

**SUMMARY OF
SIGNIFICANT FINDINGS
AND FINANCIAL TRENDS IDENTIFIED IN
LOCAL GOVERNMENT AUDIT REPORTS
FOR THE 2023-24 FISCAL YEAR**

Pursuant to Section 11.45(7)(f), Florida Statutes



Sherrill F. Norman, CPA
Auditor General

The team leader was David T. Ward, CPA, and the review was supervised by Gina M. Bailey, CPA, CFE, CISA.

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

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

SUMMARY OF SIGNIFICANT FINDINGS AND FINANCIAL TRENDS IDENTIFIED IN LOCAL GOVERNMENT AUDIT REPORTS FOR THE 2023-24 FISCAL YEAR

SUMMARY

This report provides a summary of significant findings identified in local governmental entity¹ audit reports for the 2023-24 fiscal year prepared by independent certified public accountants and filed with us. This report also summarizes the financial trends we identified in those reports and the unaudited annual financial reports filed with and provided to us by the Department of Financial Services (DFS).

Significant Findings

We reviewed the 1,733 local governmental entity 2023-24 fiscal year financial audit reports filed with us for 2,009 entities² (332 county agencies, 310 municipalities, and 1,367 special districts) as of July 31, 2025, and noted that:

- The audit reports for 15 (1 percent) of the entities contained one or more modified opinions, which is the same percentage as the reviewed 2022-23 fiscal year entity audit reports with modified opinions.
- While the audit reports for 1,699 entities contained no findings, the audit reports for 310 entities contained 563 findings, 4 percent less than the 585 findings included in the 2022-23 fiscal year audit reports reviewed.³ The 563 findings included 182 findings (32 percent) similarly reported in the 2022-23 and 2021-22 fiscal year audit reports, a 2 percent increase when compared to the 178 findings (30 percent) reported in the 2022-23 audit reports that had been similarly reported in the two previous fiscal year audit reports. Many of the findings (35 percent) did not include one or more of the elements required by *Government Auditing Standards (GAS)*⁴ and the Rules of the Auditor General.⁵
- The audit reports for 107 (6 percent), 88 (5 percent), and 32 (2 percent) of the entities disclosed findings classified as financial statement material weaknesses, significant deficiencies, and noncompliance required to be reported in accordance with GAS,⁶ respectively. For the 2022-23 fiscal year, the percentages of audit reports reviewed with those types of findings were 6 percent, 4 percent, and 2 percent, respectively.
- The respective auditors considered 156 (28 percent) of the 563 findings reported to be material weaknesses in internal control over financial reporting, 122 findings (22 percent) to be significant deficiencies, and 46 findings (8 percent) to be noncompliance required by GAS to be reported. For the 2022-23 fiscal year, those finding types represented 28 percent, 20 percent, and

¹ The local governmental entities include counties and certain municipalities and special districts.

² The 1,733 audit reports received through July 31, 2025, included 56 county audit reports that each included separate audits of each county agency. We reviewed the findings separately reported for the county agencies in the county audit reports received and, therefore, reviewed audit reports related to a total of 2,009 local governmental entities.

³ For the 2022-23 fiscal year, we reviewed audit reports for 1,874 local governmental entities. A total of 585 findings were reported for 298 of those entities.

⁴ *Government Auditing Standards 2018 Revision*, paragraphs 6.17 through 6.30.

⁵ Chapter 10.550, Rules of the Auditor General.

⁶ GAS require auditors to report noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the financial statements and any other instances of noncompliance with provisions of laws or regulations that warrant the attention of those charged with governance.

8 percent, respectively, of the total findings reported. The material weaknesses and significant deficiencies reported for the 2023-24 and 2022-23 fiscal years primarily related to inadequate separation of duties, accounting records, and financial reporting. The noncompliance findings mainly addressed budget overexpenditures, financial reporting, and noncompliance with bond covenants.

- 21 audit reports contained a total of 26 findings citing Federal awards program noncompliance, control deficiencies, or both, whereas, for the 2022-23 fiscal year, 22 entity audit reports had a total of 35 such findings.
- 19 audit reports contained a total of 21 findings citing State financial assistance project noncompliance, control deficiencies, or both, whereas, for the 2022-23 fiscal year, 11 entity audit reports had a total of 14 such findings.

Financial Trends

To identify financial trends, we reviewed 1,870 audit reports for the 2023-24 fiscal year, including the 1,733 local governmental entity audit reports filed with us through July 2025, and audit reports we received from 137 other local governmental entities during the period August through October 2025. We also reviewed 158 selected local governmental entity unaudited annual financial reports filed with the DFS and provided to us.

Our reviews of the 1,870 audit reports included a determination of whether the financial statement auditor reported that the entity met one or more of the conditions described in State law⁷ that could cause the entity to be in a state of financial emergency. We also compiled and reviewed reported financial data, for example, fund equity, cash, and investment balances, as applicable, for the 1,733 audit reports filed with us through July 31, 2025, and the 158 annual financial reports. Our reviews disclosed that:

- The audit reports for 3 local governmental entities (Lake St. Charles Community Development District, Leon County Educational Facilities Authority, and SWI Community Development District) included a going concern statement by the respective auditors that questioned the ability of the local governmental entity to continue operations on an ongoing basis. Reports reviewed for the 2022-23 fiscal year for 2 entities (Leon County Educational Facilities Authority and SWI Community Development District) contained this statement.
- The audit reports for 16 special districts, or 1 percent of the 1,870 entities, reported that the entity met at least one condition described in State law that could cause the entity to be in a state of financial emergency. When compared to our review results for the previous 4 fiscal years, this is the fewest number of entities reported as meeting at least one of the conditions.
- The audit reports for 27 (8 municipalities and 19 special districts), or 1 percent, of the 1,870 entities reported that the entity was experiencing deteriorating financial conditions. The number of entities reported as experiencing deteriorating financial conditions decreased from 35 entities during the 2020-21 fiscal year to 27 entities during the 2023-24 fiscal year.
- Taxable property values and taxes levied for counties and municipalities have increased over the 9-year period 2015 through 2024, with the exception of the decrease in taxes levied for municipalities in 2020. County and municipality taxable property values increased by \$1.7 trillion (116 percent) and \$923 billion (115 percent), respectively, over the 9-year period 2015 through 2024. For that same period, taxes levied increased by \$7.9 billion (106 percent) for counties and by \$4.6 billion (118 percent) for municipalities.

⁷ Section 218.503(1), Florida Statutes.

- Although not reported in the audit reports, certain financial trends for numerous entities may be indicative of deteriorating financial conditions, including high levels of ad valorem millage rates for lesser-populated counties, insufficient levels of assigned and unassigned fund equity, declining excess revenues over expenditures in governmental funds or decreasing operating incomes (or increasing operating losses) in proprietary funds, and low or declining levels of cash and investments as compared to current liabilities.

BACKGROUND

One of the local government financial reporting system goals set forth in State law⁸ is the timely, accurate, uniform, and cost-effective accumulation of financial and other information that can be used by the Legislature and other appropriate officials to improve the financial condition of local governments. State law⁹ requires local governmental entity financial audits be performed by independent certified public accountants (CPAs). The independent auditors are to notify local governmental entities of:¹⁰

- Deteriorating financial conditions that may cause a condition specified in State law¹¹ to occur if actions are not taken to address such conditions.
- A fund balance deficit in total or for that portion of a fund balance not classified as restricted, committed, or nonspendable, or a total or unrestricted net assets deficit, as reported on the fund financial statements for which sufficient resources of the local governmental entity, as reported on the fund financial statements, are not available to cover the deficit.

