

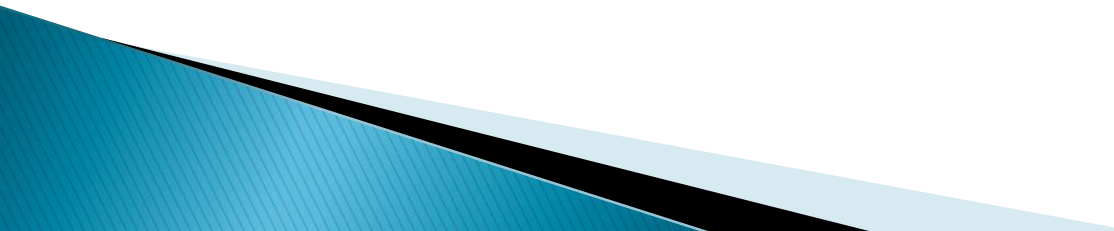
Webinar Presentation:

# Community Redevelopment Agency Reporting Requirements

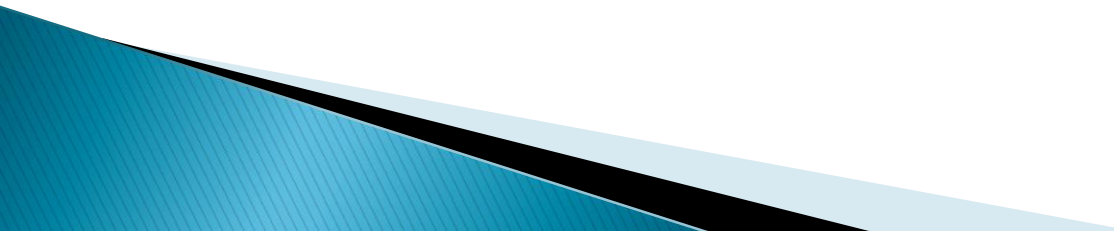
*From a Dependent Special District Perspective*

Jack Gaskins Jr.  
Department of Community Affairs  
Special District Information Program

# Presentation's Topics

- ▶ What are special districts?
  - ▶ Why CRAs are special districts
  - ▶ Snapshot – special districts in Florida
  - ▶ Why we have special districts
  - ▶ Special district accountability
  - ▶ Special District Information Program
  - ▶ State policies as they relate to special districts
  - ▶ Seven basic reporting requirements
    - What happens if you don't comply
  - ▶ Contact information and resources
- 

# What are Special Districts?

- ▶ Special districts are units of local special-purpose government – they perform specialized governmental functions and have a governing board with policy-making powers
  - ▶ Special districts are created by general law, special act, local ordinance, or by rule of the Governor and Cabinet
  - ▶ Special districts operate within a limited geographical area
- 

# Why are CRAs Special Districts?

- ▶ CRAs are special districts because . . .
  - They are established by local ordinance pursuant to Florida Statute (Chapter 163, Part III, Florida Statutes)
  - They have specialized governmental functions implemented by related prescribed powers
  - They have a governing board with policy-making powers
  - They operate within a limited geographical area

# Special District Status

- ▶ For financial reporting and other purposes, special districts are classified as either “dependent” or “independent”
- ▶ All CRAs are **dependent** special districts because they have at least one dependent characteristic.

# Dependent Characteristics

- ▶ Dependent special districts are influenced in one or more ways by a single county or municipality:
  - They have identical (but separate) governing boards
  - The county/municipality appoints the special district's governing board members
  - The county/municipality may remove the special district's governing board members at will during un-expired terms
  - The county/municipality approves the special district's budget
  - The county/municipality may veto the special district's budget

# Independent Special Districts

- ▶ A special district that does not have any dependent characteristics is independent

# Snapshot – Special Districts in Florida

## ▶ Special District Totals as of March 2010

- Dependent: 615
- Independent: 1,007
- **Total : 1,622**
- Multicounty: 69
- Single County: 1,553
- **Total : 1,622**



# Snapshot – Special Districts in Florida

## ▶ Most Common Specialized Governmental Functions as of March 2010:

◦ Community Development:	576
◦ Community Redevelopment:	201
◦ Drainage / Water Control:	94
◦ Housing Authorities:	93
◦ Fire Control and Rescue:	67
◦ Soil and Water Conservation:	63

