District	D33400	A, B
10	Nature Coast Regional Water Authority	D53620	2019-20
11	Orange Hill Soil and Water Conservation District	D59400	A, B
12	Santa Fe Soil and Water Conservation District	D70800	A, B
13	Santa Rosa Bay Bridge Authority	D70900	A
14	Taylor Soil and Water Conservation District	D81900	A, B
15	Verona Community Development District (Inactive 3/21/2022)	D85040	A, B
16	Villages of Avignon Community Development District (Inactive 1/4/2021)	D85505	2017-18
17	Wakulla Soil and Water Conservation District	D86800	A, B
18	West Orange Airport Authority (Inactive 6/29/2021)	D87950	A, B
19	Wildcat Preserve Community Development District	D89380	A, B

<u>DEPENDENT SPECIAL DISTRICTS</u>			
1	Ali-Baba Neighborhood Improvement District	D00800	B
2	Brandon Groves North Service District (Dissolved 10/12/2021)	D07100	A
3	City of Palm Bay Business Improvement District (Dissolved 12/16/2021)	D15380	B
4	City of Palm Bay Road Maintenance District (Dissolved 11/19/2021)	D15390	B
5	Columbia County Industrial Development Authority	D17900	B
6	Connected City Stewardship District	D18378	B
7	Downtown / Historic Ybor Tourism Marketing District	D23370	B
8	East-West Neighborhood Improvement District	D25300	B
9	Eastern Volusia Regional Water Authority (Dissolved 3/17/2021)	D25350	B
10	Gadsden County Hospital	D29500	B
11	Gadsden County Industrial Development Authority	D29600	B
12	Gretna Neighborhood Improvement District	D31900	B
13	Highlands County Industrial Development Authority	D35400	B
14	Jacksonville Health Facilities Authority	D40700	B
15	Niles Garden Neighborhood Improvement District	D54200	B
16	Suwannee County Development Authority	D79700	B

<u>COMMUNITY REDEVELOPMENT AGENCIES</u>			
1	Century Community Redevelopment Agency	D11905	B
2	City of Crescent City Community Redevelopment Agency	D14300	2019-20
3	City of Midway Community Redevelopment Agency	D15050	B
4	Community Redevelopment Agency of the Town of Havana	D18353	B
5	Starke Community Redevelopment Agency (Dissolved 5/4/2021)	D78000	B

41 Total Municipalities and Special Districts

NOTE

- A No reports received for the 2015-16 through 2019-20 fiscal years.
- B The 2018, 2019, and 2020 annual financial reports of the primary government filed with the Department of Financial Services show revenues and expenditures below the thresholds in Section 218.39, Florida Statutes, that require a financial audit.

From: LaPonzina, Victoria <Victoria.LaPonzina@myfloridacfo.com>
Sent: Monday, October 24, 2022 11:10 AM
To: White, Deborah
Subject: RE: [EXT] FW: Compliant and Non-Compliant Reports for AFR Reporting FY 2020-2021
Attachments: JLAC Non-Compliant Report for FY 2021.xlsx

Good Morning Debbie,

Please see attached updated report and let me know if you have any questions.

