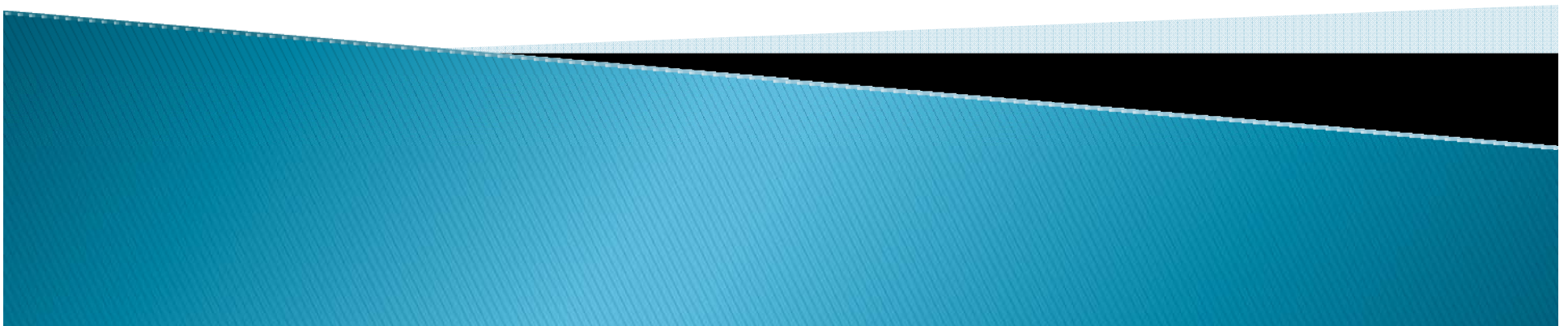


Florida Association of Special Districts
2010 Annual Conference

“Special Districts Working Today for a Better Tomorrow”

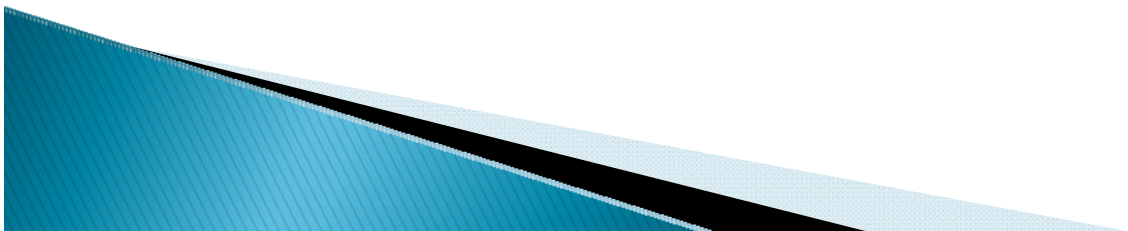
Special District Basics Presentation

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



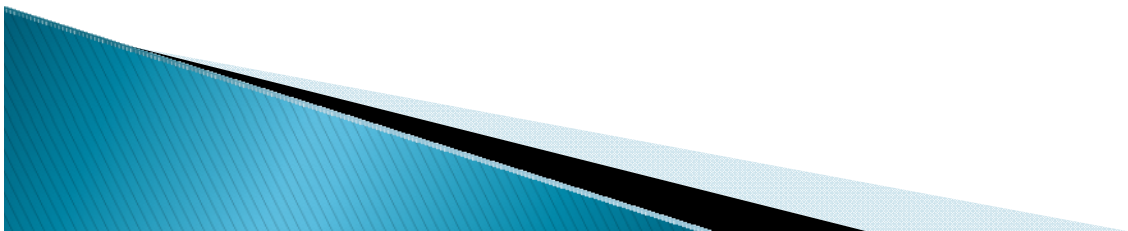
Presentation's Topics

- ▶ What are special districts?
- ▶ Special District Status
- ▶ 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
- ▶ Ten basic reporting requirements
 - What happens if you don't comply
- ▶ Contact information and resources



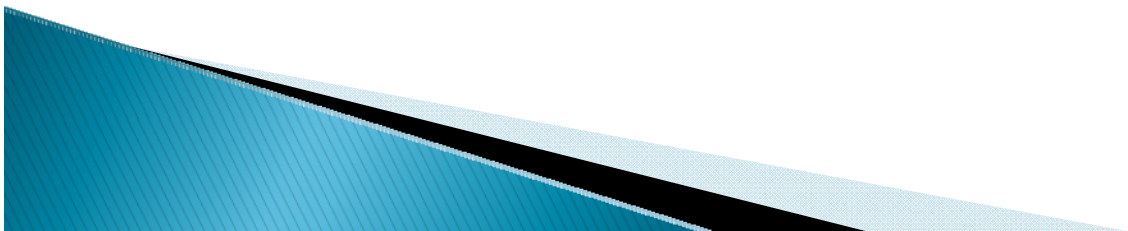
What are Special Districts?

- ▶ 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



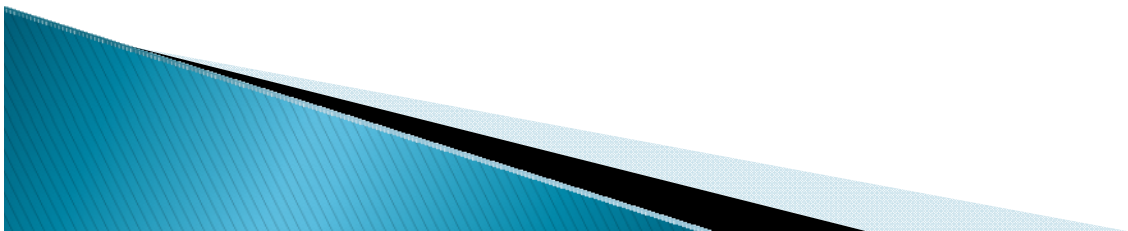
Special District Status

- ▶ For financial reporting and other purposes, special districts are classified as either “dependent” or “independent”
- ▶ A number of exceptions exist, but generally:
 - ▶ dependent special districts are created by municipalities and counties
 - ▶ independent special districts are created by the Florida Legislature