# Snapshot – Special Districts in Florida

## ▶ Florida's Oldest Special District in Existence:

- Hastings Drainage District (Putnam and St. Johns Counties)
  - Created July 1, 1913

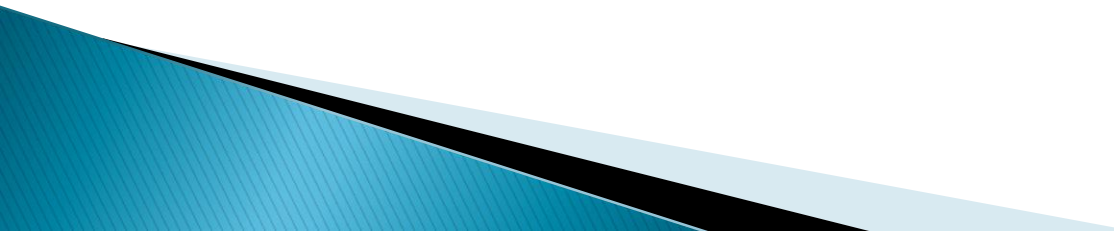
## ▶ Florida's Newest Special District:

- Northwest Focal Point Senior Center District (City of Margate)
    - Created August 19, 2009
- 

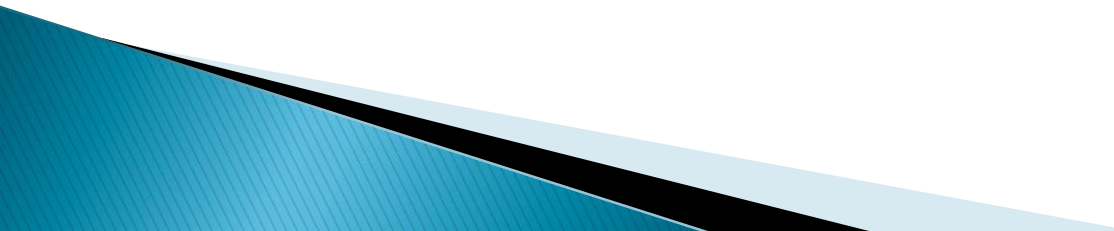
# Why Create a Special District?

- ▶ Provide for a governing board of appointed or elected members who have the expertise to focus on the specific community needs and issues the special district is addressing
  - ▶ Provide more opportunities for citizens to get involved in government at the community level since it's possible for them to serve on the district's governing board and it's more convenient for citizens to attend governing board meetings, which are usually held near their homes
- 


# Why Create a Special District?

- ▶ Provide for a specialized governmental agency with funding, employment, and missions separate from general governmental services
  - ▶ Allow municipal and county governing boards to focus on general-purpose government issues
  - ▶ Response to citizen demand for a higher level of governmental services that a municipality or county is unable or unwilling to provide
- 


# Why Create a Special District?

- ▶ Generate money to pay for projected growth without putting an excessive burden on other taxpayers and governments, since only those who benefit from the special district's services are required to pay
  - ▶ Recruit qualified employees by offering governmental employment benefits and incentives, such as possible participation in the Florida Retirement System
- 

# Why Create a Special District?

- ▶ Protect property values by assuring property owners that their roads, water and sewer lines, and other essential facilities and services will continue to be maintained
  - ▶ Save money for affected citizens by selling tax-exempt bonds, purchasing essential goods and services tax-free, and participating in state programs and initiatives, such as state-term contracting
- 

# Why Create a Special District?

- ▶ Maintain the financial integrity of the special district by limiting its liability to civil lawsuits and providing state assistance in the event of a financial emergency
  - ▶ Ensure accountability of public resources, since special districts are held to the same high standards as cities and counties (e.g., ethics, Government-in-the-Sunshine, reporting, financial disclosure laws)
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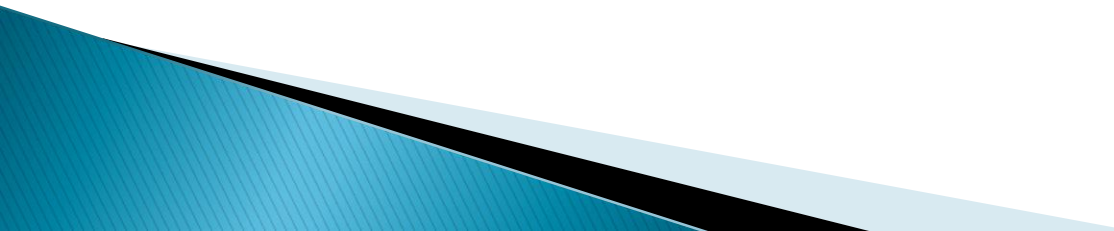
# Special District Accountability

- ▶ How are special districts, including Community Redevelopment Agencies, held accountable?
  - The Uniform Special District Accountability Act of 1989 – also known as Chapter 189, Florida Statutes.