Thank you,

Victoria LaPonzina, FCCM

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



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



Non-Compliant Report for JLAC as of October 21, 2022

Entity ID	Entity Name	FY End	Dissolved Date	AFR Received Date	Audit Received Date
100002	Baker	09/30			
100015	Dixie	09/30			10/18/2022
100020	Gadsden	09/30			
100033	Jefferson	09/30			
100039	Liberty	09/30			
100067	Washington	09/30			
200004	Altha	09/30			
200006	Apalachicola	09/30			
200022	Bell	09/30			07/06/2022
200025	Belleair	09/30			
200034	Bonifay	09/30			
200042	Bronson	09/30			
200049	Campbellton	09/30			
200057	Center Hill	09/30			
200064	Clermont	09/30			
200066	Cloud Lake	09/30			
200075	Crescent City	09/30			
200096	Eatonville	09/30			03/01/2022
200100	El Portal	09/30			
200101	Esto	09/30			
200104	Fanning Springs	09/30			
200115	Fort White	09/30			
200119	Gainesville	09/30			
200131	Greenwood	09/30			08/18/2022
200132	Gretna	09/30			
200141	Havana	09/30			
200146	High Springs	09/30			
200164	Indian Shores	09/30			
200172	Jacob City	09/30			
200175	Jennings	09/30			06/29/2022
200186	LaBelle	09/30			
200224	Manalapan	09/30			
200225	Mangonia Park	09/30			
200238	Mexico Beach	09/30			
200243	Micanopy	09/30			
200254	Neptune Beach	09/30			
200276	Opa-locka	09/30			
200282	Otter Creek	09/30			
200284	Pahokee	09/30			
200293	Panama City	09/30			
200321	Redington Shores	09/30			
200353	Starke	09/30			
200357	Surfside	09/30			
200358	Sweetwater	09/30			
200372	Vernon	09/30			
200381	Welaka	09/30			
200389	White Springs	09/30			
200398	Worthington Springs	09/30			
200413	Loxahatchee Groves	09/30			
300015	Flaghole Drainage District	09/30			
300021	Hastings Drainage District	09/30			
300044	Sugarland Drainage District	09/30			
300074	Brevard Soil and Water Conservation District	12/31			
300084	Viera East Community Development District	09/30			
300117	Calhoun County Transportation Authority	09/30			
300124	Citrus County Hospital Board	09/30			06/29/2022
300157	South Dade Soil and Water Conservation District	09/30			
300158	Desoto County Hospital District	09/30			
300173	Grand Haven Community Development District	09/30			
300176	Eastpoint Water and Sewer District	09/30			
300203	Hendry-Hilliard Water Control District	09/30			
300223	Hillsborough Soil and Water Conservation District	09/30			
300238	Holmes Creek Soil and Water Conservation District	09/30			
300249	Campbellton-Graceville Hospital District	09/30			
300250	Jackson Soil and Water Conservation District	09/30			
300285	Lee Memorial Health System	09/30			
300342	Almarante Fire District	09/30			
300346	Dorcas Fire District	09/30			
300398	Pine Tree Water Control District (Palm Beach County)	09/30			10/17/2022
300461	Santa Rosa Bay Bridge Authority	09/30			
300479	Taylor County Development Authority	09/30			06/29/2022
300480	Taylor Soil and Water Conservation District	09/30	10/3/2022		
300491	Wakulla Soil and Water Conservation District	09/30			
300499	Orange Hill Soil and Water Conservation District	09/30			

300544	Columbia County Industrial Development Authority	09/30		
300551	Suwannee Water and Sewer District	09/30		
300561	Gadsden County Hospital	09/30		
300562	Gadsden County Industrial Development Authority	09/30		
300583	Highlands County Industrial Development Authority	09/30		
300730	Suwannee County Development Authority	09/30		
300755	High Springs Community Redevelopment Agency	09/30		
300757	Panama City Downtown Improvement Board	09/30		
300759	Panama City Port Authority	09/30		
300761	Starke Community Redevelopment Agency	09/30	05/04/2021	
300786	Central Residential Neighborhood Improvement District No. 1	09/30	02/17/2021	
300787	City of Hollywood 441 Corridor Business NID No. 2	09/30	02/17/2021	
300835	Ali-Baba Neighborhood Improvement District	09/30	01/12/2022	
300836	East-West Neighborhood Improvement District	09/30	01/12/2022	
300837	Niles Garden Neighborhood Improvement District	09/30	01/12/2022	
300849	Apalachicola Community Redevelopment Agency	09/30		
300855	Gretna Neighborhood Improvement District	09/30		
300981	Altamonte Springs Health Facilities Authority	09/30		
301237	Community Redevelopment Agency of the City of Temple Terrace	09/30		
301300	City Center Community Development District	09/30		
301337	Town of Eatonville Community Redevelopment Agency	09/30		
301387	Lee County Trauma Services District	09/30		
301394	Solterra Resort Community Development District	09/30		
301408	Southern Hills Plantation II Community Development District	09/30		
301443	Bridgewater of Wesley Chapel Community Development District	09/30		
301477	Lake Ashton II Community Development District	09/30		
301528	Arlington Ridge Community Development District	09/30		
301532	City of Crescent City Community Redevelopment Agency	09/30		
301537	Downtown Clermont Redevelopment Agency	09/30		
301577	Heights Community Development District, The	09/30		
301588	New River Community Development District	09/30		
301636	Verona Community Development District	09/30	08/08/2022	
301637	Panama City Community Redevelopment Agency	09/30		
301674	Eastern Volusia Regional Water Authority	09/30	03/17/2021	
301715	Palm River Community Development District	09/30	09/14/2022	
301735	Stoneybrook at Venice Community Development District	09/30		
301792	Magnolia Park Community Development District	09/30		
301802	Community Redevelopment Agency of the Town of Havana	09/30		
301867	Nature Coast Regional Water Authority	09/30		
301877	Downtown Cocoa Beach Community Redevelopment Agency	09/30		
301899	City of Palm Bay Road Maintenance District	09/30	11/19/2020	
301952	Union Park Community Development District	09/30		
301984	Epperson Ranch Community Development District	09/30		
302014	Carlton Lakes Community Development District	09/30		
302016	Cone Ranch South Community Development District	09/30	08/30/2021	
302026	Wildcat Preserve Community Development District	09/30	05/09/2022	
302038	Millers Creek Special District	09/30		
302049	Avalon Groves Community Development District	09/30		
302079	South Fork III Community Development District	09/30		
302080	Connected City Stewardship District	09/30		
302081	Opa-Locka Community Redevelopment Agency	09/30		
302085	Cypress Preserve Community Development District	09/30		
302105	Touchstone Community Development District	09/30		
302109	Ventana Community Development District	09/30		
302118	Preserve at South Branch Community Development District, The	09/30		
302135	North Park Isle Community Development District	09/30		
302141	Loxahatchee Groves Water Control District	09/30		
302152	Spencer Creek Community Development District	09/30		
302191	Parkland Preserve Community Development District	09/30		
302194	City of Palm Bay Business Improvement District	09/30	12/16/2021	
302271	Downtown / Historic Ybor Tourism Marketing District	09/30		
302395	City of Newberry Community Redevelopment Agency (NEW)	09/30		

