

**Specialty License Plate
Surfing's Evolution and
Preservation Foundation, Inc.
Endless Summer
Audit Report 202223-15**

December 5, 2022

Introduction and Background

The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting by the Surfing's Evolution & Preservation Foundation, Inc., (Foundation) for the Endless Summer 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 affidavit submitted by the Foundation for the 2022 Fiscal Year ended June 30, 2022, was used for this audit.

Specialty license plates are license plates available to the 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. For every Endless Summer specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute.

Section 320.08062(3), 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.

Section 320.08058(66)(b), F.S., specifies the Endless Summer license plate annual use fee is distributed to the Foundation, of which 10 percent may be used for promotion and marketing of the specialty license plate and administrative costs directly associated with the corporation's programs and the specialty license plate. Surfing's Evolution & Preservation Corporation shall use the remaining funds as follows:

- To fund the proposed Surfing's Evolution & Preservation Experience project.
- To provide funds for the provision of lifeguards or the building of artificial reefs.
- To provide funds to organizations that house the history and artifacts of surfing or promote the sport through exhibits, lectures, and events.

- To support programs and events of other organizations that support beaches and oceans and promote education on beach safety, coastal pollution, and beach ecology.

The Endless Summer specialty license plate was established in 2010. There were 114,901 active Endless Summer specialty license plates as of June 2022. The Foundation reported receipts of \$3,198,574.87 in specialty license plate fees for the 2022 Fiscal Year.

Results of Audit

The Foundation materially complied with applicable laws and policies related to the annual reporting for the Endless Summer specialty license plate.

Purpose, Scope, and Methodology

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 Endless Summer specialty license plate.

The scope of this audit included specialty license plate revenues and expenditures reported on the Foundation's affidavit for the 2022 Fiscal Year, and specialty license plate revenue and expenditures reported in the Foundation's financial records for the 2022 Fiscal Year.

The methodology for the audit of the Endless Summer 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 affidavit filed by the Foundation;
- Reconciling the expenditures reported on the affidavit 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

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

Malcolm Kirschenbaum, Vice President, Surfing's Evolution & Preservation Foundation, Inc.

Jacque Youngs, Administrator, Surfing's Evolution & Preservation Foundation, 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:


Mike Stacy, Inspector General