



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.13.

3/12/2024

Subject:

Acceptance and Approval of Internal Audit Reports

Fiscal Impact:

There is no fiscal impact associated with this request.

Dept/Office:

County Manager

Requested Action:

It is requested that the Board of County Commissioners acknowledge and approve the Internal Auditors' Reports.

Summary Explanation and Background:

The Internal Auditors completed the following Audit Reports:

- Report:
 - Environmentally Endangered Lands Financial Condition Review
- Follow-up Reports:
 - Public Records Request (status: closed)
 - Pre-Trial and Misdemeanor Probation Services - Contract Compliance (status: 4 items closed/4 items remaining in testing period)

These reports were reviewed by the Internal Audit Committee on February 21, 2024.

Clerk to the Board Instructions:



March 13, 2024

M E M O R A N D U M

TO: Frank Abbate, County Manager

RE: Item F.13., Acceptance and Approval of Internal Audit Reports

The Board of County Commissioners, in regular session on March 12, 2024, acknowledged and approved the Internal Auditors' Reports.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK


Kimberly Powell, Clerk to the Board

/sm



**Internal Audit Committee of
Brevard County, Florida**

**Financial Condition Review of
Environmentally Endangered Lands Program
February 9, 2024**

Prepared By:



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February 9, 2024

The Audit Committee of
Brevard County, Florida
Viera, Florida 32940-6699

Pursuant to the approved 2023/2024 internal audit plan, we hereby submit the Financial Condition Review of the Environmentally Endangered Lands Program. We will be presenting this report to the Audit Committee at the next scheduled meeting on February 21, 2024.

Our report is organized into the following sections:

Executive Summary	This section provides a summary of risks and highlights of the financial condition related to the Environmentally Endangered Lands Program.
Background	This provides an overview of the Environmentally Endangered Lands Program.
Financial Analysis and Results	This section provides the results of financial analysis of relevant trends noted related to the Environmentally Endangered Lands Program.

We would like to thank the Environmentally Endangered Lands Program personnel and all others who were involved in assisting the Internal Auditors in connection with the financial condition review of the Environmentally Endangered Lands Program.

Respectfully Submitted,

Carr, Riggs & Ingram, L.L.C.

INTERNAL AUDITORS

Executive Summary

Executive Summary

Overview

Throughout the executive summary all references to FY 2023 were unaudited amounts, references to FY 2019 through FY 2022 were for audited amounts. The unaudited information was added to the executive summary, due to timeliness and relevance of the information and to give an up-to-date synopsis of the Environmentally Endangered Lands Program ("EELs" of the "Program").

Brevard County's Environmentally Endangered Lands Program acquires, protects and maintains environmentally endangered lands. The Program protects the rich biological diversity of Brevard County (the "County") and provides passive recreation and environmental education opportunities to the County citizens. The Program's mission is "to protect and preserve biological diversity through responsible stewardship of Brevard County's natural resources".

Since its inception, the Program has helped to preserve over 28,000 acres of environmentally endangered land within the County. The Program forms partnerships with federal, state and local agencies that are also committed to the protection of environmentally endangered lands to help stretch the Program's funds. The two largest partnerships are with the State of Florida and the St. Johns Water Management District from which they have received approximately \$42 million in partner and grant funding to aid in the acquisition of threatened habitats. In conjunction with the preservation of environmentally endangered lands the Program is dedicated to environmental education opportunities and providing passive recreation opportunities within the Program's sanctuaries. The Program maintains three education centers, over 75 miles of hiking trails, boardwalks and many other public use projects.

The Program began in 1990, when the citizens of the County voted to approve a referendum to authorize the issuance of up to \$55 million in bonds for the protection, acquisition and maintenance of environmentally endangered lands within the County. The citizens of the County voted two more times approving referendums authorizing the County to issue bonds to fund the Program: (1) in 2004 to issue up to \$60 million in bonds and (2) in 2022, where 175,740 voters voted to approve (70% of voters approved) a referendum authorizing the County to issue up to \$50 million in bonds and assess a millage rate to service the debt.

The Program is primarily funded by two ad valorem taxes; the Environmentally Endangered Land & Water Areas Operating and the Environmentally Endangered Land & Water Areas Debt ad valorem taxes. The Environmentally Endangered Land & Water Areas Operating ad valorem tax funds the Program's day to day operations, which consists of land management activities, environmental education, passive recreation, and administration duties. While, the Environmentally Endangered Land & Water Areas Debt ad valorem tax is a debt service tax to fund the Program's repayment of long term bonds.

Executive Summary

Our evaluation of the financial condition focused on the following areas:

Revenue Analysis	Total revenues in FY 2023 were approximately \$5.35 million. Significant revenue sources included: • Environmentally Endangered Land & Water Areas Operating Ad Valorem Tax: \$2.74 million • Environmentally Endangered Land & Water Areas Debt Service Ad-Valorem Tax: \$2.24 million • Intergovernmental Revenue: \$36.9 thousand (U.S. Fish and Wildlife Service grant) • Miscellaneous: \$307.6 thousand (primarily interest earned on investments) FY 2023 revenue (\$5.35 million) vs. FY 2019 (\$5.76 million): 7.1% decrease is primarily due to 28.2% decrease in the revenue from the Environmentally Endangered Land & Water Areas Debt Service ad valorem tax offset by a 16.2% increase in the Environmentally Endangered Land & Water Areas Operating ad valorem tax revenue. The 28.2% decrease in the revenue from the Environmentally Endangered Land & Water Areas Debt Service is due to the County Commissioners reducing the millage rate during that time period in order to use the excess balance forward to service the outstanding debt. The 16.2% increase in revenue from the Environmentally Endangered Lands & Water Areas Operating tax is due to the increase in appraised property values and new construction within the County. FY 2023 revenue (\$5.35 million) vs. FY 2022 (\$5.01 million): 6.0% increase is mainly due to a 4.8% increase in the revenue from the Environmentally Endangered Land & Water Areas Operating ad valorem tax due to increasing appraised property values and new construction within the County.
Compensation and Benefits Analysis	Total compensation and benefits costs in FY 2023 were approximately \$1.81 million which includes costs for salaries, wages, overtime, payroll taxes, insurance and pension costs. FY 2023 compensation and benefits (\$1.81 million) vs. FY 2019 (\$1.68 million): 7.8% increase driven primarily by yearly cost of living wage increases, with the average increase over the last five years being 2.6%. FY 2023 compensation and benefits (\$1.81 million) vs. FY 2022 (\$1.67 million): 8.3% increase primarily due to the yearly cost of living wage increase in FY2023, which was 5.38% and an 11% increase to benefit expenditures in FY 2023 compared to FY 2022.

