



Specialty License Plate Audit Enterprise Florida, Inc. Florida United States Olympic Committee Audit Report 202122-06

December 1, 2021

Executive Summary

The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting by the Enterprise Florida, Inc., (Organization) for the Florida United States Olympic Committee (U.S. Olympics) 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 state single audit submitted by the Organization for the 2020 Fiscal Year ended June 30, 2020, was used for this audit.

For every U.S. Olympics specialty license plate sold or renewed, a \$15 annual use fee is charged and distributed, as required by statute, to the Organization.

During our audit, we determined the Organization generally complied with applicable laws and policies related to the annual reporting except for the single audit expenditure reporting. We noted the accuracy of expenditures reported on the Schedule of Expenditures of State Financial Assistance should be improved. The Organization agreed with the audit finding.

Background and Introduction

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.

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320.08058(6)(b), F.S., specifies annual revenues shall be distributed 50 percent for the Florida Sunshine State Games and 50 percent for the United States Olympic Committee.

The U.S. Olympics specialty license plate was established in 1992. There were 5,469 active U.S. Olympics specialty license plates as of June 2020. The Organization reported receipts of \$84,965.20 in specialty license plate fees for the 2020 Fiscal Year.

Results of Audit

During our audit, we determined the Organization generally complied with applicable laws and policies related to the annual reporting for the U.S. Olympic specialty license plate. However, we identified the following issue which requires management attention.

Reporting

Finding 1: The Organization did not accurately report recorded expenditures on the Schedule of Expenditures of State Financial Assistance on the single audit for Catalog State Financial Assistance No. 76.018.

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

69I-5.003, Florida Administrative Code (F.A.C.), 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 Organization provided detailed financial records for the U.S. Olympics specialty license plate expenditures in the amount of \$111,896.42, of which \$82,325.20 was paid for with U.S. Olympics specialty license plate revenues. Other revenue sources in the amount of \$29,571.22 were utilized to pay for expenditures exceeding the specialty license plate revenue for the fiscal year. The total specialty license plate expenditures include allocations for the United States Olympic Committee and the Florida Sunshine State Games.

The annual fiscal year revenue of \$82,325.20 was used for expenses during the fiscal year; however, the expenditures reported on the Schedule of Expenditures of State Financial Assistance was \$41,163.00. Based on the expenditures recorded in the Organization's financial records, a total of \$82,325.20 should have been reported on the



Schedule of Expenditures of State Financial Assistance for the U.S. Olympics specialty license plate project.

Recommendation

We recommend the organization ensure total expenditures recorded in the accounting records for the U.S. Olympics specialty license plate are accurately reported on the state single audit for the Catalog of State Financial Assistance No. 76.018.

Management Response

The Organization will communicate with independent auditors to ensure accurate recording of total expenditures on the single audit to be effective as of the start of the fiscal year July 1, 2021.

Purpose, Scope, and Methodology

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 U.S. Olympics specialty license plate.

The scope of this audit included specialty license plate revenues and expenditures reported on the Organization's state single audit for the 2020 Fiscal Year, and specialty license plate revenue and expenditures reported in the Organization's financial records for the 2020 Fiscal Year.

The methodology for the audit of the U.S. Olympics 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 in the Organization's financial records;
- Reconciling the expenditures reported on the state single audit to the Organization's 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, state 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, Chief of Staff
Robert Kynoch, Director of Motorist Services
Stephanie Duhart, Chief Administrative Officer, Division of Motorist Services

Daisy Dovale, VP of Finance & Accounting, Enterprise Florida, Inc.
Angela Suggs, President and CEO, Florida Sports Foundation, Inc., and Senior Vice President, Sports Development, Enterprise Florida, Inc.
Matt Guse, Vice President of Operations, Florida Sports Foundation, Inc.
Jesse Biter, Board Chairman, Florida Sports Foundation, Inc., and Board Member, Enterprise Florida, 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, Audit Director

Approved by:

A handwritten signature in blue ink that reads "Mike Stacy".

Mike Stacy, Inspector General



ATTACHMENT – Management Response



November 23, 2021

Erin Mook, Audit Director
Highway Safety and Motor Vehicles
2900 Apalachee Parkway
Tallahassee, FL 32399

Re: U.S. Olympic Specialty Plate – Report 202122-06

Dear Ms. Mook,

In response to report number 202122-06, Enterprise Florida, Inc. agrees with the following:

Finding 1 Response: Enterprise Florida, Inc. agrees with the recommended corrective action and will ensure single audit accurately reflects total expenditures. EFI staff will contact our auditor by January 15, 2022 and ensure accurate recording effective July 1, 2021.

If you require any additional information, please contact me at asuggs@playinflorida.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Angela A. Suggs".

Angela A. Suggs
President & CEO, Florida Sports Foundation and
EFI Senior Vice-President, Sports Development

Cc: David Rogers, Executive Vice-President, Enterprise Florida, Inc.
Daisy Dovale, Vice President, Accounting, Enterprise Florida, Inc.
Jesse L. Biter, Board Chair, Florida Sports Foundation