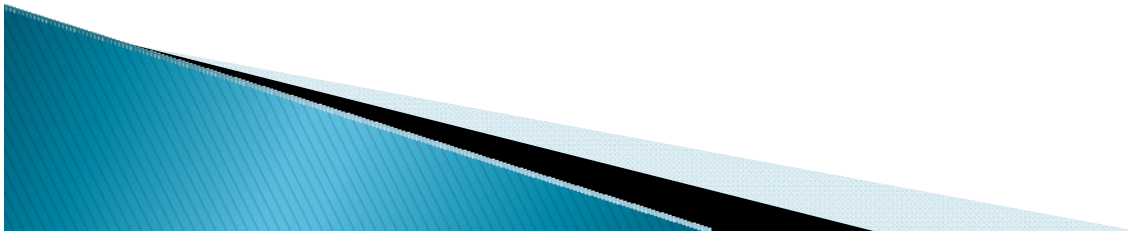
Dependent Characteristics

- ▶ 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

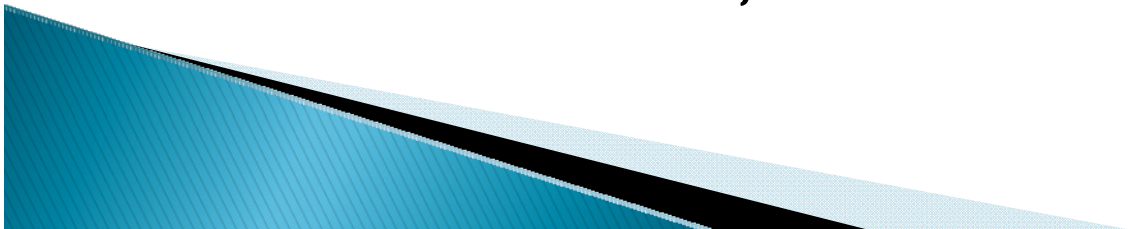
- ▶ Special District Totals as of March 2010

- Dependent: 615
- Independent: 1,007

- Total : 1,622

- Multicounty: 69
- Single County: 1,553

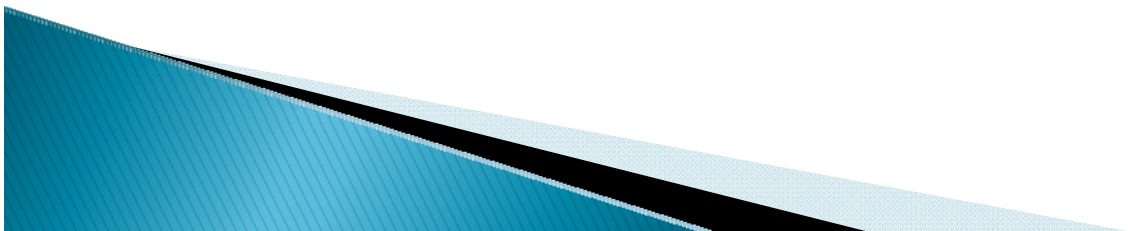
- Total : 1,622



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:

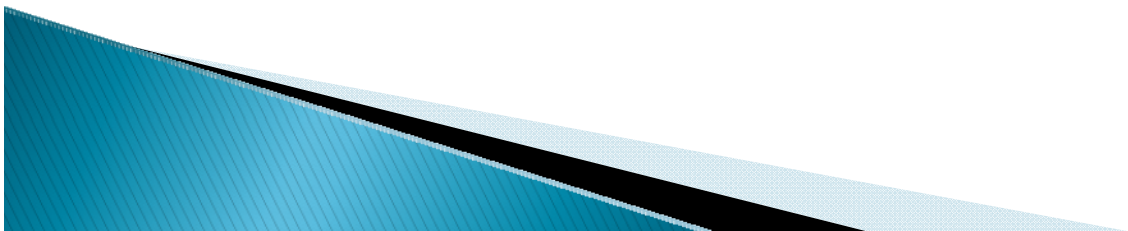
- Hastings Drainage District (Putnam and St. Johns Counties)

- Created July 1, 1913

- ▶ Florida's Newest Special District:

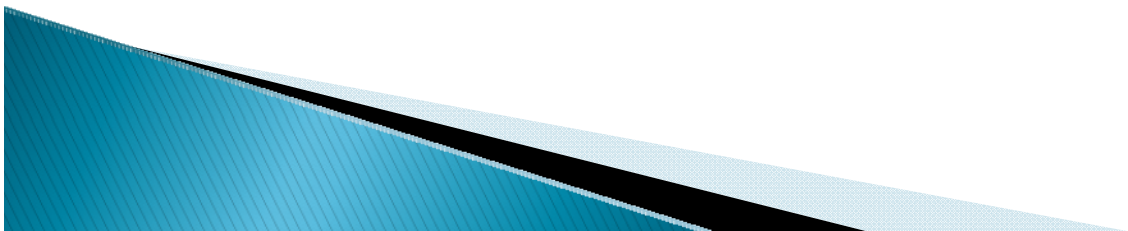
- Northwest Focal Point Senior Center District (City of Margate)

- Created August 19, 2009



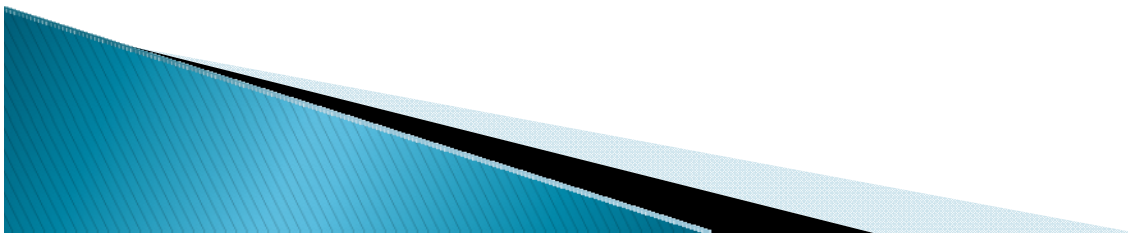
Why Create a Special District?