Executive Summary

Long-Term Debt Service Analysis	Total debt payments in FY 2023 were approximately \$2.90 million, with \$2.78 million for principal payments and \$120 thousand in interest payments. The Program's debt will be fully paid on September 1, 2024. FY 2023 debt service (\$2.90 million) vs. FY 2019 (\$2.92 million): 0.6% decrease FY 2023 debt service (\$2.90 million) vs. FY 2022 (\$2.90 million): 0.1% decrease
Capital Outlay Analysis	Total capital expenditures in FY 2023 were approximately \$120 thousand primarily for the purchase of a vehicle and for improvements other than buildings. FY 2023 capital expenditures (\$120 thousand) vs. FY 2022 (\$16 thousand): 639.9% increase primarily due to the purchase of mobile equipment for \$56 thousand, which included a truck and two drones and \$47 thousand for improvements other than buildings in FY 2023, where the Program only had expenditures of \$16 thousand for Capital Outlay in FY 2022, which was primarily comprised of \$9 thousand for machinery and equipment and \$6 thousand for improvements other than buildings. FY 2023 capital expenditures (\$120 thousand) vs. FY 2023 Budget (\$312 thousand): 38.5% of the budget was spent due to the Program moved \$185 thousand forward to FY 2024, for the purchase of three vehicles, ordered in FY 2023 but were not delivered and purchased until FY 2024.
Cash Flow Analysis	Total cash and cash equivalents held at the end of FY 2023 were approximately \$5,844,934 million. FY 2023 low cash balance: \$5.84 million in September of 2023 FY 2023 high cash balance: \$9.96 million in December of 2022 FY 2023 average cash balance: \$8.72 million The variance in cash balance is a result of the timing of tax collections in December and January of each year, which is the Program's primary revenue source and the debt service payment on September 1st of each year. Cash flows have steadily declined over the past five years due to the Program's revenues declining by 7.1% and total expenditures including transfers out and capital outlay have increased by 7.9 %, in the same time period.
Fund Balance Analysis	The Programs total fund balance at the end of FY 2023 was approximately \$5.83 million in total. If the Debt Service Fund and South Region Construction Fund are excluded, it was approximately \$2.85 million. FY 2023 fund balance (\$5.83 million) vs. FY 2019 (\$7.11 million): 17.9% decrease driven by a 7.1% decrease in revenues and a 7.9% increase in overall expenditures, including capital outlay and transfers out. FY 2023 fund balance (\$5.83 million) vs. FY 2022 (6.32 million): 7.7% decrease driven by a \$487 thousand total annual deficit for the Program in FY 2023.

Executive Summary

Budget for the Environmentally Endangered Lands Program

From an accounting and budgeting perspective, the Program is complex. The Program has multiple revenue streams and the Program oversees the budgeting and accounting for five separate funds.

The Program's main revenue sources are ad valorem taxes, user charges, interest earned on investments and transfers in. The Program derives the majority of its revenue from two ad valorem taxes, Environmentally Endangered Land & Water Areas Operating and Environmentally Endangered Land & Water Areas Debt. In FY 2023, the Environmentally Endangered Land & Water Areas Operating and the Environmentally Endangered Land & Water Areas Debt taxes accounted for 51.2% and 41.9%, respectively, totaling 93.1% of the Program's actual total revenue.

The Program's revenues and expenditures are budgeted and managed through five separate funds: Program Operations (Fund 1610), Mitigation Services (Fund 1612), Debt Service (Fund 2030), and two capital projects funds (Fund 3216 & Fund 3219). The Environmentally Endangered Land & Water Areas Operating, user charges and intergovernmental revenues are accounted for and budgeted for in the Program's Operating fund (fund 1610). The Program budgets for and accounts for the revenue for the Environmentally Endangered Land & Water Areas Debt tax in the debt service fund. Land mitigation activities are accounted for and budgeted in a third fund (fund 1612). The Program budgets for and accounts for its capital projects with two capital projects funds. Fund 3216 is set aside for the construction of an education center at the Program's Malabar Scrub Sanctuary and Fund 3219 accounts for and is budgeted for new land acquisitions and other capital purchases.

Environmentally Endangered Lands Program Services

The Program has three main services it provides to the County Residents: (1) acquisition of environmentally sensitive lands, (2) management of environmentally sensitive lands, and (3) passive recreation and education opportunities for County residents.

The Programs acquires land through a 'willing-seller' program, where they can only purchase land from people who want to sell their land. The Board of County Commissioners established the Selection and Management Committee as an advisory committee. The Selection and Management Committee is made up of ten (10) individuals, with seven (7) approved by the Board of County Commissioners as qualified scientific experts, one (1) appointed by the Tourism Development Council or the Economic Development Commission for the purpose of eco-tourism, one (1) appointed by the County's Procedures Committee and one (1) appointed by the County's Recreation Education Advisory Committee. The Selection and Management Committee reviews all lands for public acquisition and make a recommendation to the Board of County Commissioners, with a vote of seven (7) out of the ten (10) members required to make a land purchase. The Program follows all Brevard County Policies and Procedures, including Florida Statutes to acquire and negotiate land acquisitions. The Program last acquired land in FY 2013 at a cost of \$8,000 for 0.31 acres. The County has since refrained from purchasing any additional land.

Executive Summary

Environmentally Endangered Lands Program Services (continued)

Since its inception, the Program has helped to acquire, protect and manage over 28,000 acres of environmentally endangered lands, with 19,094 acres currently under management. Below is a list of the properties the Program has acquired, helped to acquire and/or manage. The green highlighted properties are currently managed by the Program.

