



**Specialty License Plate Audit**  
**PCMI Properties, Inc.**  
**Horse Country**  
Audit Report 201920-10

October 28, 2019

## Introduction and Background

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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 PCMI Properties, Inc. (Organization) for the Horse Country specialty license plate. The Organization 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 Organization's fiscal year. The affidavit submitted by the Organization for the 2019 Fiscal Year ended June 30, 2019, was used for this audit.

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 Horse Country specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the Organization to fund programs involved in the rehabilitation of at-risk youth. Section 320.08058(67), F.S., specifies that up to 10 percent of annual use fee revenue may be used by the Organization for promoting and marketing of the plate and as necessary for annual audit or compliance affidavit costs. The remaining funds shall be used for funding programs involved in the rehabilitation of at-risk youth by providing educational materials, athletic equipment, transportation, food, medical services, counseling, scholarships, and other direct administrative and program expenses. Funds may also be used as grants for expansion of youth rehabilitation programs in Florida.



The Horse Country specialty license plate was established in 2008. There were 9,057 active Horse Country specialty license plates as of June 2019. The Organization reported receipts of \$237,694.87 in specialty license plate fees for the 2019 Fiscal Year.

## Results of Audit

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The Organization materially complied with applicable laws and policies related to the annual reporting for the Horse Country specialty license plate.

## Purpose, Scope, and Methodology

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The purpose of this audit was to determine the Organization's compliance with applicable laws and policies related to the annual reporting by the Organization for the Horse Country specialty license plate.

The scope of this audit included specialty license plate revenues and expenditures reported on the Organization's affidavit for the 2019 Fiscal Year, and specialty license plate revenue and expenditures reported in the Organization's financial records for the 2019 Fiscal Year.

The methodology for the audit of the Horse Country specialty license plate included:

- Reviewing Florida Statutes, Department policies, and Organization policies;
- Reconciling the Department's distribution of specialty license plate fees to revenues reported on the affidavit filed by the Organization;
- Reconciling the expenditures reported on the affidavit to the Organization financial records;
- Reviewing the use of funds by the Organization 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

### 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

David Blackerby, Board Chair, PCMI Properties, Inc.  
Ronald Boyce, Executive Director, PCMI Properties, Inc.

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:  
Erin Mook, Acting Audit Director

Approved by:

  
Mike Stacy, Acting Inspector General