Florida Statutes (2022) related to Local Government Financial Reporting

11.40 Legislative Auditing Committee.—

(2) Following notification by the Auditor General, the Department of Financial Services, the Division of Bond

Finance of the State Board of Administration, the Governor or his or her designee, or the Commissioner of Education or his or her designee of the failure of a local governmental entity, district school board, charter school, or charter technical career center to comply with the applicable provisions within s.

11.45(5)-(7), s. 218.32(1),

s. 218.38, or s. 218.503(3), the Legislative Auditing Committee may schedule a hearing to determine if the entity should be subject to further state action. If the committee determines that the entity should be subject to further state action, the committee shall:

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

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

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

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

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

11.45(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

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

218.32 Annual financial reports; local governmental entities.—

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

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

(d) Each local governmental entity that is required to provide for an audit under s. 218.39(1) must submit a copy of the audit report and annual financial report to the department within 45 days after the completion of the audit report but no later than 9 months after the end of the fiscal year.

(e) 1. Each local governmental entity that is not required to provide for an audit under s. 218.39 must submit the annual financial report to the department no later than 9 months after the end of the fiscal year. The department shall consult with the Auditor General in the development of the format of annual financial reports submitted pursuant to this paragraph. The format must include balance sheet information used by the Auditor General pursuant to s. 11.45(7)(f). The department must forward the financial information contained within the annual financial reports to the Auditor General in electronic form. This paragraph does not apply to housing authorities created under chapter 421.

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.

- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.
 - 3. The annual financial report of a dependent special district or an independent special district amending a final adopted budget under s. 189.016(6) must include a budget variance report based on the budget adopted under s. 189.016(4) before the beginning of the fiscal year being reported.
 - 4. The annual financial report of an independent special district that imposes ad valorem taxes shall include the millage rate or rates imposed by the district, the total amount of ad valorem taxes collected by or on behalf of the district, and the total amount of outstanding bonds issued by the district and the terms of such bonds.
 - 5. The annual financial report of an independent special district that imposes non-ad valorem special assessments shall include the rate or rates of such assessments imposed by the district, the total amount of special assessments collected by or on behalf of the district, and the total amount of outstanding bonds issued by the district and the terms of such bonds.
- (f) If the department does not receive a completed annual financial report from a local governmental entity within the required period, it shall notify the Legislative Auditing Committee and the Special District Accountability Program of the Department of Economic Opportunity of the entity's failure to comply with the reporting requirements.

218.39 Annual financial audit reports. —

- (1) If, by the first day in any fiscal year, a local governmental entity, district school board, charter school, or charter technical career center has not been notified that a financial audit for that fiscal year will be performed by the Auditor General, each of the following entities shall have an annual financial audit of its accounts and records completed within 9 months after the end of its fiscal year by an independent certified public accountant retained by it and paid from its public funds:
- (a) Each county.
 - (b) Any municipality with revenues or the total of expenditures and expenses in excess of \$250,000, as reported on the fund financial statements.
 - (c) Any special district with revenues or the total of expenditures and expenses in excess of \$100,000, as reported on the fund financial statements.
 - (d) Each district school board.
 - (e) Each charter school established under s. 1002.33.
 - (f) Each charter technical center established under s. 1002.34.
 - (g) Each municipality with revenues or the total of expenditures and expenses between \$100,000 and \$250,000, as reported on the fund financial statements, which has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.
 - (h) As required by s. 163.387(8)(a), each community redevelopment agency with revenues or a total of expenditures and expenses in excess of \$100,000, as reported on the trust fund financial statements.
 - (i) Each special district with revenues or the total of expenditures and expenses between \$50,000 and \$100,000, as reported on the fund financial statement, which has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.