PROPERTY	ACRES	OWNERSHIP	MANAGEMENT
NORTH REGION			
Dicerandra	44	County/State	County
Fox Lake Sanctuary	2568	County	County
Grissom Mega Parcels	745	State	FWC
Grissom Mega Parcels	224	County	County
Indian Mound Station	147	County	County
South Lake	155	County	County
Enchanted Forest	481	County/State	County
Buck Lake Conservation Area	350	SJRWMD	SJRWMD
Buck Lake Conservation Area	7358	SJRWMD	SJRWMD
North Buck Lake	170	County	County
Scottsmoor Flatwoods	1542	County	County
North Indian River Lagoon	342	State	USFWS
North Indian River Lagoon	84	County	County
Canaveral Marshes Sanctuary	47	County	County
Laney Conservation Easement	38	Private	Private
Total North Acres	14,295		
Total North Acres Managed	5,462		
CENTRAL REGION			
Cruikshank	167	County/State	County
Thousand Islands	338	County/FCT	County
Ulumay Sanctuary	1320	County	County
Capron Ridge	21	County	County
Johnson	99	County	County
Kabboord Sanctuary	803	County	County
Pine Island Cons Area	881	County/SJRWMD	County
Total Central Acres	3,629		
Total Central Acres Managed	3,629		
SOUTH REGION			
Grant Flatwoods	2540	County/State	County
Jordan Scrub Sanctuary	750	County/State	County
Malabar Scrub Sanctuary	579	County/State	County
Micco Scrub Sanctuary	1784	County/State	County
Grant/Valkaria Megas	3940	County/State	County
Turkey Creek	35	County	City of Palm Bay
Crane Creek	23	County	County
Total South Acres	9,651		
Total South Acres Managed	9,616		
SOUTH BEACH REGION			
Barrier Island Center	34	County	County
Washburn Cove	39	County/State	County
Maritime Hammock	167	County/State	County
Coconut Point	62	County/State	County
Hog Point	20	County/State	County
Hog Point Cove	18	County	County
Hardwood Hammock	36	State	County
Ocean Ridge	11	State	County
Mullet Creek Islands	182	State	State
Total South Beach Acres	569		
Total Beach Acres Managed	387		
Grand Total Acres	28,144		
Grand Total Acres Managed	19,094		

Executive Summary

Environmentally Endangered Lands Program Services (continued)

After the acquisition of land, the Program must maintain and manage the sensitive lands. In FY 2022 (FY 2023 information not yet available), the Program had 19,094 acres under management and performed the following land management activities: completed 4 habitat restoration projects (covering 532 acres), treated 2205 acres for exotic plant species, removed 1.4 tons of trash, and removed 130 feral hogs.

The Program also provides passive recreation and education opportunities for county residents. Passive recreation includes hiking, bird watching, fishing and wildlife observation. The Program maintains over 75 miles of trails and boardwalks to accommodate passive recreation within its sanctuaries. Along with passive recreation, the Program is dedicated to environmental education opportunities. To promote environmental education, the Program has three education centers at three different sanctuaries. In FY 2023, the Program had a total of 71,989 visitors to their three education centers (a 15% increase compared to FY 2022).

Financial Conclusion Summary

In its current financial state, without additional funding or issuing new bonds, the Program will not be able to continue to provide capital improvements to its properties, purchase equipment for the management of its properties and/or continue to acquire environmentally endangered lands within the County. Without a collection of ad valorem revenue for operations after Fiscal Year 2023-2024, the continuation of the existing operations will have to be funded from other County revenue sources or the program will need to be reduced.

Executive Summary

Future Bonding Considerations

In 2022, the Citizens of Brevard County approved a ballot referendum allowing the Brevard County Board of County Commissioners to issue up to \$50 million in bonds to extend the Program. The Board of County Commissioners will provide direction among the following options: (1) Issue bonds to fund capital improvements to existing facilities and equipment; (1a) In addition to Option 1, issue bonds for initial land acquisition with a specific focus on lands that directly benefit the Indian River Lagoon and St. Johns River; (2) Issue bonds to build a new education center and maintenance field office on existing land. Fund annual program operations to maintain conservation lands and environmental education centers; (3) Issue bonds for secondary land acquisition, which includes the initial land acquisition of Option 1a, with a specific focus on lands that directly benefit the Indian River Lagoon and St. Johns River. Fund annual program operations to maintain conservation lands and environmental education centers; (4) Any additional option requested by the Board

If the Board of County Commissioners approves the use of bonds for land acquisition, the Selection and Management Committee will recommend acquiring new properties using the following ranking criteria:

- Wetland protection
- Outparcel within existing conservation lands
- Indian River Lagoon protection
- St Johns River protection
- Recreation use
- Matching fund potential

Below are the Program's estimates for the different bonding options, including the estimated required revenue, millage rate, and annual property owner costs based on a 5% interest rate.

Option	Bond Issue	Required Annual Debt		Required Annual Operations & Maintenance		Total EELs Millage (capped at .1465)
		Service Revenue Amount	Required Debt Millage	Revenue	Required Operating Millage	
1. Capital Improvements	\$3.2 million	\$ 208,409	0.0034	\$ 3,000,000	0.0489	0.0523
1(a). Capital Improvements with \$3M Initial Land Acquisition	\$6.2 million	\$ 403,793	0.0066	\$ 3,000,000	0.0489	0.0555
2. Building of New Education Center & Field Office	\$4 million	\$ 260,512	0.0042	\$ 3,200,000	0.0522	0.0564
3. Secondary Land Acquisition (includes \$3M Initial Land Acquisition)	\$14 million	\$ 911,790	0.0148	\$ 3,275,000	0.0534	0.0682

Background

Fund Overview

Throughout the report all references to FY 2023 were unaudited amounts, references to FY 2019 through FY 2022 were for audited amounts. The unaudited information was added to the report, due to timeliness and relevance of the information and to give an up-to-date synopsis of the Environmentally Endangered Lands Program.

The Board authorized an operating millage to fund the operations of the EEL Program that includes activities, such as: land management, environmental education, passive recreation, administrative duties and mitigation services.

The Board authorized the purchase of land funded by a bond issue pledging an EEL ad valorem tax.

As our financial condition review is focused on the finances of the Program, it is important to understand how the Program segregates its operations from an accounting perspective. The following is a summary of the five (5) governmental funds managed by the Program:

Fund 1610 – Program Operations

The Program Operations Fund accounts for the Program's general day to day operations, which consists of land management activities, environmental education, passive recreation, and administration duties. The primary costs for the fund include the salaries and benefits of approximately 29 employees, repair and maintenance of facilities and equipment, supplies, and other general expenditures to maintain operations.

The fund is predominantly funded by an ad valorem tax, the Environmentally Endangered Lands & Water Areas Operating tax, which totaled \$2.74 million for FY 2023. The Fund also derives revenues from intergovernmental income, transfers in, charges for services and miscellaneous income, which totaled approximately \$166 thousand combined in FY 2023.