Rules of the Auditor General¹² require the independent auditor to assess the local governmental entity's financial condition and include management letter recommendations addressing any deteriorating financial conditions disclosed by the audit. Rules of the Auditor General¹³ also require the local governmental entity's independent auditor to apply appropriate procedures and to state in the management letter whether or not the local governmental entity met one or more of the conditions specified in State law. When one or more of the conditions has occurred, or will occur if action is not taken to assist the entity, the local governmental entity is to notify the Governor and the Legislative Auditing Committee.¹⁴

State law¹⁵ requires us to review, in consultation with the Florida Board of Accountancy, all local governmental entity audit reports filed with us. Pursuant to State law,¹⁶ if an entity is reported as meeting one or more of the specified conditions, we are required to notify the Governor and the Legislative Auditing Committee. The Governor is responsible for determining whether the local governmental entity needs State assistance to resolve the condition(s) and, if so, the entity is considered to be in a state of financial emergency.

⁸ Section 11.45(2)(g), Florida Statutes.

⁹ Section 218.39(1), Florida Statutes.

¹⁰ Section 218.39(5), Florida Statutes.

¹¹ Section 218.503(1), Florida Statutes.

¹² Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General.

¹³ Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General.

¹⁴ Section 218.503(2), Florida Statutes.

¹⁵ Section 11.45(7)(b), Florida Statutes.

¹⁶ Section 11.45(7)(e), Florida Statutes.

We are also required to notify the Legislative Auditing Committee of local governmental entity audit reports that indicate the local government failed to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports.¹⁷ In addition, we are to annually compile and transmit to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee a summary of significant findings and financial trends identified in local governmental entity audit reports and other financial information, such as information contained in the annual financial reports for entities not required to obtain an audit.¹⁸

SIGNIFICANT FINDINGS

Modified Audit Opinions

Audit findings of the greatest significance include those that report noncompliance and control deficiencies that have a material impact on the fair presentation of the financial statements and may result in a modification of the independent auditor's opinion on the financial statements. Modified audit opinions include:

- Qualified opinions, whereby the auditor states that, except for the effects of the matters to which the qualification relates, the financial statements are fairly presented.
- Adverse opinions, whereby the auditor states that the financial statements are not fairly presented.
- Disclaimers of opinion, whereby the auditor does not express an opinion.

We reviewed 2023-24 fiscal year audit reports for 2,009 local governmental entities¹⁹ (332 county agencies, 310 municipalities, and 1,367 special districts) and noted that the audit reports for 15 (1 percent) of the entities contained one or more modified opinions. Table 1 lists the 15 entities whose 2023-24 fiscal year audit reports included modified opinions.

¹⁷ Section 218.39(8), Florida Statutes.

¹⁸ Section 11.45(7)(f), Florida Statutes.

¹⁹ The 1,733 audit reports received through July 31, 2025, included 55 county audit reports that each included separate audits of each county agency. We reviewed the findings separately reported for each of the county agencies in the county audit reports received and, therefore, reviewed audit reports related to a total of 2,009 local governmental entities.

Table 1
Entities with Modified Audit Report Opinions
For the 2023-24 Fiscal Year

Municipalities		Adverse	Qualified
1	Bristol, City of ^a		✓
2	Chiefland, City of ^a		✓
3	Greensboro, Town of ^a		✓
4	Lake Helen, City of ^a		✓
5	Malabar, Town of ^a		✓
6	Mexico Beach, City of		✓
7	Pahokee, City of		✓
8	Sopchoppy, City of ^a		✓
Special Districts			
1	Big Bend Water Authority ^a		✓
2	Gramercy Farms Community Development District	✓	✓
3	NatureWalk Community Development District	✓	✓
4	Portofino Isles Community Development District ^{a b}	✓	✓
5	Southern Hills Plantation II Community Development District	✓	
6	St. Augustine Port, Waterway and Beach District		✓
7	Stevens Plantation Community Development District		✓
<u>15</u>	Total Number of Audit Reports with Modified Opinions	<u>4</u>	<u>14</u>

^a Entity is 1 of 8 entities that also had a qualified opinion for the 2022-23 fiscal year.

^b Entity also had an adverse opinion for the 2022-23 fiscal year.

Source: Auditor General analysis of local governmental entity audit reports.

Specifically, the audit reports for the 15 entities included:

- Qualified opinions for 14 entities (8 municipalities, and 6 special districts). The respective independent auditors issued qualified opinions because the entities, for example, failed to implement GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, excluded component units from the financial statements, or lacked sufficient evidence for proprietary fund revenues. The percentage of 2023-24 fiscal year audit reports reviewed with qualified opinions (1 percent) was the same percentage as the 2022-23 fiscal year audit reports reviewed with qualified opinions.
- Adverse opinions for 4 special districts, 3 of which also included qualified opinions. The adverse opinions resulted from the exclusion of component units from the financial statements. The percentage of 2023-24 fiscal year audit reports reviewed with adverse opinions (less than 1 percent) was the same percentage as the 2022-23 fiscal year audit reports reviewed with adverse opinions.

Eight (53 percent) of the 15 local governmental entities with modified opinions also had one or more modified opinions for the 2022-23 fiscal year.

Classification of Audit Findings

Auditing standards require auditors to report material weaknesses in internal control and significant control deficiencies that are disclosed during the course of a financial statement audit. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct,

misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Auditors must also report noncompliance required to be reported by *Government Auditing Standards (GAS)* that has a material effect on a financial statement audit. The classification of an audit finding is dependent upon its potential impact on the specific entity under audit. Therefore, the classification of an audit finding could vary from entity to entity.

For the 2023-24 fiscal year, the financial audit reports we reviewed for the 2,009 local governmental entities included 1,699 entity reports that contained no findings, while the reports for the remaining 310 local governments (15 percent) included a total of 563 findings addressing deficiencies in internal control; instances of noncompliance with applicable laws, rules, or regulations; and other findings. In comparison, 16 percent of the audit reports we reviewed for the 2022-23 fiscal year²⁰ included audit findings.

Financial Statement Material Weaknesses and Noncompliance Required to be Reported by GAS

One or more findings were considered by the respective auditors to be financial statement material weaknesses in 107 (6 percent) of the 2023-24 fiscal year local governmental entity audit reports we reviewed, which is the same percentage of audit reports reviewed that reported material weaknesses for the 2022-23 fiscal year.²¹ In total, the 2023-24 fiscal year audit reports we reviewed included 156 findings (35 findings for 22 county agencies, 56 findings for 43 municipalities, and 65 findings for 42 special districts) considered by the respective auditors to be material weaknesses in internal control over financial reporting. This represents 28 percent of the total findings in the reports reviewed, the same percentage of material weakness findings in reports reviewed for the 2022-23 fiscal year. The financial statement material weaknesses reported for the 2023-24 and 2022-23 fiscal years primarily related to inadequate separation of duties, accounting records, financial reporting, revenues and collections, capital assets, and cash controls.

Additionally, the 2023-24 fiscal year audit reports for 32 local governmental entities included a total of 46 findings (3 findings for 2 county agencies, 20 findings for 14 municipalities, and 23 findings for 16 special districts), or 8 percent of the total findings, considered by the respective auditors to be noncompliance findings required to be reported by GAS. Of the 46 noncompliance findings:

- 2 findings for 2 municipalities were also classified as material weaknesses. These findings addressed weaknesses in internal controls over compliance with financial reporting and deteriorating financial condition.

²⁰ For the 2022-23 fiscal year, we reviewed audit reports for 1,874 local governmental entities. A total of 585 findings were reported for 298 of those entities.

²¹ For the 2022-23 fiscal year, 113 (6 percent) of the 1,874 audit reports we reviewed reported material weaknesses.

- 3 findings (1 finding for a county, 1 finding for a municipality, and 1 finding for a special district) were also classified as significant deficiencies. These addressed deficiencies in internal controls over financial reporting.

For the previous fiscal year, 30 local governmental entities had a total of 46 noncompliance findings required to be reported by GAS, including 2 noncompliance findings also classified as material weaknesses and 9 noncompliance findings also classified as significant deficiencies. The noncompliance findings for the 2023-24 and 2022-23 fiscal years most commonly addressed budget overexpenditures and noncompliance with bond covenants.