# Uniform Special District Accountability Act

## ► Purposes:

- Provides general provisions for special districts
  - Serves as the one centralized location for all legislation governing special districts
  - Ensures the accountability of special districts to state government, local governments, and the citizens they serve
  - Improves communication and coordination between state agencies, counties and municipalities, and special districts with respect to special district reporting and monitoring
- 

# Uniform Special District Accountability Act

- ▶ Created the *Special District Information Program* within the Department of Community Affairs to administer the Act:
  - The program is not a general “oversight” program
  - The program continuously collects, classifies, updates and makes available special district information to more than 685 state and local agencies to help them monitor and coordinate activities and reporting with special districts
    - *Official List of Special Districts Online*

# Uniform Special District Accountability Act

## ▶ *Special District Information Program*

- The program provides technical assistance:
  - *Florida Special District Handbook Online*
  - Sponsors training opportunities
    - *Florida Association of Special Districts Annual Conference*
    - *Certified Special District Manager Program*
  - Next Conference: June 8 – 11, 2010 at the Renaissance Vinoy Resort & Golf Club, St. Petersburg

# Uniform Special District Accountability Act

## ▶ *Special District Information Program*

- Helps citizens understand:
  - Special districts in general
  - What they can do when they are unhappy with a special district's decision or policy
- Helps counties and municipalities:
  - Understand how they can address community issues and generate revenues through special districts

# Uniform Special District Accountability Act

## ▶ *Special District Information Program*

- Helps state and local agencies collect delinquent reports from special districts by helping special districts comply with those reports
- When necessary and directed to do so by the Joint Legislative Auditing Committee, enforces compliance. In 2009, the Department:
  - Filed a petition for writ of certiorari with the circuit court in Leon County regarding three special districts
  - Declared two special districts inactive for dissolution

# Uniform Special District Accountability Act

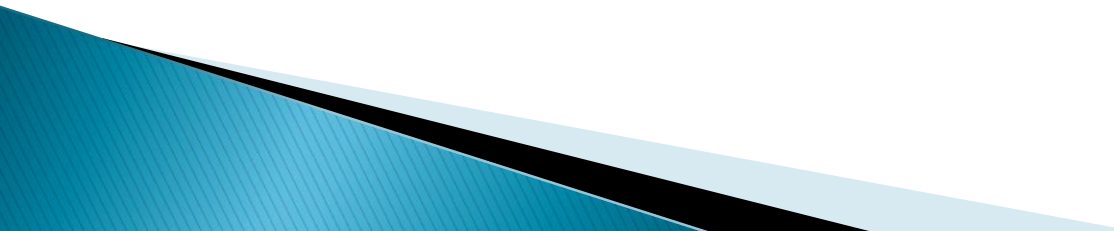
## ▶ *Special District Information Program*

- One staff person
  - Jack Gaskins
- Attorney available to help with Chapter 189, Florida Statutes, legal questions

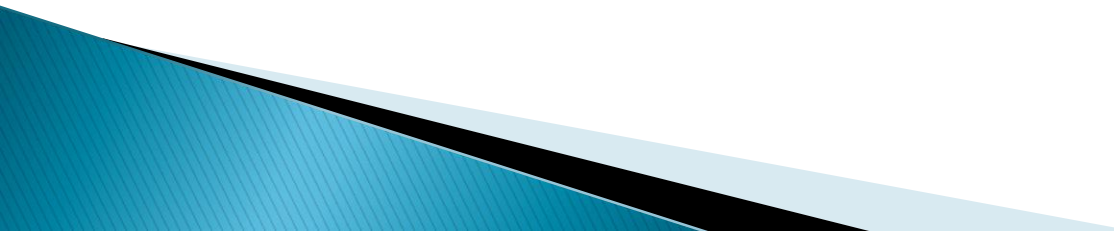
**The Department of Community Affairs  
Special District Information Program  
*Striving to Help Communities Be Successful***