Fund 1612 – Mitigation Services

The Mitigation Services Fund accounts for the revenues and expenditures related to properties or projects that have been donated to the Program to satisfy a private development permit. In FY 2023, the revenues for Fund 1612 were approximately \$22.6 thousand, where they earned \$21.9 thousand from interest earned and \$7 hundred from mitigation fees. Expenditures for this fund totaled approximately \$10 thousand and the net balance forward was \$772 thousand. The fund has a large balance forward compared to current revenues and expenditures as a result of mitigation fee revenue being much more prevalent and representing a larger portion of the Program's total revenues. However due to legislative actions, making mitigation services more restrictive, mitigation fee revenue has declined steadily in the last ten years. The fund has carried forward prior year's excess revenues to continue to support the fund.

Fund Overview

Fund 2030 – Debt Service

The Debt Service Fund's purpose is to account for the revenues and expenditures related to the bonded debt of the Program and to service such debt. The fund primarily derives its revenues from a debt service ad valorem tax, which is assessed on the county residents. In FY 2023, the tax revenue totaled approximately \$2.24 million and the expenditures for debt service totaled \$2.90 million. Staff reconciled the debt service fund to ensure sufficient funds are available to pay the outstanding debt. This reconciliation resulted in staff recommending to the Board to reduce the millage rate required to fund the outstanding debt. The Program's debt will be fully paid on September 1, 2024.

Fund 3216 – South Region Construction

The South Region Construction Fund is designated by the County Commissioners to allocate funds for the development of a future management and education center in the Program's Malabar Scrub Sanctuary. In FY 2023 this capital project fund sat idle only earning approximately \$23 thousand in interest from investments, with zero expenditures. The Malabar Scrub Center capital project is currently on hold. At the end of FY 2023 the fund had a balance forward of \$798 thousand.

Fund 3219 – Capital Projects

The Capital Projects Fund accounts for the funding to acquire capital assets including; land, machinery, equipment and land improvement projects. In FY 2023, the fund earned revenue totaling \$16 thousand, all of which was derived from interest earned from investments. In addition the fund had capital outlay expenditures totaling approximately \$120 thousand. The funds balance forward was \$481 thousand at the end of FY 2023. The fund had received a substantial amount of proceeds from the sale of a parcels of land in 2010 and 2011, for the amounts of \$1.8 million and \$150 thousand, respectively. The Program has been using these proceeds, in their balance forward, to support the fund.

Financial Analysis and Results

Operating Analysis – EEL Program

Throughout the report all references to FY 2023 were unaudited amounts, references to FY 2019 through FY 2022 were for audited amounts. The unaudited information was added to report, due to timeliness and relevance of the information and to give an up-to-date synopsis of the Environmentally Endangered Lands Program.

A comparison of the fiscal year 2023 - 2019 actual performance for the past 5 fiscal years including the 2023 budget for the entire Environmentally Endangered Lands Program is shown below:

	FY2023 Budget	FY2023 Actual **	FY2022 Actual	FY2021 Actual	FY2020 Actual	FY2019 Actual
Revenue:						
Env End Land & WTR Areas Operating *	\$ 2,696,296	\$ 2,738,574	\$ 2,613,251	\$ 2,523,689	\$ 2,458,364	\$ 2,357,525
Env End Land & WTR Areas Debt *	2,209,110	2,240,971	2,248,318	2,240,816	3,212,651	3,120,113
Intergovernmental *	-	36,932	24,618	10,651	-	-
Charges for Services *	428	1,167	331	327	743	412
Miscellaneous *	170,673	307,552	144,300	132,461	232,663	244,517
Transfers In	27,800	26,846	18,940	25,737	41,912	37,240
Total Revenue	5,104,307	5,352,042	5,049,758	4,933,681	5,946,333	5,759,807
Expenditures:						
Compensation and Benefits	1,936,365	1,804,573	1,665,849	1,575,314	1,523,110	1,674,546
Operating Expenditures	3,023,519	842,999	818,292	869,175	559,895	571,912
Debt Service	2,900,161	2,900,161	2,903,476	2,910,721	2,916,743	2,916,894
Total Expenditures	7,860,045	5,547,733	5,387,617	5,355,210	4,999,748	5,163,352
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,755,738)	(195,691)	(337,859)	(421,529)	946,585	596,455
Transfers Out	250,704	171,767	170,273	167,384	197,632	195,618
Excess (Deficit) Before Capital Outlay	(3,006,442)	(367,458)	(508,132)	(588,913)	748,953	400,837
Capital Outlay	312,023	119,989	16,217	226,830	193,102	53,739
Total Annual Excess (Deficit)	(3,318,465)	(487,447)	(524,349)	(815,743)	555,851	347,098
Balance Forward	5,694,010	6,321,934	6,846,283	7,662,026	7,106,175	6,759,077
Net Balance Forward	\$ 2,375,545	\$ 5,834,487	\$ 6,321,934	\$ 6,846,283	\$ 7,662,026	\$ 7,106,175

* Budget amounts include 5% statutory reduction
 ** FY 2023 amounts are unaudited

Results

The FY 2023 budget projected a \$3.32 million reduction in fund balance. Actual financial information indicates that approximately \$487 thousand of reserves were used to supplement the Program. The budget-to-actual variance was primarily the result of (1) an increase in total revenues of \$248 thousand, (2) decrease in compensation and benefits expenditures of \$132 thousand, (3) decrease in operating expenditures of \$2.18 million, (4) decrease in transfers out of \$79 thousand and (5) unspent budgeted capital outlay of \$192 thousand.

Total revenues decreased by 7.1% from FY 2019 to FY 2023 and increased 6.0% from FY 2022 to FY 2023. The decrease in revenue from FY 2019 to FY 2023 was caused by a reduction in the Environmentally Endangered Land and Water Areas Debt ad valorem tax millage rate, the ad valorem

Operating Analysis – EEL Program

Results (continued)

tax to service the Program's long term debt. This millage rate decreased 49.6% from FY 2019 to FY 2023 resulting in a 28.2% reduction in the revenue derived from the debt service ad valorem tax, which reflects what is required to service the debt. This reduction in revenue is offset by the Environmentally Endangered Lands & Water Areas Operating ad valorem tax revenue increasing by 16.2% during the same time period. The increase in revenue in FY 2022 to FY 2023 was mainly due to the 4.8% increase in Environmentally Endangered Lands & Water Areas Operating ad valorem tax from FY 2022 to FY 2023. The Environmentally Endangered Lands & Water Areas Operating millage rate reflects the adopted rate approved to stay within the County's aggregate roll back rate.