Financial Statement Significant Deficiencies

One or more findings were considered by the respective auditors to be financial statement significant deficiencies in 88 (5 percent) of the 2023-24 fiscal year local governmental entity audit reports we reviewed, a 1 percent increase from the reports with significant deficiencies we reviewed for the 2022-23 fiscal year. In total, 122 findings (22 percent) of the findings included in the 2023-24 fiscal year audit reports were considered by the respective auditors to be financial statement significant deficiencies, which is 2 percent more than the 20 percent of the previous fiscal year audit reports reviewed that reported significant deficiencies. The financial statement significant deficiencies reviewed for the 2023-24 and 2022-23 fiscal years primarily related to inadequate separation of duties, accounting records, financial reporting, and revenues and collections.

Audit Findings by Category

We received by July 31, 2025, and reviewed 2023-24 fiscal year audit reports for 2,009 local governmental entities, 7 percent more than the 1,874 entities whose 2022-23 fiscal year audit reports we received by July 31, 2024, and reviewed. The number of findings in the reports we received and reviewed decreased by 4 percent (from 585 findings for the 2022-23 fiscal year to 563 findings for the 2023-24 fiscal year). The decrease in the number and percentage of findings is further discussed under the subheading **Repeated Findings from Previous Fiscal Years**.

As part of our review, we identified categories of findings and grouped, by those categories, the 563 audit findings included for the 2,009 local governmental entities (332 county agencies, 310 municipalities, and 1,367 special districts) in the 2023-24 fiscal year audit reports. A summary of the number of findings, by finding category and by type of local governmental entity, along with comparative previous fiscal year information, is included as **EXHIBIT A** to this report.

Separation of Duties. In audit reports for 6 county agencies (2 percent), 14 municipalities (5 percent), and 16 special districts (1 percent), the respective auditors noted findings regarding an inadequate separation of duties or responsibilities. These 36 entities represent 2 percent of the entities included in the reports reviewed, the same percentage of entities with similar findings the previous fiscal year. Inadequate separation of duties or responsibilities increases the possibility that errors or fraud may occur without timely detection and diminishes the local governmental entity's ability to properly safeguard assets. For many instances, local governmental entity personnel contended that, due to the small number of staff, it was not economically feasible to further separate duties or responsibilities. However,

the auditors frequently recommended that the entity reassign duties and responsibilities or establish compensating controls.

Budget Administration. In audit reports for 7 county agencies (2 percent), 15 municipalities (5 percent), and 35 special districts (3 percent), the respective auditors noted findings regarding inadequate budgetary controls and noncompliance with legal requirements for adopting and amending the budget. These 57 entities represent 3 percent of the 2,009 entities, the same percentage of entities with similar findings the previous fiscal year. The findings addressed the entity's failure to properly adopt a budget, inadequate budgetary policies, failure to budget for all funds or projects, or overexpended budgets. Budget administration problems may affect an entity's ability to demonstrate to the citizenry the proper use of public resources and could result in inefficient or inappropriate use of resources, resulting in deteriorating financial conditions.

Accounting Records. In audit reports for 25 county agencies (8 percent), 36 municipalities (12 percent), and 21 special districts (2 percent), the respective auditors noted findings regarding inadequate accounting or other records, lack of subsidiary records or failure to timely reconcile subsidiary records to general ledger control accounts, and improper recording of accounting transactions. These 82 entities represent 4 percent of the 2,009 entities, the same percentage of entities with similar findings the previous fiscal year. Accounting record deficiencies may reduce an entity's ability to effectively monitor use of public resources and increase the risk of inappropriate or inefficient use of resources. Improperly recorded transactions also could affect the reliability of the entity's reporting of financial position and results of operations.

Financial Reporting. In audit reports for 7 county agencies (2 percent), 32 municipalities (10 percent), and 26 special districts (2 percent), the respective auditors noted findings relating to deficiencies in reporting financial data either externally or within the local governmental entity. These 65 entities represent 3 percent of the 2,009, a 1 percent decrease from the percentage of entities with similar findings the previous fiscal year. Financial reporting problems may affect an entity's ability to demonstrate compliance with legal, contractual, and financial reporting requirements and to provide assurance to interested parties (including its governing body) that the entity's financial condition is sound and the entity is efficiently and appropriately using public resources.

Cash. In audit reports for 9 county agencies (3 percent), 13 municipalities (4 percent), and 11 special districts (1 percent), the respective auditors noted findings regarding inadequate controls or noncompliance with legal requirements pertaining to cash on hand or held by banks. These 33 entities represent 2 percent of the 2,009 entities, the same percentage of entities with similar findings the previous fiscal year. The findings addressed inadequate or untimely bank reconciliations, inaccurate recording of cash transactions, and other cash accountability issues, including noncompliance with applicable legal requirements. Noncompliance with legal requirements for cash and cash accountability deficiencies increase the risk of unauthorized disbursements and cash losses and thwart the prompt detection of such disbursements and losses.

Capital Assets. In the audit reports for 6 county agencies (2 percent), 13 municipalities (4 percent), and 9 special districts (1 percent), the respective auditors noted findings regarding noncompliance with legal requirements for acquiring or disposing capital assets or the improper use of, and lack of accountability

for, capital assets. These 28 entities represent 1 percent of the 2,009 entities, a 1 percent decrease from the percentage of entities with similar findings the previous fiscal year. The findings addressed inadequate or lack of capital asset records, failure to timely reconcile subsidiary capital asset records to general ledger control accounts, failure to perform an annual inventory and compare the inventory results to the capital asset records, improper capital asset acquisitions, and unauthorized capital asset disposals. Noncompliance with legal requirements for capital assets and capital asset accountability deficiencies may affect an entity's ability to demonstrate that it has efficiently and appropriately acquired, disposed of, and safeguarded capital assets and increase the risk that such assets could be misappropriated without prompt detection and resolution.

Debt Administration. In the audit reports for 5 municipalities (2 percent) and 19 special districts (1 percent), the respective auditors noted findings that cited the entities' failure to make debt principal and interest payments when due, noncompliance with debt reserve requirements, or other noncompliance with bond covenants or other debt agreements. These 24 entities represent 1 percent of the 2,009 entities, the same percentage of entities with similar findings the previous fiscal year. Debt administration deficiencies may affect an entity's ability to obtain and repay debt and could contribute to deteriorating financial conditions.

Revenues and Collections. In the audit reports for 11 county agencies (3 percent), 21 municipalities (7 percent), and 3 special districts (less than 1 percent), the respective auditors noted findings that disclosed inadequate controls or noncompliance with legal requirements pertaining to revenues and accounts receivable. These 35 entities represent 2 percent of the 2,009 entities, the same percentage of entities with similar findings the previous fiscal year. The findings addressed improper recording of revenue or accounts receivable transactions, improper documentation supporting receipts, lack of an adequate fee structure, untimely deposits, and deposits not made intact. Revenue and accounts receivable deficiencies may affect an entity's ability to ensure that collections are safeguarded against loss from unauthorized use or disposition. Failure to assess and collect all revenues to which the entity is entitled could contribute to deteriorating financial conditions.

Payroll and Personnel Administration. In the audit reports for 4 county agencies (1 percent), 9 municipalities (3 percent), and 4 special districts (less than 1 percent), the respective auditors noted findings that identified inadequate controls or noncompliance with legal requirements pertaining to payroll and personnel administration. These 17 entities represent 1 percent of the 2,009 entities, the same percentage of entities with similar findings the previous fiscal year. The findings addressed improper authorization and payment of salaries and benefits to employees, improper recording of payroll or personnel transactions, and failure to properly classify or account for personnel matters. Deficiencies in payroll and personnel administration increase the risk that employees may be incorrectly compensated and employee leave balances may not be accurate.

