

**Specialty License Plate Audit**  
**Fish and Wildlife Foundation of Florida, Inc.**  
**Protect Florida Springs**  
**Audit Report 201819-20**

March 26, 2019

## Executive Summary

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The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting by the Fish and Wildlife Foundation of Florida Inc., (Foundation) for the Protect Florida Springs specialty license plate. The Foundation is required to submit a Specialty License Plate Revenue, Expenditure, and Compliance Affidavit, or state single audit, to the Department of Highway Safety and Motor Vehicles (Department) within nine months after the end of the Foundation's fiscal year. The state single audit submitted by the Foundation for the 2018 Fiscal Year ended June 30, 2018, was used for this audit.

For every Protect Florida Springs specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the Foundation, a non-profit organization.

During our audit, we determined the Foundation materially complied with applicable laws and policies related to the annual reporting for the Protect Florida Springs specialty license plate. However, we did note the accuracy of expenditures reported on the Schedule of Expenditures of State Financial Assistance can be improved. The Foundation agreed with the audit finding.

## Background and Introduction

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Specialty license plates are license plates available to the general public with unique designs that promote philanthropic and other causes and require payment of an additional annual use fee. Section 320.08056, Florida Statutes (F.S.), authorizes the issuance of all specialty license plates and specifies the annual use fee for the more than 120 specialty license plates Florida offers.

Section 320.08062, F.S., grants the Department the authority to examine all records relating to the use of specialty license plate funds. The Office of Inspector General included the examination of specialty license plate recipient organizations in its annual work plan.

For every Protect Florida Springs specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute.

Section 320.08058(61), F.S., specifies a maximum of 10 percent of proceeds may be used for administrative costs associated with education programs, conservation, springs research and grant administration. A maximum of 15 percent may be used for marketing the plate. At least 55 percent of the fees shall be available for competitive grants for targeted community-based springs research not currently available for state funding. The remaining 20 percent shall be directed toward community outreach programs aimed at implementing such research findings.

The Protect Florida Springs specialty license plate was established in 2007. There were 7,862 active Protect Florida Springs specialty license plates as of June 2018. The Foundation reported receipts of \$217,162.11 in specialty license plate fees for the 2018 Fiscal Year.

## Results of Audit

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During our audit, we determined the Foundation generally complied with applicable laws and policies related to the annual reporting for the Protect Florida Springs specialty license plate. However, we identified the following issue which requires management attention.

### *Reporting Accuracy*

**Finding 1:** The accuracy of expenditures reported on the Schedule of Expenditures of State Financial Assistance can be improved.

Section 320.08062(1)(c), F.S., requires any organization subject to audit pursuant to Section 215.97, F.S., to submit an audit report in accordance with rules promulgated by the Auditor General.

Chapter 69I-5.003, Florida Administrative Code, Schedule of Expenditures of State Financial Assistance, requires a nonstate entity that receives or expends state financial assistance must, for the period covered by the entity's financial statements, prepare a Schedule of Expenditures of State Financial Assistance. The entity must provide the total state financial assistance expended for each individual state project.

The Foundation completes fund transfers to revert unused marketing and unissued grant funds into the Unallocated Grant Fund Account. A journal entry with a description of "Fund Transfer Expense" in the amount of \$9,861.88 was made to transfer unused marketing funds, and journal entries totaling \$15,147.14 with a description "Revert Closed Tag Grants Funds" were made to transfer the remaining unissued grant funds.

The total of \$25,009.02 transferred to the Unallocated Grant Fund Account was reported as expenditures on the Schedule of Expenditures of State Financial Assistance causing expenditures for Protect Florida Springs to be overstated by approximately 22%.

## Recommendation

We recommend expenditures reported on the Schedule of Expenditures of State Financial Assistance are based on specialty license plate expenditures recorded in Foundation accounting records.

## Management Response

The Foundation agrees with the finding and has modified its accounting procedures for internal transfers, so tag funds will no longer be charged as an expense. This will prevent any internal transfers of funds from being inadvertently reported as expenditures.

## Purpose, Scope, and Methodology

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The purpose of this audit was to determine the Foundation's compliance with applicable laws and policies related to the annual reporting by the Foundation for the Protect Florida Springs specialty license plate.

The scope of this audit included specialty license plate expenditures reported on the Foundation's state single audit for the 2018 Fiscal Year, and specialty license plate revenue and expenditures reported in the Foundation's financial records for the 2018 Fiscal Year.

The methodology for the audit of the Protect Florida Springs specialty license plate included:

- Reviewing Florida Statutes, Department policies, and Foundation policies;
- Reconciling the Department's distribution of specialty license plate fees to revenues reported on the state single audit filed by the Foundation;
- Reconciling the expenditures reported on the state single audit to the Foundation financial records;
- Reviewing the use of funds by the Foundation to ensure there is adequate supporting documentation, and the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits, single audits, or subrecipient monitoring; and,
- Comparing expenditures to statutory requirements for annual allocation limits, and reviewing reasonableness of balances.

## Distribution, Statement of Accordance, and Project Team

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### Distribution

Terry L. Rhodes, Executive Director  
Jennifer Langston, Acting Chief of Staff  
Robert Kynoch, Director of Motorist Services  
Stephanie Duhart, Chief Administrative Officer, Division of Motorist Services

Andrew Walker, Chief Executive Officer  
Will Bradford, Chief Financial Officer

Melinda M. Miguel, Chief Inspector General  
Sherrill F. Norman, Auditor General

### Statement of Accordance

Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General. Pursuant to Chapter 119, Florida Statutes, public records held by the Department's Inspector General are available upon request for inspection or copying.

### Project Team

Engagement conducted by:  
Jill Sittig, Auditor

Under the supervision of:  
David Ulewicz, Audit Director

Approved by:

  
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Mike Stacy, Acting Inspector General

## ATTACHMENT – Management Response



### FISH & WILDLIFE FOUNDATION OF FLORIDA

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Tampa

Carlos Alfonso, 1st Vice Chair  
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Preston Farnior, 2nd Vice Chair  
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Donna "Boo" Rawson  
Pensacola

Laura Russell  
Palm Beach

Eric Sutton  
Tallahassee

Steve Swindal  
Tampa

Daphne Wood  
Monticello

March 15, 2019

Mr. David Ulewicz, Audit Director  
Florida Department of Highway Safety and Motor Vehicles  
2900 Apalachee Parkway  
Tallahassee, FL 32301

Dear Mr. Ulewicz:

We have reviewed the Preliminary and Tentative Finding of the Specialty License Plate Audit Protect Florida Springs. The finding addressed the accuracy of the expenditures reported on our Schedule of Expenditures of State Financial Assistance as of June 30, 2018.

We agree with your finding. \$25,009.02 of tag funds which were internally transferred from allocated accounts back to the Unallocated Grant Fund Account were erroneously reported as expenditures on the Schedule of Expenditures of State Financial Assistance causing the report to be overstated. These internal transfers should not have been reported on the schedule as they were not actual expenditures.

We have modified our accounting procedure for internal transfers of Protect Florida Springs license plate funds. Retroactive to July 1, 2018, all transfers of unused tag funds will no longer be debited to the Fund Transfer Expense account. These transfers will be processed by changing the "Class" assigned to the funds in the appropriate revenue account. This will prevent any internal transfers of funds from being inadvertently reported as expenditures.

We would like to thank you and your staff for the professionalism displayed throughout this audit engagement.

Sincerely,

Will Bradford  
CFO



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