- ▶ 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



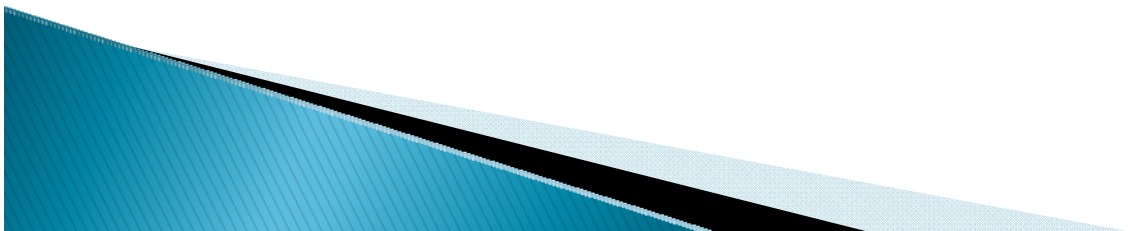
Why Create a Special District?

- ▶ 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



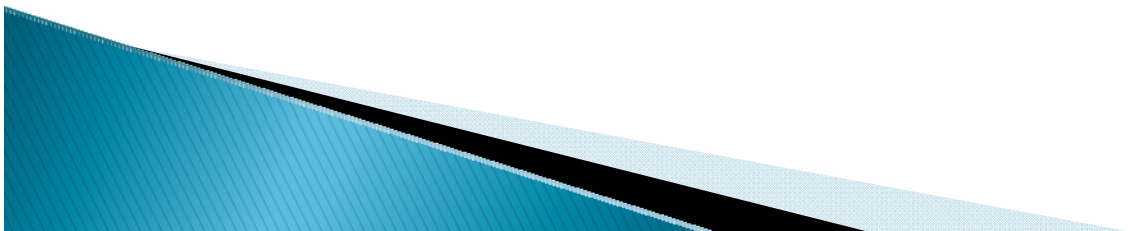
Why Create a Special District?

- ▶ 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



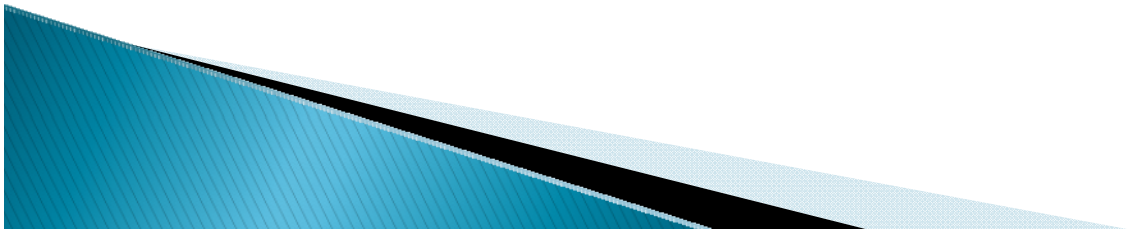
Why Create a Special District?

- ▶ 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



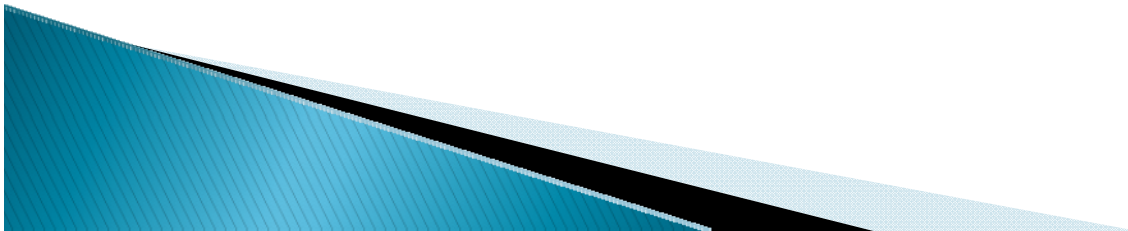
Why Create a Special District?

- ▶ 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)



Special District Accountability

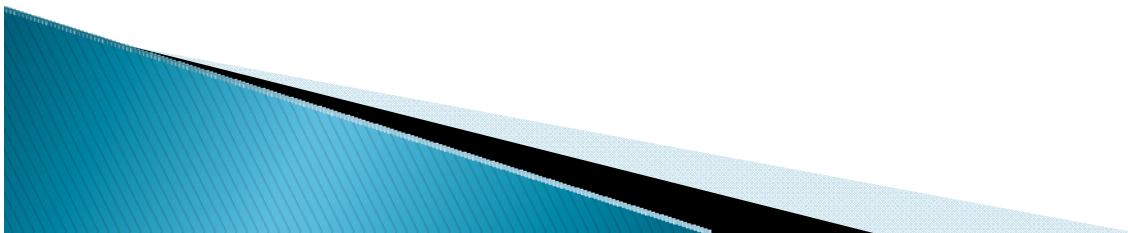
- ▶ How are special districts held accountable?
 - The Uniform Special District Accountability Act of 1989 – also known as Chapter 189, Florida Statutes