Expenditures and Expenses. In the audit reports for 7 county agencies (2 percent), 9 municipalities (3 percent), and 8 special districts (1 percent), the respective auditors noted findings regarding deficiencies in expending public funds. These 24 entities represent 1 percent of the 2,009 entities, the same percentage of entities with similar findings the previous fiscal year. The findings addressed expenditures or expenses that were not properly documented, approved, or recorded; not executed efficiently; or not made in accordance with laws, rules, ordinances, or other guidelines. Expenditure and

expense deficiencies increase the risk of improper payments and the inappropriate or inefficient use of public resources.

Other Findings. Auditors also noted a total of 112 other findings in audit reports for 102 local governmental entities (22 county agencies, 50 municipalities, and 30 special districts). These 102 entities represent 5 percent of the 2,009 entities, which is a 1 percent decrease from the percentage of entities with similar other findings reported for the previous fiscal year. These other findings included, for example, findings regarding deteriorating financial condition, deficit fund balance/net assets, failure to follow established policies and procedures, and information technology control deficiencies.

Federal Awards Program and State Financial Assistance Project Findings

Federal Uniform Guidance²² establishes Federal awards program audit requirements and State law²³ establishes State financial assistance project audit requirements. In any fiscal year a local governmental entity expends award amounts that meet the audit threshold requirements, the entity must have the applicable Federal or State Single Audit. In the audit reports, independent auditors are required to opine on major Federal program and major State project compliance requirements, as applicable, and the auditors may classify audit findings as material weaknesses, significant deficiencies, or noncompliance that has a direct and material effect on major program or project compliance.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program or State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The audit reports for 21 local governmental entities included a total of 26 findings addressing Federal awards program noncompliance, control deficiencies, or both. The findings cited noncompliance with the Federal awards program²⁴ compliance requirements of Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Procurement Suspension and Debarment; Reporting; Subrecipient Monitoring; and Special Tests and Provisions. For example:

- 7 local governmental entities were each cited for a finding addressing major Federal awards program control deficiencies considered by the respective auditors to be material weaknesses in internal controls over major Federal program compliance. Whereas, for the 2022-23 fiscal year,

²² Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

²³ Section 215.97, Florida Statutes.

²⁴ The Federal awards programs included the Airport Improvement Program, Bulletproof Vest Partnership Program, Community Development Block Grants/Entitlement Grants, Community Development Block Grant/State's program and Non-entitlement grant in Hawaii, Coronavirus State and Local Fiscal Recovery, Disaster Grants – Public Assistance (Presidentially Declared Disasters), Federal Transit Formula Grant Cluster, Hazard Mitigation Grant, Homeland Security Grant Program (HSGP), National Infrastructure Investments, Promotion of the Arts Partnership Agreements, Public Safety Partnership and Community Policing Grants.

9 entities were cited with a total of 13 findings considered to be material weaknesses in internal controls over major Federal program compliance.

- 14 local governmental entities were cited for a total of 17 findings considered by the respective auditors to be significant deficiencies. For the 2022-23 fiscal year, the respective auditors for 14 entities considered a total of 16 findings addressing Federal awards programs to be significant deficiencies, and 1 of those findings was considered Federal awards program noncompliance required to be reported.
- 1 local governmental entity audit report had a finding that identified Federal awards program questioned costs totaling \$35,572 for management costs requested and received from the Federal Emergency Management Agency that exceeded the 5 percent earmarking threshold. In contrast, for the 2022-23 fiscal year, 4 audit reports each had a finding that collectively identified Federal awards program questioned costs totaling \$1,992,098.
- For the 2023-24 fiscal year, 1 local governmental entity was cited for major Federal awards program noncompliance that resulted in a qualified opinion for the Federal awards program. In contrast, for the 2022-23 fiscal year, 2 local governmental entities were cited for major Federal awards program noncompliance that resulted in a qualified opinion for that program.

In addition, the audit reports for 19 local governmental entities included a total of 21 findings citing State financial assistance project control deficiencies. These findings addressed noncompliance with the State financial assistance project²⁵ compliance requirements of Allowable Costs/Cost Principles, Cash Management, Eligibility, Period of Performance, Program Income, and Reporting. Specifically:

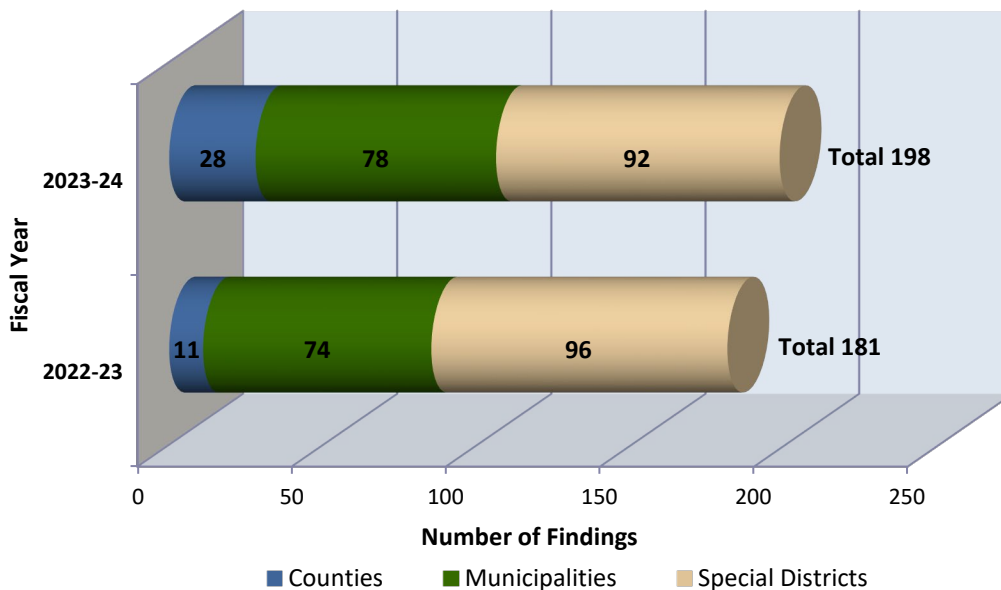
- 9 local government entities were cited for 11 findings addressing State financial assistance project control deficiencies considered by the respective auditors to be material weaknesses. Six of those findings (for 4 local governmental entities) were considered by the respective auditors to be material weaknesses that resulted in a qualified opinion on State financial assistance project compliance. Whereas, for the 2022-23 fiscal year, 7 local governmental entities were cited for 7 findings addressing State financial assistance project control deficiencies considered by the respective auditors to be material weaknesses, and 3 of the findings resulted in qualified opinions on State financial assistance project compliance for 3 local governmental entities.
- A total of 8 findings addressing State financial assistance control deficiencies at 8 local governmental entities were considered by the respective auditors to be significant deficiencies. For the 2022-23 fiscal year, a total of 6 findings addressing State financial assistance control deficiencies at 5 local governmental entities were considered by the respective auditors to be significant deficiencies.
- 6 local governmental entity audit reports identified 6 State financial assistance project findings with questioned costs totaling \$1,339,630 (\$769,000 for incurring costs after the period of availability, \$336,481 for missing eligibility applications, \$115,387 for an amount charged twice to the State award, \$73,542 for lack of proper review of payroll certification forms, \$45,173 for allocation to the incorrect project year, and \$47 for missing eligibility applications). In contrast, for the 2022-23 fiscal year 4 local governmental entity audit reports identified 5 State financial assistance project findings with questioned costs totaling \$1,615,881.

²⁵ The State financial assistance projects included Alzheimer's Disease Initiative, Aviation Grant Program, Commission for Transportation Disadvantaged – Trip and Equipment Grant, Grants & Aids - Local Government Fire Service Grants, Hurricane Housing Recovery Program, Jail Renovation Improvements Program, Local Emergency Management and Mitigation Initiatives, Law Enforcement Salary Assistance for Fiscally Constrained Counties, Statewide Water Quality Restoration Projects, State Housing Initiatives Partnership Program (SHIP), Statewide Water Quality Restoration Projects, State Hurricane Recovery Grant Program, and Water Management Districts – Land Acquisition and Improvement.