(7) All audits conducted pursuant to this section must be conducted in accordance with the rules of the Auditor General adopted pursuant to s. 11.45. Upon completion of the audit, the auditor shall prepare an audit report in accordance with the rules of the Auditor General. The audit report shall be filed with the Auditor General within 45 days after delivery of the audit report to the governing body of the audited entity, but no later than 9 months after the end of the audited entity's fiscal year. The audit report must include a written statement describing corrective actions to be taken in response to each of the auditor's recommendations included in the audit report.

189.062 Special procedures for inactive districts. —

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

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

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

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

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

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

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

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

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

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

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

situated and shall be assessed by the county property appraiser and collected by the county tax collector.

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

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

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

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

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

(a) Withdrawn or revoked by the department; or

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

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

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

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

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

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

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

189.067 Failure of district to disclose financial reports.—

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

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

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

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

Remedy for noncompliance with s. 112.63 shall be as set forth in subsection (4).

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

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

**3 Local Governmental
Entities
(Significant Items Missing)**

LOCAL GOVERNMENTAL ENTITIES

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General
Outstanding As of February 13, 2023
(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2020-21 Audit Report	Staff Recommendation
1	Hardee County	27	83	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2-3, Florida Statutes, was not included in the management letter of the audit report of a local government entity that includes a dependent special district within its reporting entity, although required by Section 10.554(1)(i)(6), Rules of the Auditor General.	Take action if not provided to Auditor General by March 15, 2023
2	Business Improvement District of Coral Gables (Miami-Dade)	36, 38	114	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2-3, Florida Statutes, was not included in the management letter of the audit report of a special district, although required by Section 10.554(1)(i)(6), Rules of the Auditor General. The millage rate on ad valorem taxes imposed, the total amount of ad valorem taxes collected and, if applicable, the total amount of outstanding bonds issued and the terms of those bonds were not included in the audit report of an independent special district although required by Sections 218.39(3)(c), and 218.32(1)(e)4., Florida Statutes. The rate(s) on non-ad valorem special assessments imposed, the total amount of special assessments collected and, if applicable, the total amount of outstanding bonds issued and the terms of those bonds were not included in the audit report of an independent special district although required by Sections 218.39(3)(c), and 218.32(1)(e)5., Florida Statutes.	

LOCAL GOVERNMENTAL ENTITIES

Significant Items Missing from Audit Report - Not Yet Provided to Auditor General
Outstanding As of February 13, 2023
(required by s. 11.45(7)(b), Florida Statutes)

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2020-21 Audit Report	Staff Recommendation
3	Port St. Joe Redevelopment Agency (Gulf)	3	7	Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2-3, Florida Statutes, was not included in the management letter of the audit report of a special district, although required by Section 10.554(1)(i)(6), Rules of the Auditor General. An accountant's examination report with a determination of the entity's compliance with Section 163.387(6), and (7), Florida Statutes, regarding the community redevelopment trust fund was excluded from the audit report of a community redevelopment agency although required by Sections 10.556(10)(a), and 10.557(3)(c), Rules of the Auditor General.	Take action if not provided to Auditor General by March 15, 2023
4	Westchase Community Development District (Hillsborough)	14	64, 65, 66	The date the audit report was delivered to the local governmental entity was not included in correspondence accompanying the audit report submitted to the Auditor General, although required by Section 10.558(4), Rules of the Auditor General.	

From: DEREK NOONAN <DEREKNOONAN@AUD.STATE.FL.US>
Sent: Tuesday, October 11, 2022 8:37 AM
To: Zika, Ardian; Baxley, Dennis
Cc: Dubose, Kathy; White, Deborah
Subject: 2020-21 FY Section 11.45(7)(b) and (d), FS Notification
Attachments: 2021 Missing Items Notification to JLAC.docx

Pursuant to Section 11.45(7)(b), Florida Statutes, this e-mail is to notify you of the 50 local government entities that did not provide us, within 45 days after the date of our request, the significant items omitted from their 2020-21 fiscal year audit reports or from their audit report transmittal correspondence. The attached identifies the 5 counties, 13 municipalities, and 32 special districts and describes the audit report and correspondence items omitted. To date, none of the entities have provided us the requested information.