Total expenditures, including transfers out and capital outlay, have increased by 7.9% from FY 2019 to FY 2023 and increased by 4.8% from FY 2022 to FY 2023. The increase in expenditures from FY 2019 to 2023 is mainly from the increasing cost of goods and services due to inflation in the past five years. The Program's operating expenditures, which includes utilities, supplies, and other essential operating goods and services increased 47.4% from FY 2019 to FY 2023. The increase in expenditures from FY 2022 to FY 2023 is mainly due to in FY 2023 the Program had made several large capital purchases; including a purchase of a truck for \$48 thousand and a fencing project at the Valkaria Scrub Habitat for \$48 thousand.

The Program's total expenditures was \$2.31 million under budget in FY 2023, which was due to the Program pushing projects and capital purchases to future years and staffing vacancies throughout the year, see the budget vs. actual section, where this is examined by fund and expense category.

Budget vs. Actual

The following pages present a high-level summary of the FY 2023 Budget-to-Actual and FY 2023 Actual-to-FY 2022 Actual for each fund within the Program. Budgeted figures represent the final budget, which includes Board-approved amendments to the original budget for various changes to revenues and expenditures, including balance forward. FY 2023 Budget-to-Actual Expenditures and the FY 2023 Actual-to-FY2022 Actual with a variance of \$100 thousand and 10% were considered significant and identified with a **red** letter. Refer to page 18 for further details related to the significant variances.

Fund 1610 - Program Operations							
	FY 23 Budget	FY 23 Actual **	FY 23 Budget to Actual Variance	% Variance		FY 23 Actual to FY 22 Actual Variance	% Variance
Revenues							
Taxes *	\$ 2,696,296	\$ 2,738,574	\$ 42,278	2%		\$ 2,613,251	\$ 125,323 5%
Intergovernmental *	-	36,932	36,932	#DIV/0!		24,618	12,314 50%
Charges for Service *	428	1,167	739	173%		331	836 253%
Miscellaneous *	51,448	113,559	62,111	121%		70,664	42,895 61%
Transfers In	14,800	14,709	(91)	-1%		10,183	4,526 44%
Total Revenues	2,762,972	2,904,941	141,969	5%		2,719,047	185,894 7%
Operating Expenditures							
Compensation & Benefits	1,936,365	1,804,573	(131,792)	-7%		1,665,849	138,724 8%
Professional Service	17,922	5,989	(11,933)	-67%		3,267	2,722 83%
Survey/Appraisal Srv	700	-	(700)	-100%		-	0 #DIV/0!
Legal Services	-	-	-	#DIV/0!		519	(519) -100%
Drug Testing	500	43	(457)	-91%		164	(121) -74%
Other Contracted Services	561,172	15,611	(545,561)	-97%	A	6,323	9,288 147%
Security	3,453	3,447	(6)	0%		2,996	451 15%
Janitorial Service	17,009	16,745	(264)	-2%		17,513	(768) -4%
Fire Ext Services	1,500	920	(580)	-39%		534	386 72%
Exterm Service	900	600	(300)	-33%		550	50 9%
Garbage Service	9,730	13,220	3,490	36%		12,573	647 5%
Ground Maint	6,750	-	(6,750)	-100%		-	0 #DIV/0!
CFSD Other Charges	32,825	38,309	5,484	17%		33,904	4,405 13%
Infor Systems Charges	26,897	26,898	1	0%		26,201	697 3%
Travel Expense A & B Mile	500	-	(500)	-100%		-	0 #DIV/0!
Travel Expense A & B	1,000	-	(1,000)	-100%		-	0 #DIV/0!
Travel Exp C-Mileage	500	-	(500)	-100%		-	0 #DIV/0!
Transportation	3,000	744	(2,256)	-75%		-	744 #DIV/0!
Postage/Exp/Frt	200	85	(115)	-58%		67	18 27%
Communications	-	260	260	#DIV/0!		-	260 #DIV/0!
Telephone	4,260	4,150	(110)	-3%		4,351	(201) -5%
Utility Services	1,500	3,975	2,475	165%		1,759	2,216 126%
Electricity	26,460	30,341	3,881	15%		29,105	1,236 4%
Water & Sewage	3,480	5,161	1,681	48%		4,534	627 14%
Assessments S W	1,661	1,574	(87)	-5%		1,416	158 11%
Rental & Leases	168,832	117,124	(51,708)	-31%		122,530	(5,406) -4%
General Liability	13,058	13,687	629	5%		12,693	994 8%
Auto Liability	12,650	8,517	(4,133)	-33%		8,171	346 4%
Buildings & Contents Insurance	28,812	28,800	(12)	0%		25,992	2,808 11%
Repairs & Maintenance	595,155	221,684	(373,471)	-63%	B	210,253	11,431 5%
Printing & Binding	5,900	5,778	(122)	-2%		1,803	3,975 220%
Other Current Charges	182,230	107,094	(75,136)	-41%		106,679	415 0%
Office Supplies	7,500	1,520	(5,980)	-80%		1,776	(256) -14%
Operating Supplies	261,041	137,229	(123,812)	-47%	C	134,401	2,828 2%
Books, Publications & Memberships	9,000	3,387	(5,613)	-62%		2,143	1,244 58%
Total Operating Expenditures	3,942,462	2,617,465	(1,324,997)	-34%		2,438,066	179,399 7%
Excess (Deficiency) of Revenues over (under) Expenditures	(1,179,490)	287,476	1,466,966	-124%		280,981	6,495 2%
Transfers Out	110,704	98,379	(12,325)	-11%		95,506	2,873 3%
Total Annual Excess (Deficit)	(1,290,194)	189,097	1,479,291	-115%		185,475	3,622 2%
Balance Forward	1,290,194	1,403,772	113,578	9%		1,218,297	185,475 15%
Net Balance Forward	\$ -	\$ 1,592,869	\$ 1,592,869	#DIV/0!		\$ 1,403,772	\$ 189,097 13%

* Budget amounts include 5% satuary reduction

** FY 2023 amounts not audited

Budget vs. Actual

For Fund 1610, FY 2023 total revenues were more than budgeted revenues by \$142 thousand primarily due to more taxes were collected than expected and total operating expenditures compared to the budgeted total operating expenditures were favorable by \$1.3 million mainly due to the Program moving large project to FY 2024, which included other contracted services and repairs and maintenance.