Detail of Audit Findings

GAS²⁶ and Rules of the Auditor General²⁷ prescribe the required elements of audit report findings. Of the 563 findings included in the audit reports we reviewed, 198 findings (35 percent) did not include one or more of the required elements, which is higher than the percentage of findings (31 percent) noted for the previous fiscal year as lacking one or more of the required elements. Chart 1 illustrates, by entity type, the total number of insufficiently detailed audit findings reported for the 2022-23 and 2023-24 fiscal years.

Chart 1
Insufficiently Detailed Audit Findings
By Entity Type



Source: Auditor General analysis of local governmental entity audit reports.

Most of the insufficiently detailed audit findings excluded one or more of the following required elements: A description of the criteria or specific requirement upon which the audit finding was based (e.g., statutory, regulatory, or other citation).

- A description of the condition found, including facts that support the deficiency identified in the finding.
- A proper perspective (e.g., the number of records examined and the quantity or dollar value of deficiencies noted) to assist audit report users in judging the prevalence and consequences of the finding, such as whether the finding represents an infrequent occurrence or a systemic problem.

²⁶ *Government Auditing Standards 2018 Revision*, paragraphs 6.17 through 6.30.

²⁷ Section 10.557(4)(b), Rules of the Auditor General.

Insufficiently detailed audit findings affect the ability of audit report users to understand the exact nature of the problem addressed in the finding and the necessary corrective action and may have contributed to the relatively high percentage of repeat audit findings.

Repeated Findings from Previous Fiscal Years

Of the 563 findings included in the 2023-24 fiscal year audit reports we reviewed, 182 findings (32 percent) for 123 local governmental entities (18 county agencies, 48 municipalities, and 57 special districts) were also included in the entities' 2022-23 and 2021-22 fiscal year audit reports. This is an increase from the 178 findings (30 percent) reported in the 2022-23 audit reports and also included in the audit reports for the previous 2 fiscal years (2021-22 and 2020-21).

FINANCIAL TRENDS

Going Concern Uncertainty

The 2023-24 fiscal year audit reports for 3 entities (Lake St. Charles Community Development District, Leon County Educational Facilities Authority, and SWI Community Development District) included statements by the respective auditors questioning the ability of the entities to continue operations on an ongoing basis. For the 2022-23 and 2021-22 fiscal year, audit reports for 2 of these entities (Leon County Educational Facilities Authority and SWI Community Development District) also contained a statement regarding substantial doubt about the entity's ability to continue as a going concern.

Potential Financial Emergencies

State law²⁸ requires local governmental entities to be subject to review and oversight by the Governor if, due to lack of funds, one or more of the following conditions occur:

- 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.
- Failure to pay uncontested claims from creditors within 90 days after the claim is presented.
- Failure to transfer at the appropriate time, taxes withheld on the income of employees or employer and employee contributions for Federal social security or any pension, retirement, or benefit plan of an employee.
- Failure for one pay period to pay wages and salaries owed to employees or retirement benefits owed to former employees.

Our review of the 1,870 local governmental entity 2023-24 fiscal year audit reports filed with us through October 2025 disclosed that 16 special districts were reported as meeting one or more of these conditions. As shown in Table 2, when compared to our review results for the previous 4 fiscal years, this is the fewest number of entities reported as meeting at least one of the conditions.

²⁸ Section 218.503(1), Florida Statutes.

Table 2
Local Governmental Entities Meeting Specified Conditions
For the 2019-20 Through 2023-24 Fiscal Years

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Number of audit reports received through October of the subsequent fiscal year and included in our review.	1,672	1,699	1,685	1,775	1,870
Number of Local Governmental Entities meeting one or more of the financial emergency conditions.	34	27	22	20	16
Number of Local Governmental Entities cited for failure:					
<ul style="list-style-type: none"> • 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, because of a lack of funds. 	33	26	19	20	14
<ul style="list-style-type: none"> • To pay uncontested claims from creditors within 90 days after the claim is presented, due to lack of funds. 	2	2	4	2	5

Source: Auditor General analysis of local governmental entity audit reports.

If a local governmental entity is reported as meeting one or more of the specified conditions, Rules of the Auditor General²⁹ require the independent auditor to specify whether the condition was a result of deteriorating financial conditions. For all 16 entities reported as meeting one or more of the specified conditions at the 2023-24 fiscal year end, the auditor indicated that the condition resulted from deteriorating financial conditions.

Deteriorating Financial Conditions

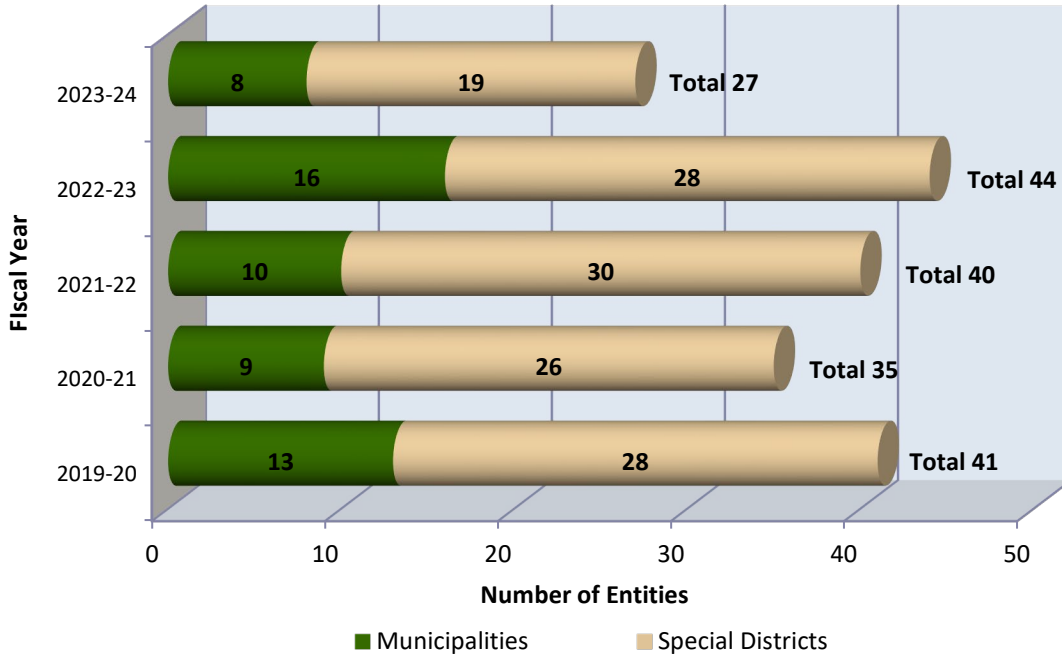
As discussed in the **BACKGROUND** section of this report, Rules of the Auditor General³⁰ require the independent auditor to assess the local governmental entity's financial condition and include management letter recommendations addressing any deteriorating financial conditions disclosed by the audit. For example, a municipality's failure to implement cost reductions or revenue enhancements to replenish fund equities and cash reserves may result in a future financial emergency condition.

The respective auditors reported 27 (8 municipalities and 19 special districts) of the 1,870 entities as experiencing deteriorating financial conditions at the 2023-24 fiscal year end. As illustrated by Chart 2, the total number of local governmental entities reported as experiencing deteriorating financial conditions in the 2023-24 fiscal year decreased from 2022-23 fiscal year after fluctuating in a range of 35 to 44 entities for the 2019-20 through the 2022-23 fiscal years.

²⁹ Section 10.554(1)(i)5.b.2., Rules of the Auditor General.

³⁰ Sections 10.554(1)(i)5.b.2. and 10.556(8), Rules of the Auditor General.

Chart 2
Entities Reported as Experiencing Deteriorating Financial Conditions
For the 2019-20 Through 2023-24 Fiscal Years



Note: The number of entities depicted may not agree with that in our prior reports due to audit reports filed with us subsequent to our prior report data collection dates.