In addition, pursuant to Section 11.45(7)(d), Florida Statutes, this e-mail is to notify you that the River Bend Community Development District, the San Carlos Park Fire Protection and Rescue Service District, and the Volusia County Educational Facilities Authority were cited for noncompliance with Section 218.415, Florida Statutes, and did not provide us evidence of corrective action within 45 days of our August 19, 2022, request.

Please advise if you or your staff have any questions regarding this information.

Thank you,

Derek H. Noonan, Audit Manager
Auditor General, State of Florida
111 West Madison Street, Rm 401-P
Tallahassee, FL 32399-1450
Office (850) 412-2864

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

LIST OF LOCAL GOVERNMENTAL ENTITIES
 THAT HAVE NOT PROVIDED SIGNIFICANT ITEMS
 OMITTED FROM 2020-21 FISCAL YEAR AUDIT REPORTS
 OR FROM AUDIT REPORT TRANSMITTAL CORRESPONDANCE
 AS OF OCTOBER 10, 2022

	<u>ITEM(S) OMITTED</u>	<u>DATE ITEM(S) REQUESTED BY AUDITOR GENERAL</u>
<u>COUNTIES</u>		
Bradford County	A	8/10/22
Hardee County	B	8/10/22
Holmes County	B	7/8/22
Lafayette County	C, D, E, F, G, I	8/10/22
Palm Beach County	B	8/10/22
<u>MUNICIPALITIES</u>		
Apopka, City of	H	8/10/22
Caryville, Town of	A, G, H	7/15/22
Lady Lake, Town of	I	8/10/22
Macclenny, City of	F	8/10/22
Marianna, City of	B	8/10/22
Marineland, Town of	B	5/5/22
Naples, City of	B	8/10/22
Port St. Lucie, City of	J	8/10/22
Quincy, City of	B	8/19/22
Reddick, Town of ⁽¹⁾	K	8/10/22
Riviera Beach, City of	L	8/19/22
St. Augustine, City of	B, I	8/19/22
Tallahassee, City of	B, M	8/10/22

(1) Independent auditor's report identified the missing items, but the opinions on the financial statements were not modified.

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 AS OF OCTOBER 10, 2022

	<u>ITEM(S) OMITTED</u>	<u>DATE ITEM(S) REQUESTED BY AUDITOR GENERAL</u>
<u>SPECIAL DISTRICTS</u>		
Amelia Island Mosquito Control District	B	5/5/22
Apopka Community Redevelopment Agency	B	8/19/22
Bayshore Gardens Park and Recreation District	B	7/8/22
Business Improvement District of Coral Gables	B, N, O	8/19/22
City of Naples Community Redevelopment Agency	B	8/10/22
City of Sebastian Community Redevelopment Agency	B, P	8/19/22
City of Tarpon Springs Community Redevelopment Agency	B	6/15/22
DeSoto County Hospital District	B	6/15/22
Fallschase Community Development District	B	5/5/22
Fred R. Wilson Memorial Law Library	B	6/15/22
Gulf Breeze Community Redevelopment Agency	B	7/8/22
Halifax Hospital Medical Center	B, N	8/19/22
Jacksonville Aviation Authority	B	5/5/22
Keystone Heights Community Redevelopment Agency	A, Q	8/19/22
Lake Worth Beach Community Redevelopment Agency	B, G	8/10/22
Lakeland Area Mass Transit District	B	5/5/22
Miami Beach Redevelopment Agency	R	8/10/22
Millers Creek Special District	I	8/19/22
Mirada Community Development District (Pasco)	I	8/19/22
New Port Richey Community Redevelopment Agency	B, R	8/10/22
New River Public Library Cooperative	B	8/10/22
North St. Lucie River Water Control District	O	5/5/22
Oldsmar Community Redevelopment Agency	B	6/15/22
Port St. Joe Redevelopment Agency	B, R	8/10/22

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 AS OF OCTOBER 10, 2022

	<u>ITEM(S) OMITTED</u>	<u>DATE ITEM(S) REQUESTED BY AUDITOR GENERAL</u>
<u>SPECIAL DISTRICTS</u>		
Riviera Beach Community Redevelopment Agency	B, R	8/19/22
Satellite Beach Community Redevelopment Agency	I	8/19/22
South Florida Regional Transportation Authority	B, D	8/19/22
South Florida Water Management District	B, N	8/19/22
St. Lucie County Fire District	F, N, S, T, U	7/13/22
Trailer Estates Fire Control District	I, O	8/19/22
Westchase Community Development District	I	5/5/22
Wilderness Coast Public Libraries	B	8/10/22