# Special District State Policies

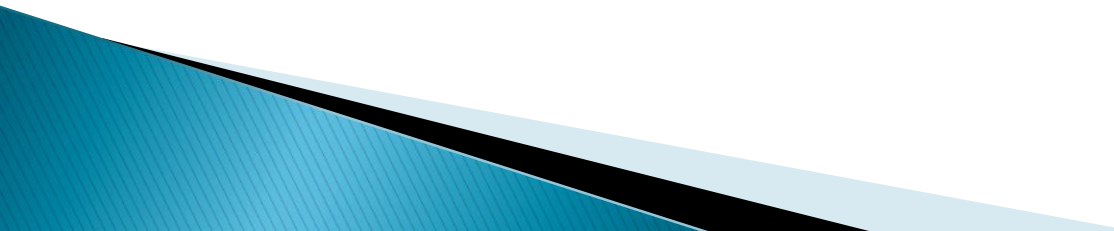
- ▶ Special districts are like municipalities and counties, except that special districts are units of local special-purpose government, as opposed to units of local general-purpose government
  - ▶ Special districts serve a necessary and useful public purpose by providing services to residents and property
- 

# Special District State Policies

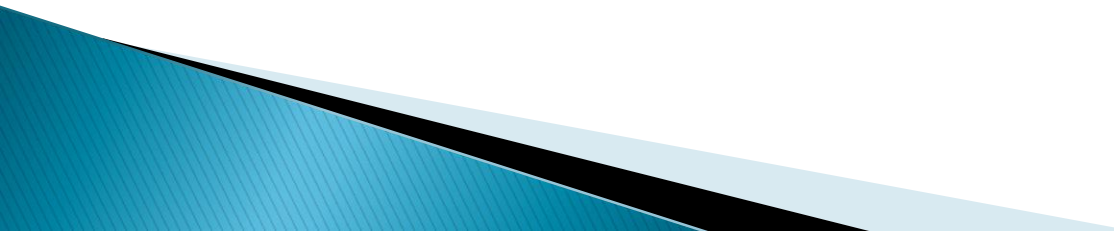
- ▶ Special districts must be held accountable to the public, municipalities and counties, and state agencies
  - ▶ Special districts must cooperate and coordinate activities with municipalities and counties and state agencies
- 



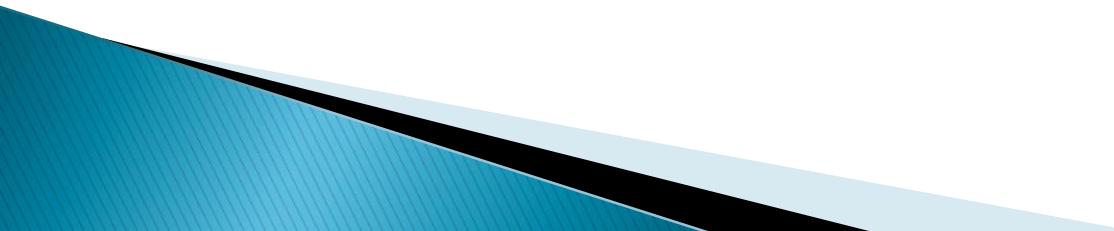
# Special District State Policies

- ▶ Special districts, like municipalities and counties, must comply with the following:
    - Ethics
    - Government-in-the-Sunshine / Public Notices
    - Financial Reporting (bonds, audits, revenues, expenditures and long-term debt, etc.)
    - Board Member Disclosures
- 

# Seven Basic Reporting Requirements

1. Creation Document & Boundary Map (as amended)
  2. Registered Agent & Office
  3. Annual Fee (\$175) and Update
  4. Regular Public Meeting Schedule
  5. Annual Budget
  6. Annual Financial Audit Report
  7. Annual Financial Report
- 

# Seven Basic Reporting Requirements

1. **Creation Document & Boundary Map (as amended)**
    - File within 30 days of creation with the Department of Community Affairs, Special District Information Program
    - Needed to determine and document whether an entity is a special district and if so, whether it is dependent or independent so it can be reported as such on the *Official List of Special Districts Online*
- 

# Seven Basic Reporting Requirements

## 1. Creation Document & Boundary Map (as amended)

- 10/2006 = 176 CRAs in Florida
  - 10/2007 = 184 CRAs in Florida
  - 10/2008 = 192 CRAs in Florida
  - 02/2010 = 201 CRAs in Florida
- ▶ It appears that between October 2006 and March 2010, 25 new CRAs were created. However . . .