Source: Auditor General analysis of local governmental entity audit reports.

Millage Rates, Taxable Property Values, and Taxes Levied

As similarly noted for previous calendar years, on average, less-populated counties had 2024 calendar year millage rates that were higher than those of more-populated counties. In contrast, more-populated municipalities had higher 2024 calendar year millage rates than less-populated municipalities. Table 3 shows, for various population ranges, the average 2024 calendar year millage rates for counties and municipalities.

Table 3
Populations and Average Tax Rates
2024 Calendar Year

Counties		Municipalities	
Population Range	Average 2024 Millage Rate	Population Range	Average 2024 Millage Rate
< 25,000	9.0962	< 1,000	3.4991
25,000 – 74,999	8.0342	1,000 – 2,999	4.3072
75,000 – 224,999	6.0048	3,000 – 9,999	4.8384
225,000 – 674,999	5.4838	10,000 – 24,999	4.8808
675,000 +	4.9678	25,000 – 99,999	4.9457
		100,000 +	6.2262

Source: Bureau of Economic and Business Research, University of Florida; and Florida Department of Revenue, Property Valuations and Tax Rate.

State law³¹ limits the ad valorem tax against real property and tangible personal property to 10 mills, except for voted levies. As such, entities with millage rates at or near the statutory maximum may be unable to raise additional funds when needed. For the 2024 calendar year, the average ad valorem millage rate was 6.5308 for counties and 4.6788 for municipalities. Four counties and two municipalities established millage rates of 9.5 mills or greater for the 2024 calendar year, which is a slight decrease from the five counties and three municipalities with millage rates 9.5 mills or greater for the 2023 calendar year. Since the 2015 calendar year, the average millage rate has decreased 5 percent for counties and 1 percent for municipalities. A summary of average millage rates, the total taxable property values, and the total taxes levied by counties and municipalities for the 2015 through 2024 calendar years are shown in Table 4.

³¹ Sections 200.071 and 200.081, Florida Statutes.

Table 4
Average Millage Rates, Taxable Property Values, and Taxes Levied
For the 2015 Through 2024 Calendar Years

Counties				Municipalities			
Year	Average Millage Rate	Taxable Property Values	Taxes Levied	Year	Average Millage Rate	Taxable Property Values	Taxes Levied
2024	6.5308	\$3,211,777,663,243	\$15,385,709,942	2024	4.6788	\$1,727,217,257,202	\$8,430,810,546
2023	6.5455	\$2,914,779,205,111	\$14,043,744,400	2023	4.7336	\$1,576,751,946,238	\$7,585,535,295
2022	6.4946	\$2,577,734,687,226	\$12,596,441,521	2022	4.7775	\$1,404,580,682,935	\$6,798,557,090
2021	6.7999	\$2,255,726,706,461	\$11,197,473,389	2021	4.8255	\$1,208,953,209,416	\$5,957,136,993
2020	6.7609	\$2,120,877,139,351	\$10,549,832,666	2020	4.9041	\$1,137,042,056,958	\$5,603,409,448
2019	6.8681	\$1,987,278,938,783	\$9,917,389,803	2019	4.8753	\$1,129,393,866,217	\$5,638,247,030
2018	6.9030	\$1,854,829,137,409	\$9,233,456,980	2018	4.8008	\$1,050,755,587,014	\$5,221,748,841
2017	6.8307	\$1,728,520,004,718	\$8,595,251,079	2017	4.8309	\$943,943,173,396	\$4,590,545,207
2016	6.8891	\$1,602,542,614,950	\$7,966,906,576	2016	4.7507	\$871,471,006,769	\$4,196,026,730
2015	6.8486	\$1,487,885,231,904	\$7,453,181,645	2015	4.6916	\$804,031,000,849	\$3,871,759,664

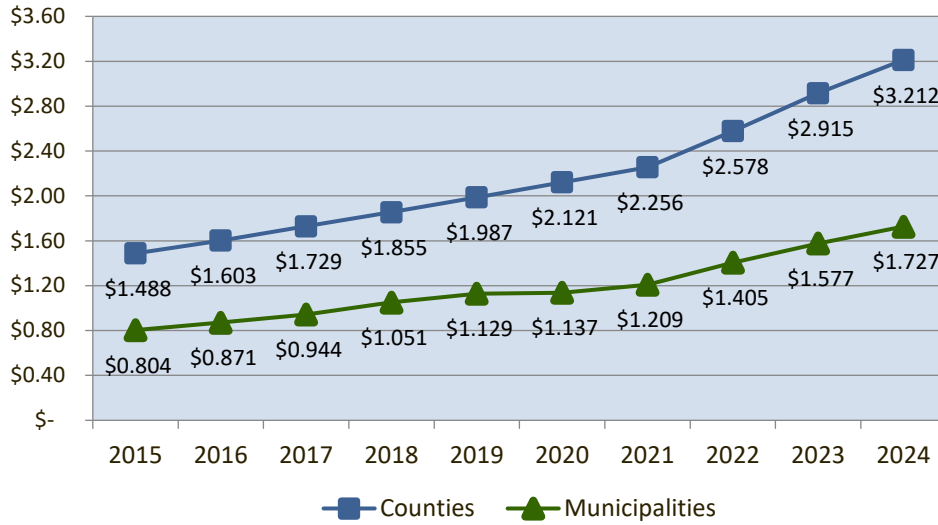
Note: The amounts shown for taxable property values and taxes levied may not agree with amounts in our prior reports due to information updates in the Property Valuations and Tax Data by the Florida Department of Revenue.

Source: Florida Department of Revenue, Property Valuations and Tax Data.

Table 4 also shows that the counties' average millage rate slightly decreased for the 2024 calendar year. Over the 10-year period 2015 through 2024, the counties' average millage rate has fluctuated, increasing 4 times and decreasing 5 times. The municipalities' average millage rate slightly decreased for the 2024 calendar year after slightly increasing over the 2015 to 2023 calendar years.

As depicted in Charts 3 and 4, there has been a significant overall increase in the taxable property values and taxes levied over the 10-year period 2015 through 2024. A comparison of the 2023 and 2024 calendar year data for counties shows an increase in taxable property values of \$297 billion (10 percent) and taxes levied of \$1.3 billion (10 percent). Similarly, the 2023 and 2024 calendar year data for municipalities shows an increase in taxable property values of \$150 billion (10 percent) and taxes levied of \$845 million (11 percent).

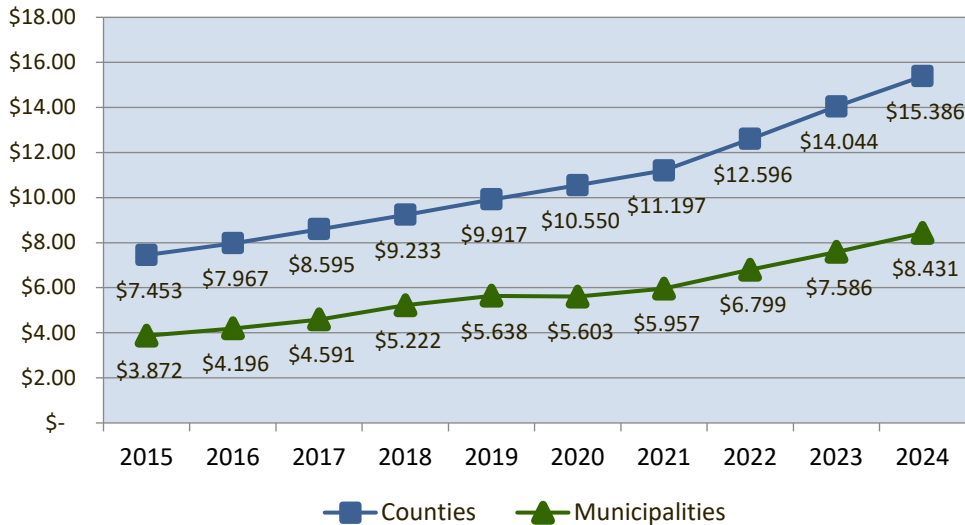
Chart 3
Taxable Property Values
For the 2015 Through 2024 Calendar Years
(In Trillions)



Note: Values depicted may not agree to those in our prior reports due to information updates in the Property Valuations and Tax Data by the Florida Department of Revenue.