Uniform Special District Accountability Act

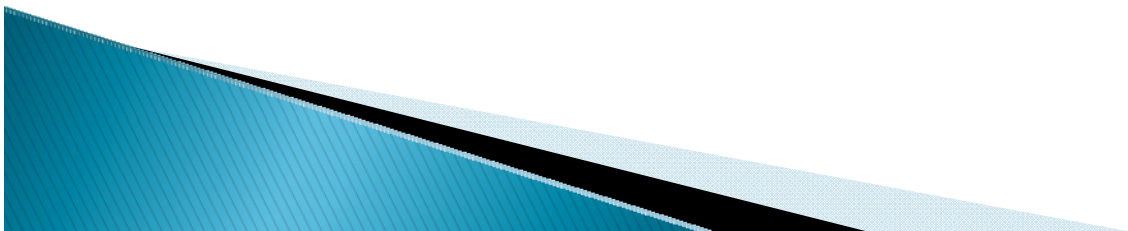
▶ Purposes:

- 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*

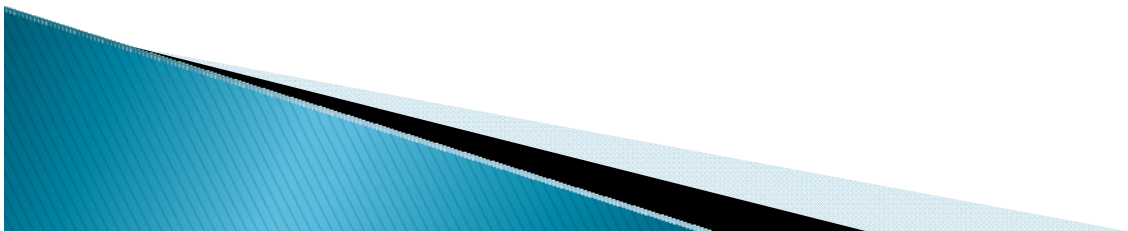
- The program provides technical assistance:

- *Florida Special District Handbook Online*

- Sponsors training opportunities

- *Florida Association of Special Districts Annual Conference*

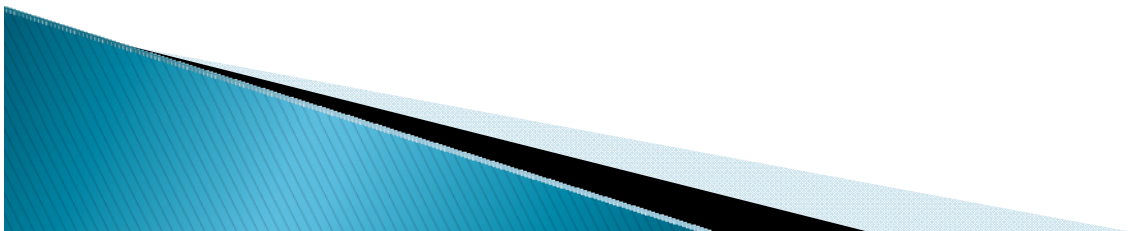
- *Certified Special District Manager Program*



Uniform Special District Accountability Act

▶ *Special District Information Program*

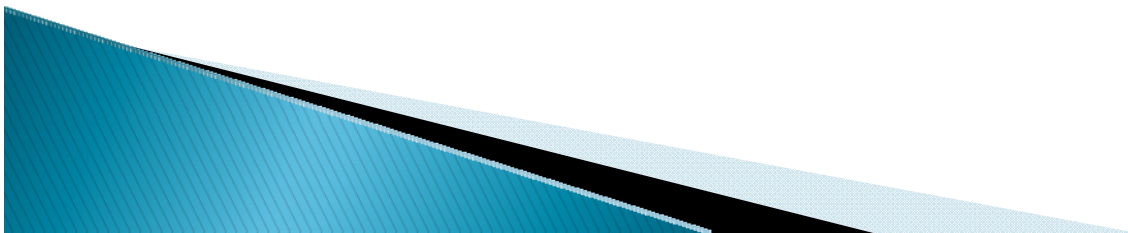
- Helps citizens understand:
 - Special districts in general
 - What they can do when they are unhappy with a special district's decision or policy
- Helps counties and municipalities:
 - Understand how they can address community issues and generate revenues through special districts



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.

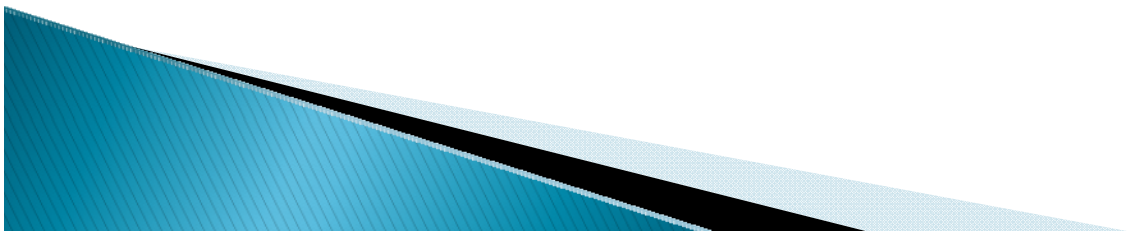


Uniform Special District Accountability Act

- ▶ *Special District Information Program*
 - One staff person
 - Jack Gaskins

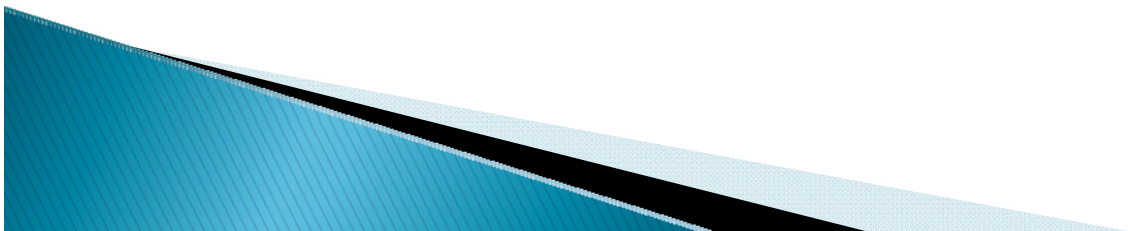
The Department of Community Affairs
Special District Information Program