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Item(s) Omitted:

- (A) A written statement of explanation or rebuttal concerning the findings in the management letter was excluded from the audit report, although required by Sections 10.557(3)(l) and 10.558(2), Rules of the Auditor General.
- (B) Information required by Section 218.39(3)(c), Florida Statutes, and Section 218.32(1)(e)2-3, Florida Statutes, was not included in the management letter of the audit report of a special district or the management letter of the audit report of a local government entity that includes a dependent special district within their reporting entity, although required by Section 10.554(1)(i)(6), Rules of the Auditor General.
- (C) A statement of changes in fiduciary net position for fiduciary funds was excluded from the audit report, although required by Sections 2200.105b(3)(iii)(b) and 2200.197 of the *Codification of Government Accounting and Financial Reporting Standards*.
- (D) The schedule of required supplementary information showing the entity's proportion (percentage) of the collective net pension liability, the entity's proportionate share (amount) of the net pension liability, the entity's covered payroll, and the plan's fiduciary net position as a percentage of the total liability for their participation in a defined benefit cost-sharing pension plan, did not include information for ten years, or every year available if less than ten years of information is available, as required by Section P20.183a of the *Codification of Governmental Accounting and Financial Reporting Standards*.
- (E) The schedule of required supplementary information showing the entity's required employer contributions, actual employer contributions, the difference between the required and actual contributions, the covered payroll, and the contribution amount recognized by the plan in relation to the required amount as a percentage of covered payroll for their participation in a defined benefit cost-sharing pension plan, did not include information for ten years, or every year available if less than ten years of information is available, as required by Section P20.183b of the *Codification of Governmental Accounting and Financial Reporting Standards*.
- (F) The required supplementary information schedule showing the entity's total other postemployment benefit (OPEB) liability that presents beginning and ending balances of the total OPEB liability, and the effects during the period of service cost, interest on the OPEB liability, changes in benefit terms, differences between expected and actual experience, changes in assumptions, and benefit payments did not include information for ten years, or every year available if less than ten years of information is available, as required by Sections P52.137, and .139a of the *Codification of Government Accounting and Financial Reporting Standards*.
- (G) A statement as to whether corrective actions have been taken to address findings and recommendations made in the preceding audit report was excluded from the management letter accompanying the audit report, although required by Section 10.554(1)(i)1., Rules of the Auditor General.
- (H) Uncorrected audit findings that were also included in the second preceding fiscal year audit report were not identified in the management letter, although required by Section 10.554(1)(i)1., Rules of the Auditor General.

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- (I) The date the audit report was delivered to the local governmental entity was not included in correspondence accompanying the audit report submitted to the Auditor General, although required by Section 10.558(4), Rules of the Auditor General.
- (J) A summary schedule of prior audit findings for State projects was not included although required by Section 10.557(3)(e)5., Rules of the Auditor General
- (K) A Management Discussion and Analysis was excluded from the audit report, although required by Section 2200.106 of the *Codification of Governmental Accounting and Financial Reporting Standards*, and Section 10.557(3)(h), Rules of the Auditor General
- (L) The independent auditor's report on internal control over financial reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States did not call attention to a material weakness finding and a significant deficiency findings that were reported in the audit report in accordance with AICPA Audit Guidance – *Government Auditing Standards and Single Audits, Paragraph 4.54j*.
- (M) The required supplementary information did not include a budgetary comparison schedule for the legally adopted budget of a special revenue fund as required by Section 2200.206 of the *Codification of Government Accounting and Financial Reporting Standards*.
- (N) The millage rate on ad valorem taxes imposed, the total amount of ad valorem taxes collected and, if applicable, the total amount of outstanding bonds issued and the terms of those bonds were not included in the audit report of an independent special district although required by Sections 218.39(3)(c), and 218.32(1)(e)4., Florida Statutes.
- (O) The rate(s) on non-ad valorem special assessments imposed, the total amount of special assessments collected and, if applicable, the total amount of outstanding bonds issued and the terms of those bonds were not included in the audit report of an independent special district although required by Sections 218.39(3)(c), and 218.32(1)(e)5., Florida Statutes.
- (P) An accountant's examination report with a determination of the entity's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds was excluded from the audit report although required by Sections 10.556(10)(a), and 10.557(3)(c), Rules of the Auditor General.
- (Q) Reference numbers for each audit finding to allow for easy referencing of the findings were not provided, although required by Section 10.557(4)(b)7., Rules of the Auditor General.
- (R) An accountant's examination report with a determination of the entity's compliance with Section 163.387(6), and (7), Florida Statutes, regarding the community redevelopment trust fund was excluded from the audit report of a community redevelopment agency although required by Sections 10.556(10)(a), and 10.557(3)(c), Rules of the Auditor General.
- (S) The required supplementary information schedule showing the entity's changes in the net pension liability that presents beginning and ending balances of the total pension