Source: Florida Department of Revenue, Property Valuations and Tax Data.

Chart 4
Taxes Levied
For the 2015 Through 2024 Calendar Years
(In Billions)



Note: Values depicted may not agree to those in our prior reports due to information updates in the Property Valuations and Tax Data by the Florida Department of Revenue.

Source: Florida Department of Revenue, Property Valuations and Tax Data.

Pension Plans

We noted that 477 of the 1,733 local governmental entity 2023-24 fiscal year audit reports filed with us as of July 31, 2025, reported the existence of one or more employee defined benefit pension plans. The 477 audit reports related to 56 counties, 243 municipalities, and 178 special districts. The reported employee defined benefit pension plans include plans for general employees, firefighters, police officers, or some combination thereof (mixed).

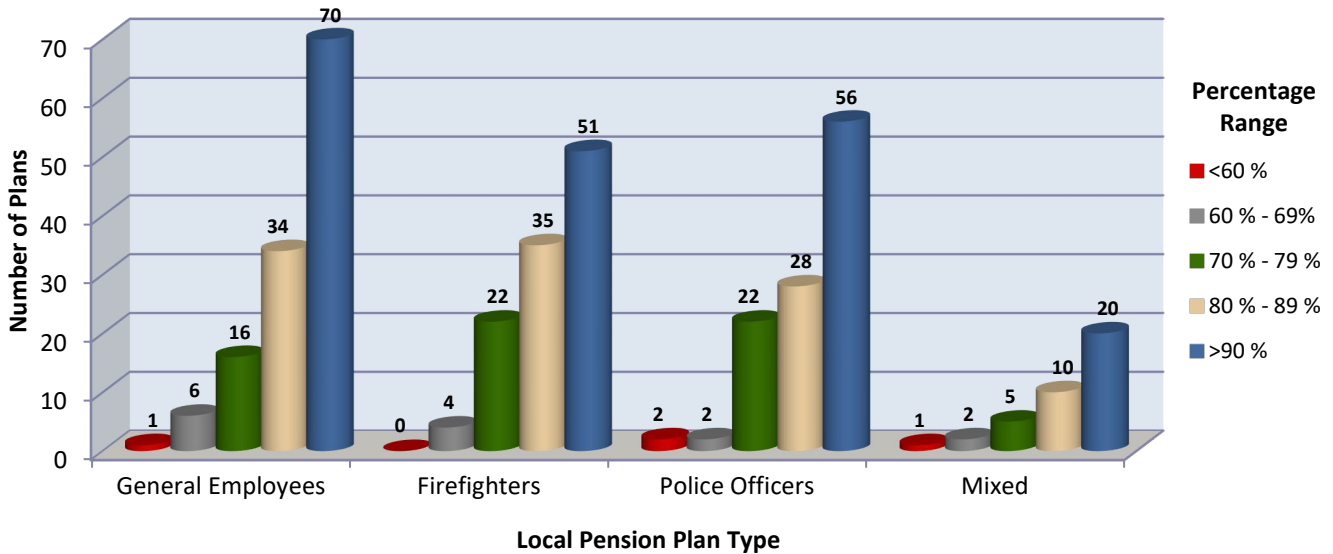
Of the 477 local governmental entities reporting employee defined benefit pension plans, 311 local governmental entities (56 counties, 114 municipalities, and 141 special districts) participated in the Florida Retirement System (FRS). In addition, 207 of the 477 local governmental entities reported a total of 387 local pension plans (i.e., plans not part of the FRS), including 343 municipal plans (106 for general employees, 90 for firefighters, 109 for police officers, and 38 mixed pension plans), 41 special district plans (21 for general employees, 19 for firefighters, and 1 for police officers), and 3 county firefighter plans.

Historically, defined benefit pension plans that provide specified pension benefits to retirees have been prevalent in the public sector. The Government Finance Officers Association (GFOA),³² in its best practice publication, *Sustainable Funding Practices of Defined Benefit Pension Plans*, indicates that a fundamental financial objective of a public employee defined benefit pension plan is to fund the long-term cost of benefits promised to plan participants. It is widely acknowledged that the appropriate way to attain reasonable assurance regarding the sustainability of pension benefits is for a government to accumulate resources for future benefit payments in a systematic and disciplined manner during the active service life of the benefiting employees (i.e., long-term funding). Long-term funding is accomplished by employer and employee contributions and investment earnings. Currently, there is no GFOA guidance regarding what percentages of Plan Fiduciary Net Position as a Percentage of Total Pension Liability may be considered as indicators of potential default; however, a higher percentage indicates a better-funded plan.

Chart 5 illustrates, for the 387 local pension plans that reported Plan Fiduciary Net Position as a Percentage of Total Pension Liability for the 2023-24 fiscal year as required by GASB Statement Nos. 67 and 68, the number of plans for various ranges of reported percentages by local pension plan type (i.e., general employees, firefighters, police officers, and mixed). For comparative purposes, as of June 30, 2024, the FRS reported 83.70 percent as the Plan Fiduciary Net Position as a Percentage of Total Pension Liability.

³² The GFOA issues best practices to communicate enhanced techniques and provide information about effective strategies regarding public finance for state and local governments.

Chart 5
Local Pension Plans Reported Plan Fiduciary Net Position
As a Percentage of Total Pension Liability
For the 2023-24 Fiscal Year



Source: Auditor General analysis of local governmental entity audit reports.

Other Financial Trends

Our examination of financial and other information obtained for the counties, municipalities, and special districts evaluated for the 2013-14 through 2023-24 fiscal years disclosed certain significant financial trends, including trends relating to financial equity and results of operations. These financial trends were compiled based on our review of audit reports and annual financial reports and do not represent individual financial condition assessments of particular entities. Such assessments are the responsibility of local governmental entities and their independent auditors and require information that can only be obtained through examination of entity records and inquiry of entity management.

Fund Equity and Results of Operations

GASB Statement No. 54, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Table 5 presents a summary of our analysis disclosing that reviewed reports for 126 entities (7 percent) reported net deficit total assigned and unassigned or unrestricted fund equities at the 2023-24 fiscal year end, which is consistent with the percentage of reports we reviewed with reported deficits at the 2018-19 and 2013-14 fiscal year ends. Although local governments are not statutorily required to maintain a specified level of assigned and unassigned or unrestricted fund equity, the ability of these entities to maintain adequate service levels and fund capital acquisitions may be diminished if sufficient fund equity is not maintained.

Table 5
Summary of Analysis of Fund Equities and Results of Operations
For the 2013-14, 2018-19, and 2023-24 Fiscal Years

	Counties			Municipalities			Special Districts			Totals		
	Fiscal Year			Fiscal Year			Fiscal Year			Fiscal Year		
	2013-14	2018-19	2023-24	2013-14	2018-19	2023-24	2013-14	2018-19	2023-24	2013-14	2018-19	2023-24
Total Number of Reports Reviewed^a	<u>65</u>	<u>62</u>	<u>56</u>	<u>380</u>	<u>356</u>	<u>314</u>	<u>1,001</u>	<u>1,137</u>	<u>1,521</u>	<u>1,446</u>	<u>1,555</u>	<u>1,891</u>
Number of reports that:												
Reported net deficit total assigned and unassigned or unrestricted fund equity.	1	1	-	6	8	1	116	117	125 ^b	123	126	126
Reported no assigned and unassigned or unrestricted fund equity.	-	-	-	1	1	2 ^c	92	92	279 ^c	93	93	281
Experienced either excess expenditures over revenues in governmental operations or operating losses in proprietary operations.	57	37	34	265	208	152 ^d	529	543	559 ^d	851	788	745
Experienced net losses when both governmental and proprietary funds were taken into account.	44	20	18	169	109	88 ^e	524	524	542 ^e	737	653	648
Experienced net losses and reported net deficit assigned and unassigned or unrestricted fund equity.	1	-	-	3	6	1	96	98	83 ^f	100	104	84

^a Totals include both audit reports and annual financial reports reviewed. For the 2023-24 fiscal year, we reviewed 1,733 audit reports and 158 annual financial reports.