Fund 1612 - Mitigation Services							
	FY 23 Budget	FY 23 Actual **	FY22 Budget to Actual Variance	% Variance		FY 23 Actual to FY 22 Actual Variance	% Variance
Revenues							
Miscellaneous *	\$ 12,350	\$ 22,609	\$ 10,259	83%		\$ 9,856	\$ 12,753 129%
Total Revenues	12,350	22,609	10,259	83%		9,856	12,753 129%
Operating Expenditures							
Other contracted services	77,000	10,313	(66,687)	-87%		21,723	(11,410) -53%
Assessments SW	-	-	-	#DIV/0!		-	- #DIV/0!
Rentals & leases	404,000	-	(404,000)	-100%	E	-	- #DIV/0!
Repair & maintenance	290,812	-	(290,812)	-100%	B	-	- #DIV/0!
Operating Supplies	12,350	-	(12,350)	-100%		-	- #DIV/0!
Total Operating Expenditures	784,162	10,313	(773,849)	-99%		21,723	(11,410) -53%
Excess (Deficiency) of Revenues over (under) Expenditures	(771,812)	12,296	784,108	-102%		(11,867)	(11,410) 96%
Total Annual Excess (Deficit)	(771,812)	12,296	784,108	-102%		(11,867)	24,163 -204%
Balance Forward	771,812	759,946	(11,866)	-2%		771,813	(11,867) -2%
Net Balance Forward	\$ -	\$ 772,242	\$ 772,242	#DIV/0!		\$ 759,946	\$ 12,296 2%

* Budget amounts include 5% satuary reduction

** FY 2023 amounts unaudited

The FY 2023 total budgeted expenditures were 98.7% higher than FY 2023 actual spending due to the Program budgeting for anticipated projects on mitigated lands which did not occur during the year. Actual operating expenses in FY 2023 decreased by 53% from the previous fiscal year primarily due to a decrease in the contracted services related to mitigated lands in FY 2023.

Fund 2030 - Debt Service							
	FY 23 Budget	FY 23 Actual **	FY23 Budget to Actual Variance	% Variance		FY 23 Actual to FY 22 Actual Variance	% Variance
Revenues							
Taxes *	\$ 2,209,110	\$ 2,240,971	\$ 31,861	1%		\$ 2,248,318	\$ (7,347) 0%
Miscellaneous *	76,000	132,859	56,859	75%		41,749	91,110 218%
Transfers in	13,000	12,137	(863)	-7%		8,757	3,380 39%
Total Revenues	2,298,110	2,385,967	87,857	4%		2,298,824	87,143 4%
Debt Service Expenditures							
Debt Service	2,900,161	2,900,161	-	0%		2,903,476	(3,315) 0%
Total Debt Service Expenditures	2,900,161	2,900,161	-	0%		2,903,476	(3,315) 0%
Excess (Deficiency) of Revenues over (under) Expenditures	(602,051)	(514,194)	(87,857)	15%		(604,652)	90,458 -15%
Transfers out	140,000	73,388	66,612	48%		74,767	(1,379) -2%
Total Annual Excess (Deficit)	(742,051)	(587,582)	154,469	-21%		(679,419)	91,837 -14%
Balance Forward	2,771,147	2,777,489	6,342	0%		3,456,908	(679,419) -20%
Net Balance Forward	\$ 2,029,096	\$ 2,189,907	\$ 160,811	8%		\$ 2,777,489	\$ (587,582) -21%

* Budget amounts include 5% satuary reduction

** FY 2023 amounts unaudited

Budget vs. Actual

The FY 2023 total revenues increased by 3.8% compared to the prior year mainly due to the reduction in the millage rate from 0.0488 in FY 2022 to 0.0425 in FY 2023 offset by the increase interest earned on investments. The 21% reduction in the balance forward from FY 2022 to FY 2023 is due to total annual deficit of the fund in the amount of \$588 thousand.

Fund 3216 - South Region Construction							
	FY 23 Budget	FY 23 Actual **	FY22 Budget to Actual Variance	% Variance	FY 23 Actual to FY 22 Actual	FY 22 Actual	% Variance
Revenues							
Miscellaneous *	\$ 13,300	\$ 22,590	\$ 9,290	70%	\$ 6,993	\$ 15,597	223%
Total Revenues	13,300	22,590	9,290	70%	6,993	15,597	223%
Expenditures							
Total Expenditures	-	-	-	#DIV/0!	-	-	#DIV/0!
Excess (Deficiency) of Revenues over (under) Expenditures	13,300	22,590	9,290	70%	6,993	15,597	223%
Total Annual Excess (Deficit)	13,300	22,590	9,290	70%	6,993	15,597	223%
Balance Forward	777,540	775,533	(2,007)	0%	768,540	6,993	1%
Net Balance Forward	\$ 790,840	\$ 798,123	\$ 7,283	1%	\$ 775,533	\$ 22,590	3%

* Budget amounts include 5% satuary reduction

** FY 2023 amounts unaudited

The Program has not had any major changes in this fund year over year due to this project is currently on hold, with the only changes in this fund the last two years being interest revenues.

Fund 3219 - Capital							
	FY 23 Budget	FY 23 Actual **	FY22 Budget to Actual Variance	% Variance	FY 23 Actual to FY 22 Actual	FY 22 Actual	% Variance
Revenues							
Miscellaneous *	\$ 17,575	\$ 15,935	\$ (1,640)	-9%	\$ 15,038	\$ 897	6%
Total Revenues	17,575	15,935	(1,640)	-9%	15,038	897	6%
Operating Expenditures							
Other Contracted Services	93,283	-	(93,283)	-100%	-	-	#DIV/0!
Bldgs & Contents Ins	-	12	12	#DIV/0!	-	12	#DIV/0!
Repair/Maint Svc	135,977	19,782	(116,195)	-85%	24,352	(4,570)	-19%
Operating Supplies	-	-	-	#DIV/0!	-	-	#DIV/0!
Oper Equip under \$1000	4,000	-	(4,000)	-100%	-	-	#DIV/0!
Total Operating Expenditures	233,260	19,794	(213,466)	-92%	24,352	(4,558)	-19%
Excess (Deficiency) of Revenues over (under) Expenditures	(215,685)	(3,859)	211,826	-98%	(9,314)	5,455	-59%
Capital Outlay	312,023	119,989	(192,034)	-62%	16,217	103,772	640%
Total Annual Excess (Deficit)	(527,708)	(123,848)	403,860	-77%	(25,531)	(98,317)	385%
Balance Forward	597,725	605,194	7,469	1%	630,725	(25,531)	-4%
Net Balance Forward	\$ 70,017	\$ 481,346	\$ 411,329	587%	\$ 605,194	\$ (123,848)	-20%

* Budget amounts include 5% satuary reduction

** FY 2023 amounts unaudited

The FY 2023 total budgeted expenditures, including capital outlay were 74.4% higher than FY 2022 total actual expenditures mainly due to the Program pushing projects and capital purchases to future years. Actual capital expenditures increased by 640% in FY 2023 compared to FY 2022, mainly due to the Program making a large capital purchase for a vehicle in FY 2023 for \$48 thousand, which did not occur in FY 2022 and for \$47 thousand for improvements other than buildings for a fencing project at Valkaria Scrub Habitat.