# Seven Basic Reporting Requirements

## 1. Creation Document & Boundary Map (as amended)

- . . . according to the Official List of Special Districts Online, five CRAs were dissolved and only five CRAs were created during this time
- Why the difference?
  - Because a number of CRAs did not register their existence with the Special District Information Program until well after – years in some cases – their creation date

# Seven Basic Reporting Requirements

## 1. Creation Document & Boundary Map (as amended)

- A serious problem caused by not registering timely is that state and local agencies will not be aware of the existence of the special district. This will cause required reporting to “slip through the cracks”
- If you are aware of a Community Redevelopment Agency (not area) that does not appear on the *Official List of Special Districts Online*, please let us know right away

# Seven Basic Reporting Requirements

## 2. Registered Agent & Office (name, address, email, telephone, fax)

- File and keep updated with:
  - Department of Community Affairs, Special District Information Program
    - Keeps the *Official List of Special Districts Online* up-to-date
  - Local Governing Authority (county or municipality)
    - If county, Clerk of the Board of County Commissioners
    - If municipality, the place designated by the municipality

# Seven Basic Reporting Requirements

## 3. Annual Fee (\$175) and Update

- **\$175 Annual Fee** is due to the Department of Community Affairs by the deadline to avoid up to \$50 in penalties
- Covers the costs of administering the Uniform Special District Accountability Act of 1989



# Seven Basic Reporting Requirements

## 3. Annual Fee (\$175) and Update

- **Update** (update form is part of the \$175 invoice). The Registered Agent must review the information on file, update as necessary, sign and date it, and return it with the \$175 fee.
- This information must be up-to-date for use by state and local agencies via the *Official List of Special Districts Online*

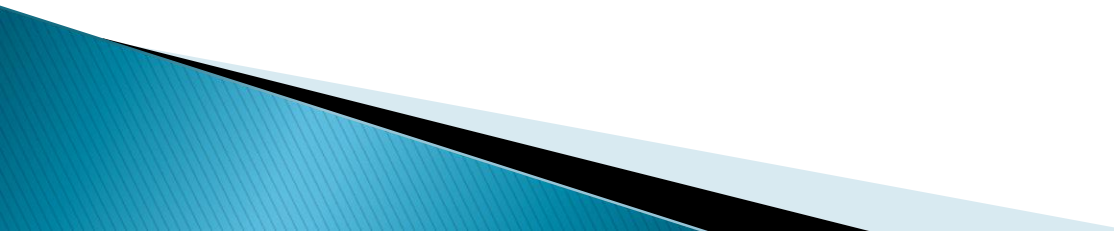
# Seven Basic Reporting Requirements

## 4. Regular Public Meeting Schedule

- Must Include:
  - the date, time and location of each scheduled meeting
  - a statement that anyone wanting to appeal an official decision made on any subject at the meeting must have a verbatim record of the meeting that includes the testimony and evidence on which the appeal is based
- File with the local governing authority quarterly, semiannually, or annually
- Publish in a newspaper of general paid circulation (legal notices and classified advertisement section) in the county in which the CRA is located

# Seven Basic Reporting Requirements

## 5. Annual Budget

- Must be presented in accordance with generally accepted accounting principles
  - The amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the appropriations for expenditures and reserves
  - Must regulate expenditures
  - Must be contained within the general budget of the local governing authority, unless they agree to a separate budget
- 

# Seven Basic Reporting Requirements

## 5. Annual Budget

- Must be clearly stated as the budget of the CRA
- CRA board must adopt the budget by resolution

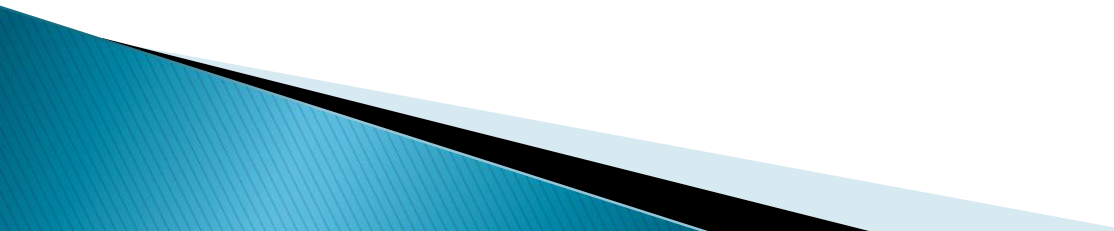
Do not expend or contract for expenditures in any fiscal year except in pursuance of budgeted appropriations