Helping Communities Be Successful



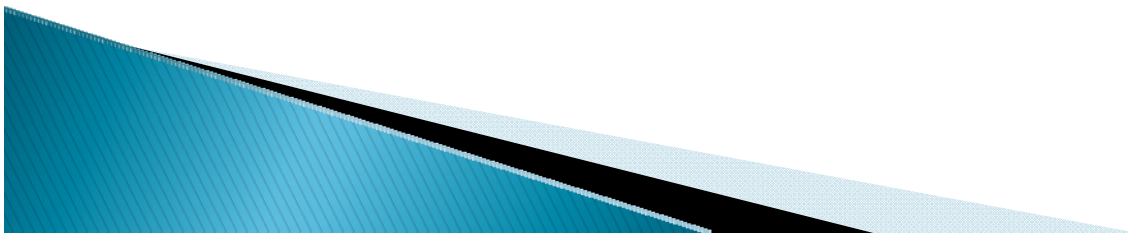
Special District State Policies

- ▶ 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



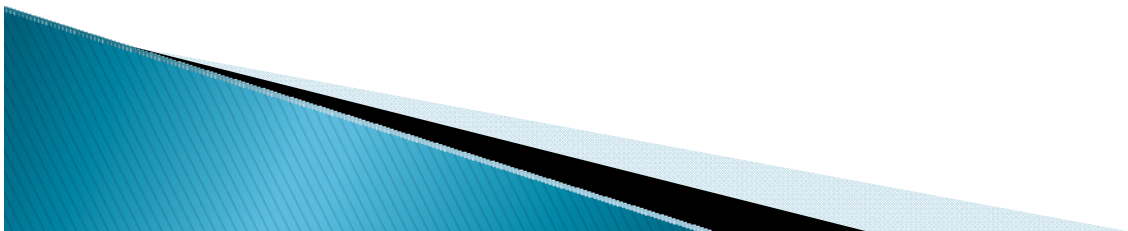
Special District State Policies

- ▶ 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



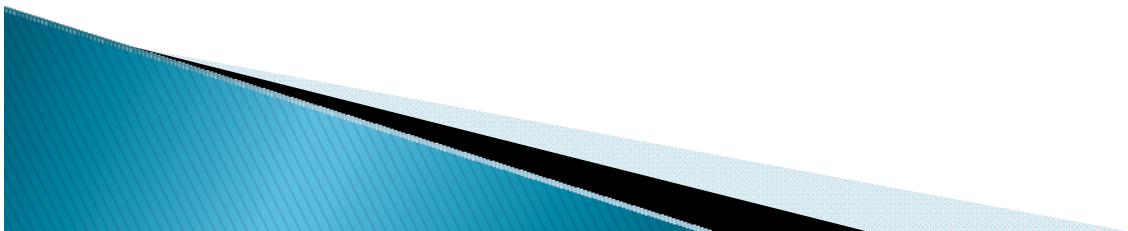
Special District State Policies

- ▶ 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



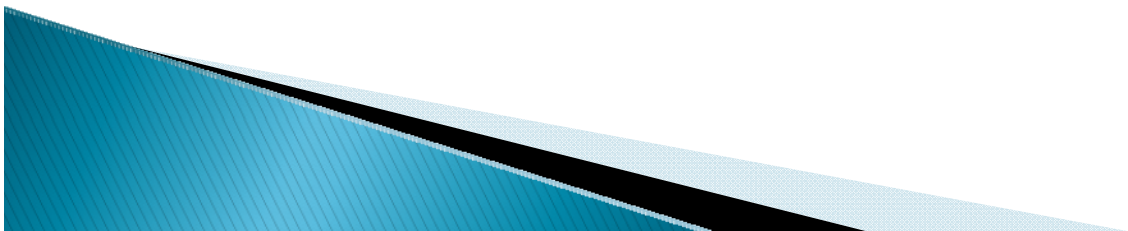
Ten Basic Reporting Requirements

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
8. Three Retirement System Reports
9. Two Bond Financing Reports
10. Three Public Facilities Reports



Ten 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*



Ten Basic Reporting Requirements

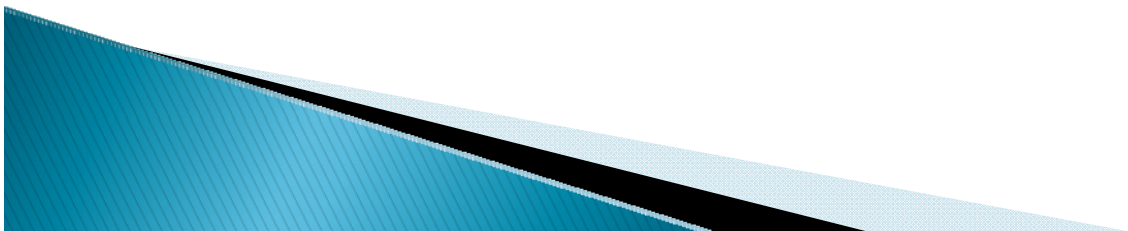
2. Registered Agent & Office (name, address, email, telephone, fax)
 - File and keep updated with:
 - Department of Community Affairs, Special District Information Program
 - Keeps the *Official List of Special Districts Online* up-to-date
 - Local Government(s) in which the special district is located
 - If county, Clerk of the Board of County Commissioners
 - If municipality, the place designated by the municipality