Budget vs. Actual

Results

The following includes additional details related to the more significant variances identified in the FY 2023 budget-to-actual analysis and FY 2023 and FY 2022 analysis (by fund) based on explanations provided by the Program:

A	Other Contracted services – The Program was \$545.6 thousand under budget for other contracted services due to several projects were not able to be completed in FY 2023 and moved forward to FY 2024, this included the following projects; Malabar Scrub tree removal (\$318.1 thousand), exotic vegetation removal (\$60 thousand) and fire line installation (\$50). The Program also reduced spending, using in house sources for services.
B	Repairs & maintenance – The Program reported actual repair and maintenance costs of \$780.1 thousand less than what was budgeted across all funds. For Fund 1610 the Program was \$373.5 thousand under budget primarily due to projects were not completed in FY 2023 and funding was moved forward to FY 2024, this included the following projects; Enchanted Forest Nature Center HVAC and mold repairs (\$232.9 thousand), Barrier Island Deck repairs (\$70.7 thousand) and various culvert repairs across the Program (\$40 thousand). For Fund 1612, the Program was \$290.8 thousand under the budget since this fund is for projects related to mitigated lands and in FY 2023 there were no projects needed for mitigated lands. For Fund 3219, the Program was \$116.2 thousand under budget due to projects not completed in FY 2023 and funding was moved forward to FY 2024, also the Program reduced spending.
C	Operating supplies – The Program was \$123.8 thousand under budget for operating supplies in FY 2023 due to the Program's requirements.
D	Balance Forward – The Balance Forward amount is the prior year's difference in total revenues less total expenditures and is the fund balance that is carried over to the next fiscal year. The variance from year to year is the individual fund's total annual excess or deficit from prior years.
E	Rentals & leases – For Fund 1612 the Program was \$404 thousand under budget, this fund is only for expenses relating to mitigated lands; in FY 2023 the Program did not have any rentals & leases related to mitigated lands.
F	Capital Outlay – In FY 2023, the Program was \$192 thousand under budget for capital outlay, this was due to projects and capital purchases being pushed to FY 2024, including three vehicles that were ordered in FY 2023, but were not delivered and purchased until FY 2024. The Program increased capital outlay expenditures by \$104 thousand in FY 2023 compared to FY 2022 due to the purchase of several pieces of equipment, including a truck and two drones for a combined total of \$55.6 thousand and the completion of a capital project, fencing the Valkaria Scrub Sanctuary for a cost of \$47.7 thousand. In FY 2022 the Program did not have any such purchases.

Revenue Trend Analysis

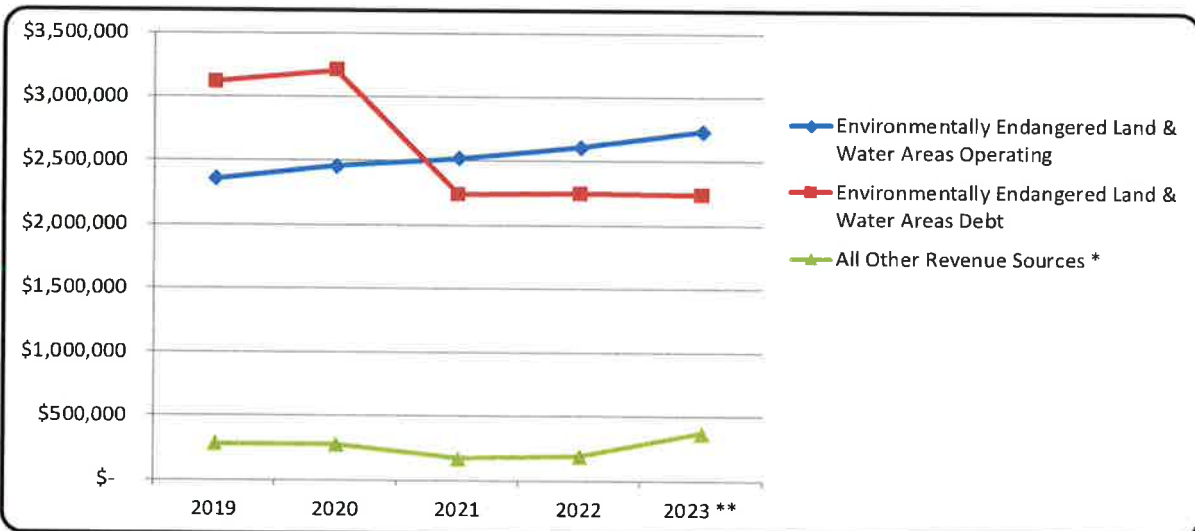
Total Revenues

The Program receives revenue from multiple sources. Primary sources of revenue include:

- Environmentally Endangered Land & Water Areas Operating ad valorem tax
- Environmentally Endangered Land & Water Areas Debt ad valorem tax
- Charges for services
- Miscellaneous Revenue (mainly interest earned)
- Transfers In

	Actual				
	2019	2020	2021	2022	2023 **
Environmentally Endangered Land & Water Areas Operating	\$ 2,357,525	\$ 2,458,364	\$ 2,523,689	\$ 2,613,251	\$ 2,738,574
Environmentally Endangered Land & Water Areas Debt	3,120,113	3,212,651	2,240,816	2,248,318	2,240,971
Intergovernmental Revenue	-	-	10,651	24,618	36,932
Charges for Services	412	743	327	331	1,167
Miscellaneous Revenue	244,517	232,663	132,461	144,300	307,552
Transfers In	37,240	41,912	25,737	18,940	26,846
Total Revenues	\$ 5,759,807	\$ 5,946,333	\$ 4,933,681	\$ 5,049,758	\$ 5,352,042
FY 2019 to FY 2023	-7.1%				
FY 2022 to FY 2023	6.0%				