# Seven Basic Reporting Requirements

## 6. Annual Financial Audit Report

Marilyn Rosetti, CPA

Auditor General, State of Florida  
Local Government Section  
(850) 487-4413



# Seven Basic Reporting Requirements

## 6. Annual Financial Audit Report

- ▶ Covers the results of an annual financial audit and must be prepared by an independent certified public accountant
  - The CRA's audit may be included in the local governing authority's financial audit
  - The CRA must provide for its own separate independent financial audit if it is not included in the local governing authority's financial audit
  - The CRA's audit must contain all elements required by Section 163.387(8), Florida Statutes

# Seven Basic Reporting Requirements

## 6. Annual Financial Audit Report

- ▶ File two paper copies and one electronic copy with the Auditor General within 45 days after delivery of the audit, but no later than 12 months after the fiscal year end (September 30)
  - The local governing authority will take care of this if the CRA is included in their audit
  - The CRA must take care of this if its audit was not included in their audit

# Seven Basic Reporting Requirements

## 7. Annual Financial Report

Justin Young

Department of Financial Services  
Bureau of Local Government  
(850) 413-5571



# Seven Basic Reporting Requirements

## 7. Annual Financial Report

- Reflects:
  - Revenues
  - Expenditures
  - Long-Term Liabilities
- Filed online with the Department of Financial Services

# Seven Basic Reporting Requirements

## 7. Annual Financial Report

- ▶ Your local governing authority will handle this by including the CRA's financial data in its report and filing the report online with the Department of Financial Services

# Seven Basic Reporting Requirements

## 7. Annual Financial Report

### ▶ CRA Responsibilities:

- Find out from your local governing authority's finance department exactly what they need from the CRA and when they need it

# Seven Basic Reporting Requirements

## 7. Annual Financial Report

- ▶ The deadline for local governing authorities to file the report online with the Department of Financial Services is:
  - Within 45 days after delivery of their financial audit
  - But no later than 12 months after the fiscal year end (September 30)
- ▶ A CRA's deadline to provide its financial information to its local governing authority will likely be well before their deadline

# Seven Basic Reporting Requirements

## 7. Annual Financial Report

### ▶ Problem:

- 20 CRAs appear on the 2008 Non-Compliant Governments list on the Department of Financial Services Website for filing the report late or not at all. Visit:

- <https://apps.fldfs.com/LocalGov/Reports/>
- Select “2008” as the Year
- Select “Non-Compliant Governments”
- Click on “Create Report”

# Seven Basic Reporting Requirements

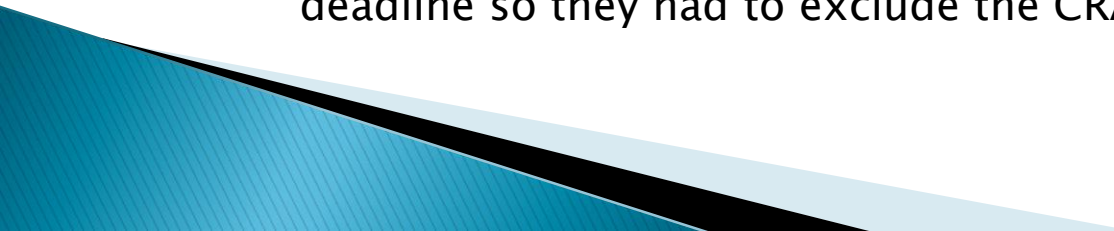
## 7. Annual Financial Report

- ▶ CRAs appear on the noncompliance list when the Department of Financial Services is unable to find the CRA in the local governing authorities report.
  - In such instances, the Department of Financial Services must assume the CRA will be filing it separately. If the CRA's report does not arrive by the deadline, they must list the CRA as noncompliant
  - Their noncompliance list is provided to the Legislature