Ten Basic Reporting Requirements

3. Annual Fee (\$175) and Update

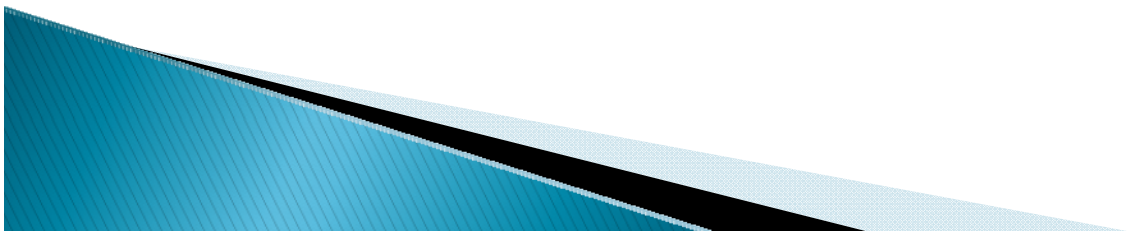
- \$175 Annual Fee
 - Invoiced in October; due to the Department of Community Affairs within 60 days to avoid up to \$50 in penalties
 - Covers the costs of administering the Uniform Special District Accountability Act of 1989



Ten Basic Reporting Requirements

3. Annual Fee (\$175) and Update

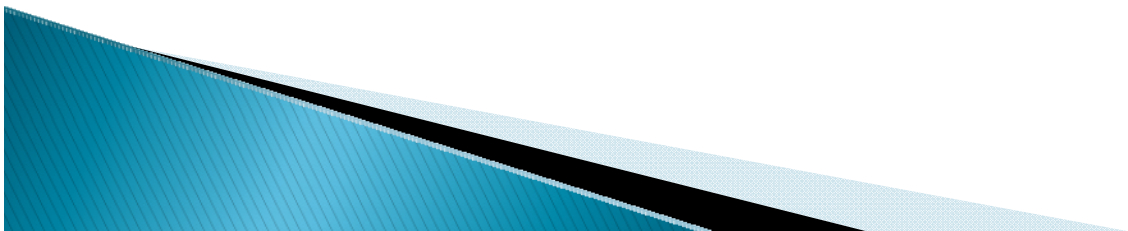
- **Update** (update form is part of the \$175 invoice)
 - The Registered Agent must review the information on file, update as necessary, sign and date it, and return it with the \$175 fee
 - This information must be up-to-date for use by state and local agencies via the *Official List of Special Districts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



Ten Basic Reporting Requirements

4. Regular Public Meeting Schedule

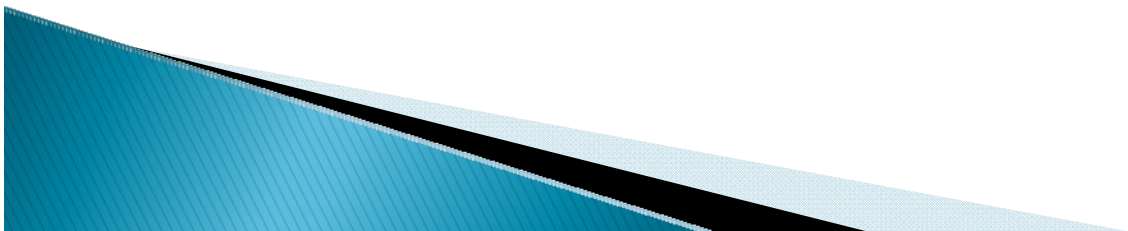
- Must Include:
 - the date, time and location of each scheduled meeting
 - a statement that anyone wanting to appeal an official decision made on any subject at the meeting must have a verbatim record of the meeting that includes the testimony and evidence on which the appeal is based



Ten Basic Reporting Requirements

4. Regular Public Meeting Schedule

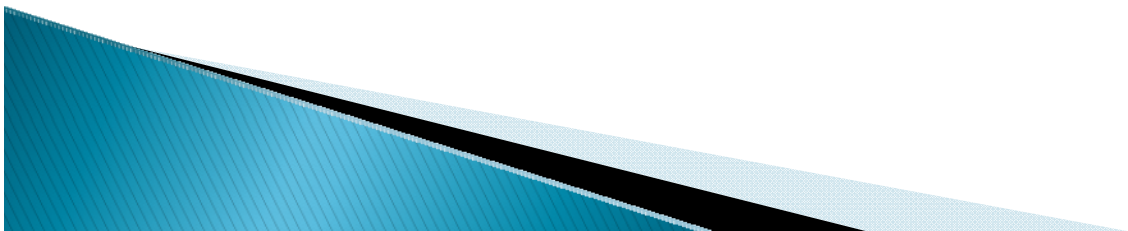
- May be done quarterly, semiannually, or annually
- File with the City Clerk or County Clerk of the Circuit Court in which the district is located
- Publish in a newspaper of general paid circulation (legal notices and classified advertisement section) in the area in which the special district is located



Ten Basic Reporting Requirements

5. Annual Budget

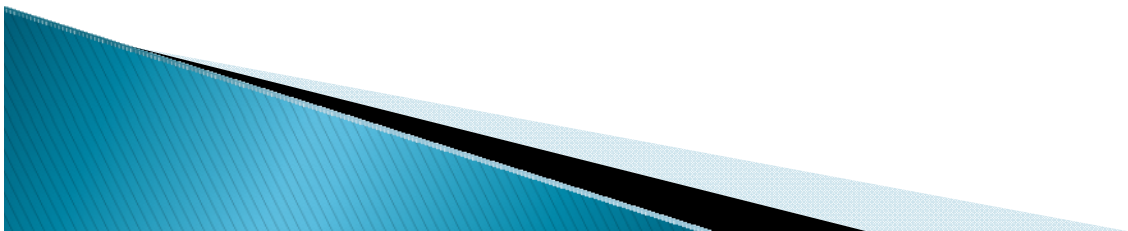
- ▶ Must be presented in accordance with generally accepted accounting principles
- ▶ The amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the appropriations for expenditures and reserves
- ▶ Must regulate expenditures
- ▶ For dependent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