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liability, the plan's fiduciary net position, and the net pension liability for their single-employer defined benefit pension plan did not include information for ten years, or every year available if less than ten years of information is available, as required by Pe5.128a of the *Codification of Government Accounting and Financial Reporting Standards*.

- (T) The required supplementary information schedule showing the entity's total pension liability, the pension plan's fiduciary net position, the entity's net pension liability, the plan's fiduciary net position as a percentage of total pension liability, the entity's covered payroll, and the net pension liability as a percentage of covered payroll for their single-employer defined benefit pension plan did not include information for ten years, or every year if less than ten years of information is available, as required by Pe5.128b of the *Codification of Government Accounting and Financial Reporting Standards*.
- (U) The required supplementary information schedule showing the entity's actuarially determined employer contribution, the amount actually contributed, the difference between the required and the actual contribution, the entity's covered payroll, and the contribution recognized by the pension plan in relation to the required amount as a percentage of covered payroll for their single-employer defined benefit pension plan did not include information for ten years, or every year available if less than ten years of information is available, as required by Pe5.128c of the *Codification of Government Accounting and Financial Reporting Standards*.

Note: All references to Florida Statutes, Rules of the Auditor General, and the *Codification of Government Accounting and Financial Reporting Standards* are to the statutes, rules, and standards in effect for the 2020-21 fiscal year.

Florida Statutes (2022) related to Significant Audit Items Missing

11.45 Definitions; duties; authorities; reports; rules.—

(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

(b) The Auditor General, in consultation with the Board of Accountancy, shall review all audit reports submitted pursuant to s. 218.39. The Auditor General shall request any significant items that were omitted in violation of a rule adopted by the Auditor General. The items must be provided within 45 days after the date of the request. If the governmental entity does not comply with the Auditor General's request, the Auditor General shall notify the Legislative Auditing Committee.

11.40 Legislative Auditing Committee.—

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

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

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

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

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

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

**4 Local Governmental
Entities
(Financial Emergency
Conditions)**

Local Governmental Entities that Met One or More Condition of a Financial Emergency and Failed to Respond to the Governor's Office Request for Further Information in a Timely Manner

	Entity (County)	Date Governor's Office Notified Committee	Financial Emergency Condition(s) Identified in the 2019-20 Fiscal Year Audit Report	Staff Recommendation
SPECIAL DISTRICTS				
1	<u>Portofino Vineyards Community Development District</u> (Lee)	6/27/2022	1. The District failed to make payments to its vendors on a timely basis, as a result of a lack of funds.	Take action if Governor's office does not receive a response by March 31, 2023

Excerpt of Florida Statutes (2022) related to Financial Emergencies

218.503 Determination of financial emergency.—

(1) Local governmental entities, charter schools, charter technical career centers, and district school boards shall be subject to review and oversight by the Governor, the charter school sponsor, the charter technical career center sponsor, or the Commissioner of Education, as appropriate, when any one of the following conditions occurs:

(a) Failure within the same fiscal year in which due to pay short-term loans or failure to make bond debt service or other long-term debt payments when due, as a result of a lack of funds.

(b) Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of a lack of funds.

(c) Failure to transfer at the appropriate time, due to lack of funds:

1. Taxes withheld on the income of employees; or
2. Employer and employee contributions for:
 - a. Federal social security; or
 - b. Any pension, retirement, or benefit plan of an employee.