^b Total includes annual financial reports for 12 special districts.

^c Totals include annual financial reports for 2 municipalities and 77 special districts.

^d Totals include annual financial reports for 3 municipalities and 54 special districts.

^e Totals include annual financial reports for 3 municipalities and 54 special districts.

^f Total includes annual financial reports for 3 special districts.

Source: Auditor General analysis of local governmental entity audit reports and annual financial reports.

Many entities transfer governmental fund resources to support proprietary fund operations. However, for the 2013-14, 2018-19, and 2023-24 fiscal years, the percentage of all entities reviewed with net losses (combining both governmental and proprietary funds) were 51 percent (737 of 1,446 reports), 42 percent (653 of 1,555 reports), and 34 percent (648 of 1,891 reports), respectively. From the 2018-19 fiscal year to the 2023-24 fiscal year, the percentage of counties that experienced net losses remained unchanged at 32 percent, the percentage of municipalities that experienced net losses decreased from 31 to 28 percent, and the percentage of special districts that experienced net losses decreased from 46 to 36 percent. Additionally, of the 648 entities that experienced net losses for 2023-24 fiscal year operations, 84 entities (4 percent of the 1,891 reports reviewed) also reported net deficit total assigned and unassigned or unrestricted fund equities at the 2023-24 fiscal year end.

Continued net losses and net deficit total assigned and unassigned or unrestricted fund equities may leave entities with insufficient funds to sustain current levels of services without borrowing funds from

external sources. Additionally, those entities have less resources available for emergencies and unforeseen situations.

Other Financial Trends

A total of 87 audited special districts reported cash and investments in amounts that were not sufficient to cover current liabilities at the 2023-24 fiscal year end, which is 14 fewer than the 101 entities at the 2018-19 fiscal year end, and 21 fewer than the 108 entities that similarly reported insufficient cash and investments at the 2013-14 fiscal year end. Declining levels of cash and investments when compared to current liabilities may indicate that the special district has overextended itself or may be having difficulty raising the cash necessary to meet current needs.

Long-term debt reported for governmental activities totaled \$29 billion at the 2023-24 fiscal year end, an increase of \$1 billion, compared to \$28 billion at the 2018-19 fiscal year end for the reports we reviewed for those fiscal years. While local governments are statutorily authorized to enter into long-term debt arrangements, for example, to fund construction projects or repay or refinance older debt that has not been paid off, it is important to consider current revenue streams and other available resources to ensure debt service requirements are met and to reduce debt as appropriate.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this project for the audit reports filed with us from local governmental entities and the annual financial reports provided to us from the Department of Financial Services (DFS) were to identify:

- Significant findings based on our review of the audit reports.
- Financial trends using information from the audit reports and annual financial reports.

Although all local governmental entities are required to file annual financial reports with the DFS,³³ all references to annual financial reports in this report pertain to those for entities without audited financial statements. As a result, the financial trends based on annual financial reports included in this report are based on unverified amounts.

The scope of this project included a review of the independent auditor 2023-24 fiscal year financial statement audit reports filed with us by July 31, 2025, for 56 counties (which included 332 individual county agency reports), 310 municipalities, and 1,367 special districts. In addition, the scope included 4 municipality and 154 special district annual financial reports (filed with the DFS and provided to us) for entities not required to provide for an audit. The scope also included, for audit reports received for 1,870 entities (61 counties, 349 municipalities, and 1,460 special districts) through October 31, 2025, a review to identify entities reported as having met a condition specified in State law,³⁴ or with deteriorating financial conditions.

Our methodology included a review of applicable audit reports and annual financial reports and a compilation of significant findings and financial trends. We included 2,009 entities (332 county agencies, 310 municipalities, and 1,367 special districts) in our analysis of significant findings. We included 1,733 entities (56 counties, 310 municipalities, and 1,367 special districts) in our analysis of significant financial trends (except for the analysis of fund equities and results of operations, as depicted in Table 5, where we also included annual financial reports for 4 municipalities and 154 special districts).

We planned and performed this review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for the summaries of significant findings and financial trends included in this report.

³³ Section 218.32(1)(e), Florida Statutes.

³⁴ Section 218.503(1), Florida Statutes.

AUTHORITY

Pursuant to Section 11.45(7)(f), Florida Statutes, I have directed that this report be prepared to present the summary of significant findings and financial trends identified in local governmental entity audit reports prepared by independent certified public accountants or, for entities not required to provide for an audit, financial trend information obtained from local governmental entity annual financial reports, for the 2023-24 fiscal year.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with a large initial 'S'.

Sherrill F. Norman, CPA
Auditor General

EXHIBIT A

SUMMARY OF AUDIT FINDINGS BY FINDING CATEGORY AND LOCAL GOVERNMENTAL ENTITY TYPE FOR THE 2022-23 AND 2023-24 FISCAL YEARS

Finding Category	Number of	County Agencies		Municipalities		Special Districts		Totals	
		Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
Separation of Duties – Inadequate separation of duties.	Findings	3	6	20	14	19	18	42	38
	Entities	3	6	20	14	18	16	41	36
Budget Administration – Inadequate budgetary controls or noncompliance with legal requirements relating to budgets.	Findings	6	7	25	17	35	35	66	59
	Entities	6	7	23	15	33	35	62	57
Accounting Records – Inadequate accounting or other records, lack of subsidiary records or failure to timely reconcile subsidiary records to general ledger control accounts, or improper recording of transactions (excludes findings related to capital assets).	Findings	25	35	48	40	28	26	101	101
	Entities	21	25	33	36	24	21	78	82
Financial Reporting – Reporting of financial data externally or within the local governmental entity.	Findings	6	7	30	33	35	28	71	68
	Entities	6	7	30	32	33	26	69	65
Cash – Inadequate controls or noncompliance with legal requirements pertaining to cash on hand or held by banks.	Findings	2	10	17	17	17	14	36	41
	Entities	2	9	15	13	14	11	31	33
Capital Assets – Noncompliance with legal requirements pertaining to acquisitions or disposals of capital assets or the improper use of, and lack of accountability for, capital assets.	Findings	8	8	17	14	11	9	36	31
	Entities	7	6	15	13	9	9	31	28
Debt Administration – Noncompliance with bond covenants or loan agreements and failure to make debt service payments.	Findings	-	-	4	5	21	25	25	30
	Entities	-	-	4	5	17	19	21	24
Revenues and Collections – Inadequate controls or noncompliance with legal requirements pertaining to revenues and accounts receivable.	Findings	10	11	24	26	11	3	45	40
	Entities	9	11	20	21	9	3	38	35
Payroll and Personnel Administration – Inadequate controls or noncompliance with legal requirements pertaining to payroll and personnel administration.	Findings	1	5	15	10	6	4	22	19
	Entities	1	4	12	9	6	4	19	17
Expenditures and Expenses – Expenditures or expenses not properly documented, approved, or recorded; not executed efficiently; or not made in accordance with laws, rules, ordinances, or other guidelines.	Findings	4	7	2	9	9	8	15	24
	Entities	4	7	2	9	8	8	14	24
Other Findings	Findings	33	24	51	56	42	32	126	112
	Entities	25	22	45	50	36	30	106	102
Total Number of Findings		98	120	253	241	234	202	585	563

Note: Some entities had more than one finding in each category. In total, findings were included in audit reports for 68 county agencies, 107 municipalities, and 135 special districts.

Source: Auditor General analysis of local governmental entity audit reports.