Ten Basic Reporting Requirements

5. Annual Budget

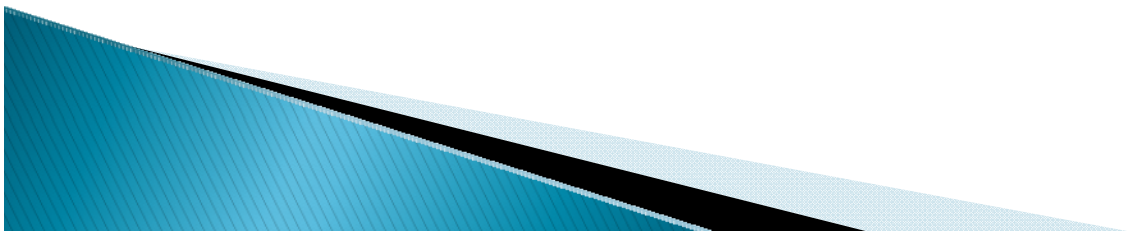
- ▶ Board must adopt the budget by resolution
- ▶ Do not expend or contract for expenditures in any fiscal year except in pursuance of budgeted appropriations
- ▶ At any time within a fiscal year or within up to 60 days following the end of the fiscal year a special district may amend a budget for that year by resolution



Ten 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
- ▶ Annual audit is required if:
 - Revenues or expenditures greater than \$100,000
 - Revenues or expenditures between \$50,000 and \$100,000 if a financial audit was not required the previous two fiscal years



Ten Basic Reporting Requirements

6. Annual Financial Audit Report

- ▶ Dependent special districts may be included in the audit of the appropriate county or municipality
- ▶ File:
 - Two paper copies
 - 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)

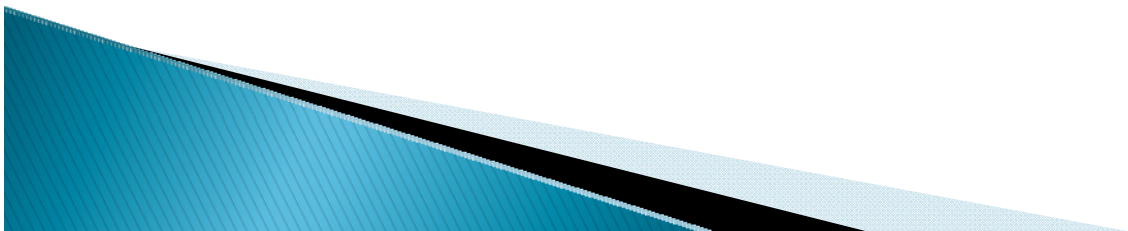


Ten Basic Reporting Requirements

7. Annual Financial Report

▶ Reflects:

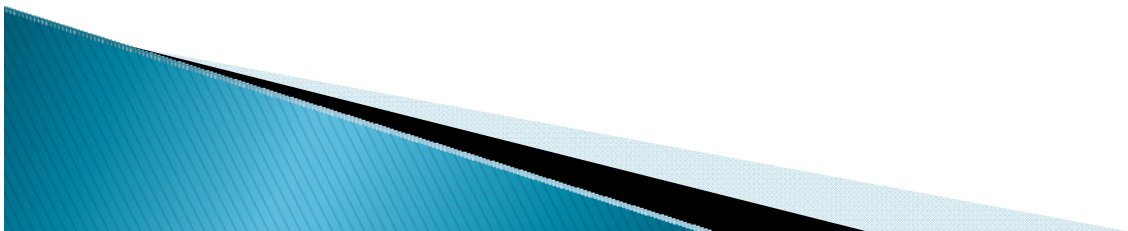
- Revenues
- Expenditures
- Long-Term Liabilities



Ten Basic Reporting Requirements

▶ Annual Financial Report

- Independent special districts must file directly with the Department of Financial Services
- Dependent special districts must make their financial information available to the city or county in time to be included in their Annual Financial Report, unless the city or county permits the dependent special district to file separately



Ten Basic Reporting Requirements

- ▶ Annual Financial Report
- ▶ Deadline to file 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)
- ▶ File online with the Department of Financial Services at <https://apps.fldfs.com/LocalGov/>



Ten Basic Reporting Requirements

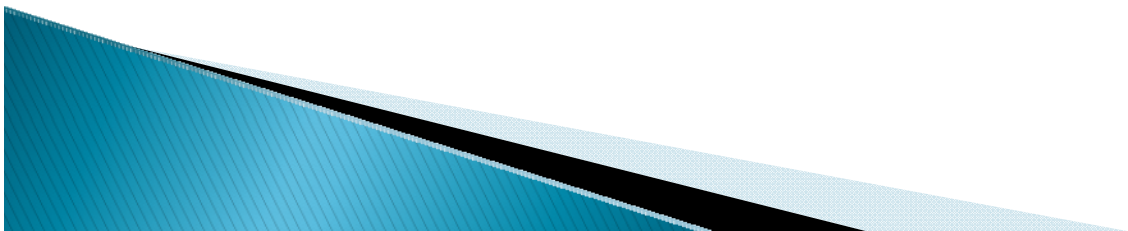
8. **Three Retirement System Reports (if applicable)**
 - 1) Actuarial Impact Statement for Proposed Plan Amendments
 - 2) Actuarial Valuation Report
 - 3) Defined Contribution Report
 - File with Department of Management Services, Division of Retirement



Ten Basic Reporting Requirements

9. Two Bond Reports

- 1) **Advanced Notice of Bond Sale** – Due the day before or sooner when selling certain general obligation or revenue bonds, or closing on any similar long-term debt instrument
- 2) **Bond Information/Disclosure Form** – Due within 120 days after the delivery of new general obligation bonds, revenue bonds, or any long-term debt that is outstanding for more than 12 months
 - File electronically with the State Board of Administration, Division of Bond Finance at:
<https://www.sbafla.com/issue/>