# Seven Basic Reporting Requirements

## 7. Annual Financial Report

### ► Explanations we've heard:

- The local governing authority forgot to ask the CRA for its financial data
  - The CRA provided its financial data to the local governing authority by the deadline but the local governing authority forgot to include it
  - Miscommunication between the local governing authority and CRA – the local governing authority thought the CRA would be filing their own Annual Financial Report with the Department of Financial Services
  - The local governing authority asked the CRA for its financial data but the CRA did not provide it to the local governing authority by the deadline so they had to exclude the CRA's financial data
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# Seven Basic Reporting Requirements

## 7. Annual Financial Report

### ► Explanations we've heard:

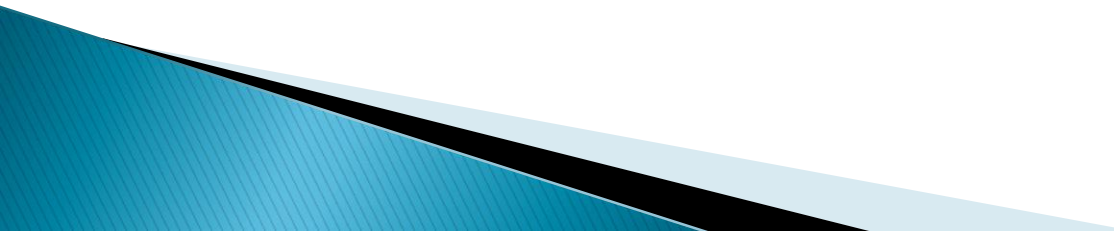
- The financial audit was behind schedule so the CRA or local governing authority didn't have its audited financial data in time to report it
- Someone confused the Annual Financial Report with something else – The Annual Financial Report is NOT:
  - The Financial Statements
  - The Annual Financial Audit Report
  - The Annual Budget
  - The Annual Special District Fee (\$175) Invoice and Update Form
  - The Annual Report of the CRA's Activities



# Failure to Comply

- ▶ If any of these are not filed with the local governing authority . . .
  - Registered Agent & Office
  - Regular Public Meeting Schedule
- ▶ Or any of these with the appropriate state agency . . .
  - Annual Financial Audit Report
  - Annual Financial Report

# Failure to Comply

- ▶ State Agency or local general-purpose government notifies the Special District Information Program
  - ▶ Program mails a certified technical assistance letter to the CRA and copies the city or county, and coordinates a 60-day time extension
- 

# Failure to Comply

- ▶ If the CRA does not comply within the 60-day time extension (and it is the CRA's fault):
  - the local governing authority may:
    - Remove the CRA's governing board members
    - Veto the CRA's budget
    - Initiate an oversight review process
    - Dissolve the CRA
  - the Joint Legislative Auditing Committee may direct the Department of Community Affairs to initiate legal proceedings through the Circuit Court or declare the CRA inactive for dissolution

# Failure to Comply

- ▶ Avoid “Failure to Comply” in the first place!
  - Make sure you understand reporting requirements – review the Florida Special District Handbook Online:
    - Detailed chapters
    - Reporting requirements summarized section
    - Direct contacts for additional information section
    - Reports and information by due date section
  - Note deadlines on your calendar
  - When problems arise, inform the appropriate agencies and copy the Special District Information Program

# One More Important Report

## ▶ The Annual Report of the CRA's Activities

- ▶ Section 163.356(3)(c), Florida Statutes, requires the CRA to annually prepare and file an Annual Report of the CRA's Activities:
  - ▶ Must include a complete financial statement (assets, liabilities, income, and operating expenses)
  - ▶ Examples of other information to include:
    - History of tax increment funding for the past 5 to 10 years
    - Details of funding sources and uses by CRA project during the fiscal year
    - Plans for funding and spending for each of the next 5 to 10 years
    - Proposed changes to CRA boundaries or the CRA Plan

# One More Important Report

- ▶ **The Annual Report of the CRA's Activities**
  - File with the local governing authority by March 31
  - Publish in the newspaper notice of availability of the report
- ▶ Special Note: Save printing costs and postage!
  - ▶ CRAs are not required to file this report with any state agency

# Special District Questions?

## Contact:

Jack Gaskins Jr.

Direct: (850) 922-1457

[Jack.gaskins@dca.state.fl.us](mailto:Jack.gaskins@dca.state.fl.us)

## Resources:

[www.FloridaSpecialDistricts.org](http://www.FloridaSpecialDistricts.org)

Florida Special District Handbook Online

Official List of Special Districts Online

Department of Community Affairs  
Special District Information Program  
2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100