(d) Failure for one pay period to pay, due to lack of funds:

1. Wages and salaries owed to employees; or
2. Retirement benefits owed to former employees.

(2) A local governmental entity shall notify the Governor and the Legislative Auditing Committee; a charter school shall notify the charter school sponsor, the Commissioner of Education, and the Legislative Auditing Committee; a charter technical career center shall notify the charter technical career center sponsor, the Commissioner of Education, and the Legislative Auditing Committee; and a district school board shall notify the Commissioner of Education and the Legislative Auditing Committee, when one or more of the conditions specified in subsection (1) have occurred or will occur if action is not taken to assist the local governmental entity, charter school, charter technical career center, or district school board. In addition, any state agency must, within 30 days after a determination that one or more of the conditions specified in subsection (1) have occurred or will occur if action is not taken to assist the local governmental entity, charter school, charter technical career center, or district school board, notify the Governor, charter school sponsor, charter technical career center sponsor, or the Commissioner of Education, as appropriate, and the Legislative Auditing Committee.

(3) Upon notification that one or more of the conditions in subsection (1) have occurred or will occur if action is not taken to assist the local governmental entity or district school board, the Governor or his or her designee shall contact the local governmental entity or the Commissioner of Education or his or her designee shall contact the district school board, as appropriate, to determine what actions have been taken by the local governmental entity or the district school board to resolve or prevent the condition. The information requested must be provided within 45 days after the date of the request. If the local governmental entity or the district school board does not comply with the request, the Governor or his or her designee or the Commissioner of Education or his or her designee shall notify the Legislative Auditing Committee, which may take action pursuant to s. 11.40(2). The Governor or the Commissioner of Education, as appropriate, shall determine whether the local governmental entity or the district school board needs state assistance to resolve or prevent the condition. If state assistance is needed, the local governmental entity or district school board is considered to be in a state of financial emergency. The Governor or the Commissioner of Education, as appropriate, has the authority to implement measures as set forth in ss. 218.50-218.504 to assist the local governmental entity or district school board in resolving the financial emergency. Such measures may include, but are not limited to:

- (a) Requiring approval of the local governmental entity's budget by the Governor or approval of the district school board's budget by the Commissioner of Education.
- (b) Authorizing a state loan to a local governmental entity and providing for repayment of same.
- (c) Prohibiting a local governmental entity or district school board from issuing bonds, notes, certificates of indebtedness, or any other form of debt until such time as it is no longer subject to this section.
- (d) Making such inspections and reviews of records, information, reports, and assets of the local governmental entity or district school board as are needed. The appropriate local officials shall cooperate in such inspections and reviews.
- (e) Consulting with officials and auditors of the local governmental entity or the district school board and the appropriate state officials regarding any steps necessary to bring the books of account, accounting systems, financial procedures, and reports into compliance with state requirements.
- (f) Providing technical assistance to the local governmental entity or the district school board.
- (g)1. Establishing a financial emergency board to oversee the activities of the local governmental entity or the district school board. If a financial emergency board is established for a local governmental entity, the Governor shall appoint board members and select a chair. If a financial emergency board is established for a district school board, the State Board of Education shall appoint board members and select a chair. The financial emergency board shall adopt such rules as are necessary for conducting board business. The board may:
 - a. Make such reviews of records, reports, and assets of the local governmental entity or the district school board as are needed.
 - b. Consult with officials and auditors of the local governmental entity or the district school board and the appropriate state officials regarding any steps necessary to bring the books of account, accounting systems, financial procedures, and reports of the local governmental entity or the district school board into compliance with state requirements.
 - c. Review the operations, management, efficiency, productivity, and financing of functions and operations of the local governmental entity or the district school board.
 - d. Consult with other governmental entities for the consolidation of all administrative direction and support services, including, but not limited to, services for asset sales, economic and community development, building inspections, parks and recreation, facilities management, engineering and construction, insurance coverage, risk management, planning and zoning, information systems, fleet management, and purchasing.
- 2. The recommendations and reports made by the financial emergency board must be submitted to the Governor for local governmental entities or to the Commissioner of Education and the State Board of Education for district school boards for appropriate action.
- (h) Requiring and approving a plan, to be prepared by officials of the local governmental entity or the district school board in consultation with the appropriate state officials, prescribing actions that will cause the local governmental entity or district school board to no longer be subject to this section. The plan must include, but need not be limited to:
 - 1. Provision for payment in full of obligations outlined in subsection (1), designated as priority items, which are currently due or will come due.
 - 2. Establishment of priority budgeting or zero-based budgeting in order to eliminate items that are not affordable.
 - 3. The prohibition of a level of operations which can be sustained only with nonrecurring revenues.
 - 4. Provisions implementing the consolidation, sourcing, or discontinuance of all administrative direction and support services, including, but not limited to, services for asset sales, economic and community development, building inspections, parks and recreation, facilities management, engineering and construction, insurance coverage, risk management, planning and zoning, information systems, fleet management, and purchasing.