Ten Basic Reporting Requirements

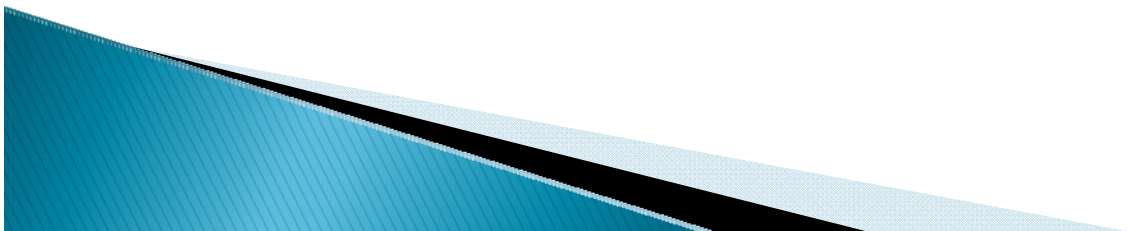
- ▶ Three Public Facilities Reports

- 1) Initial Report (within one year of creation)

- 2) Annual Notice of Any Changes

- 3) Updated Report (every five years)

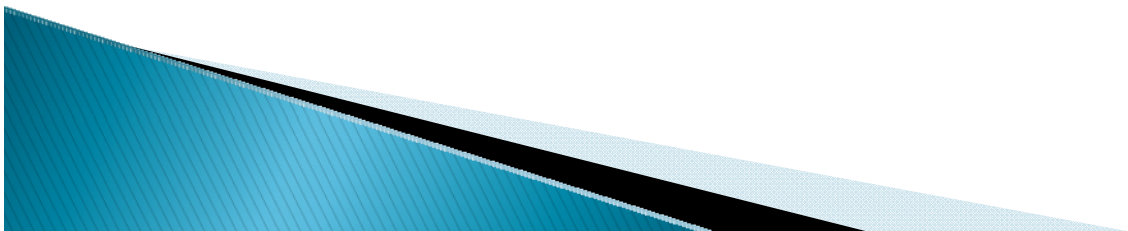
- ▶ Most independent districts must file with the municipality or county in which the district is located



Failure to Comply

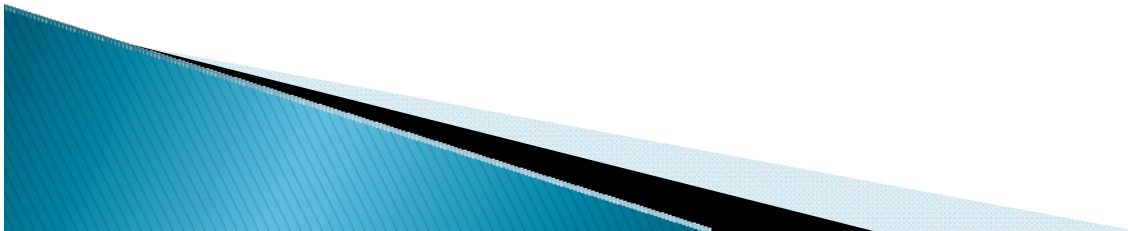
- ▶ If any of these are not filed with the local governing authority . . .
 - Registered Agent & Office
 - Regular Public Meeting Schedule
 - Public Facilities Reports

- ▶ Or any of these with the appropriate state agency . . .
 - Annual Financial Audit Report
 - Annual Financial Report
 - Bond Reports
 - Creation Document and Map, as amended
 - Retirement System Reports



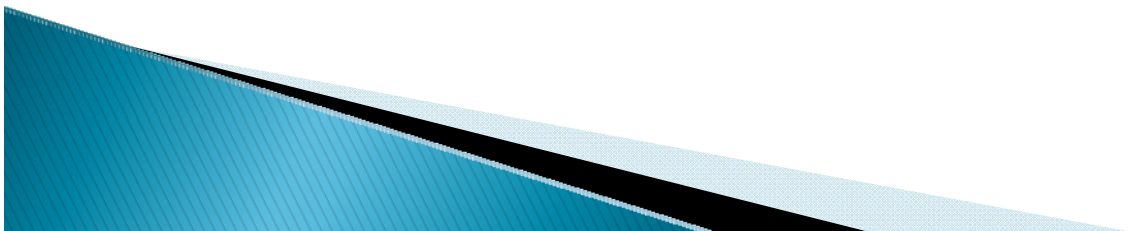
Failure to Comply

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



Failure to Comply

- ▶ If the special district does not comply within the 60-day time extension
 - The Joint Legislative Auditing Committee may direct the Department of Community Affairs to initiate legal proceedings through the Circuit Court
 - The Department of Community Affairs may declare the special district inactive for dissolution



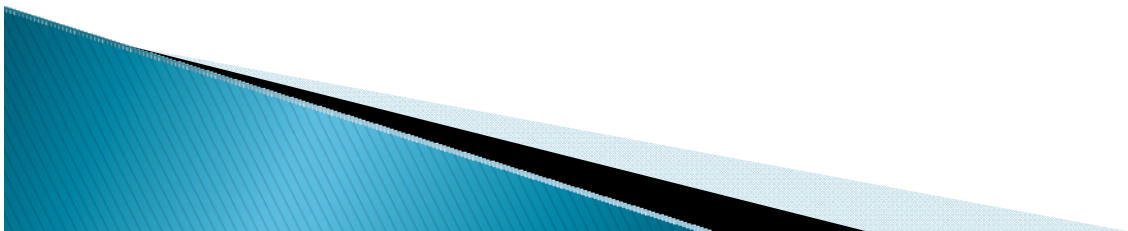
Failure to Comply

- ▶ If the special district does not comply within the 60-day time extension
 - A city or county may initiate the oversight review process and make recommendations to the Legislature about the special district
 - For dependent special districts, a city or county may:
 - Remove district board members
 - Veto the district's budget
 - Dissolve the special district



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



Special District Questions?

Contact:

Jack Gaskins Jr.

Direct: (850) 922-1457

Jack.gaskins@dca.state.fl.us

Resources:

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