** 2023 information is unaudited

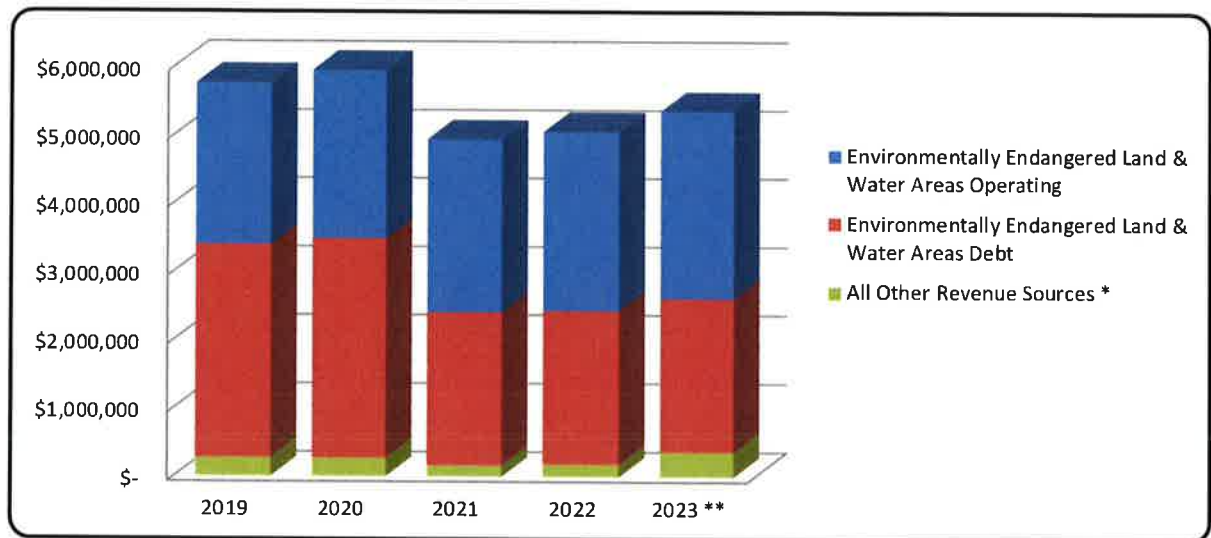


* All Other Revenue Sources includes intergovernmental revenue, charges for service, miscellaneous revenue and transfers in

** 2023 information is unaudited

Revenue Trend Analysis

Total Revenues (continued)

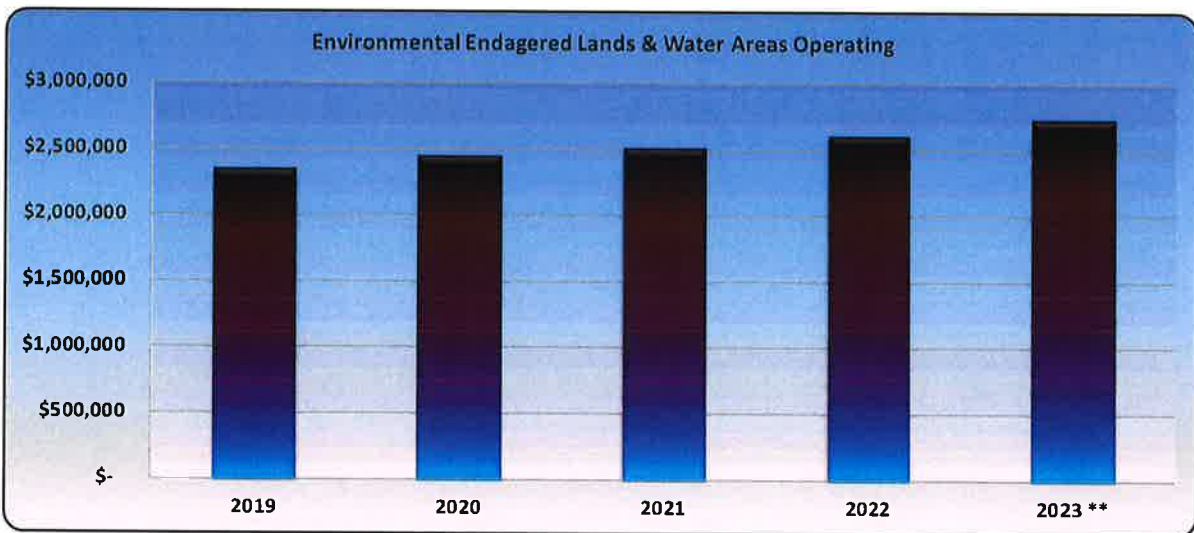
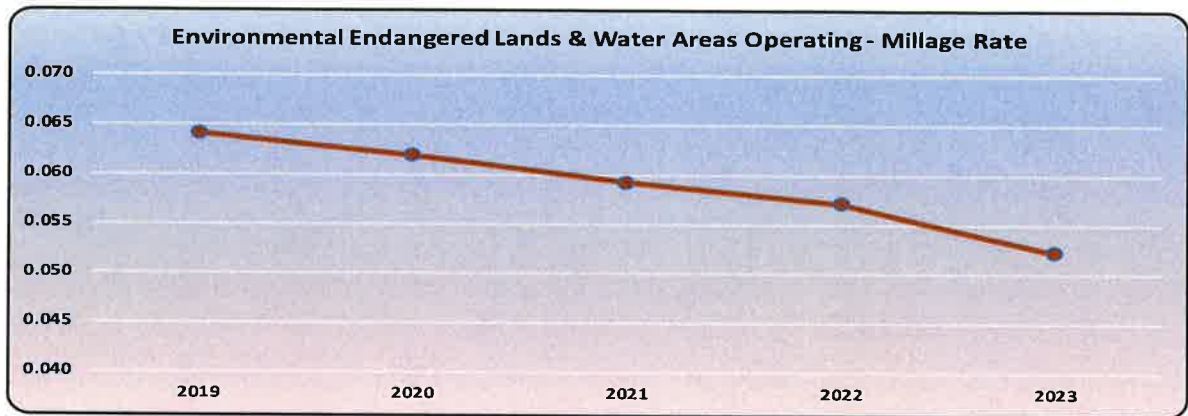


* All Other Revenue Sources includes intergovernmental revenue, charges for service, miscellaneous revenue and transfers in

** 2023 information is unaudited

Revenue Trend Analysis

Environmentally Endangered Lands & Water Areas Operating ad valorem



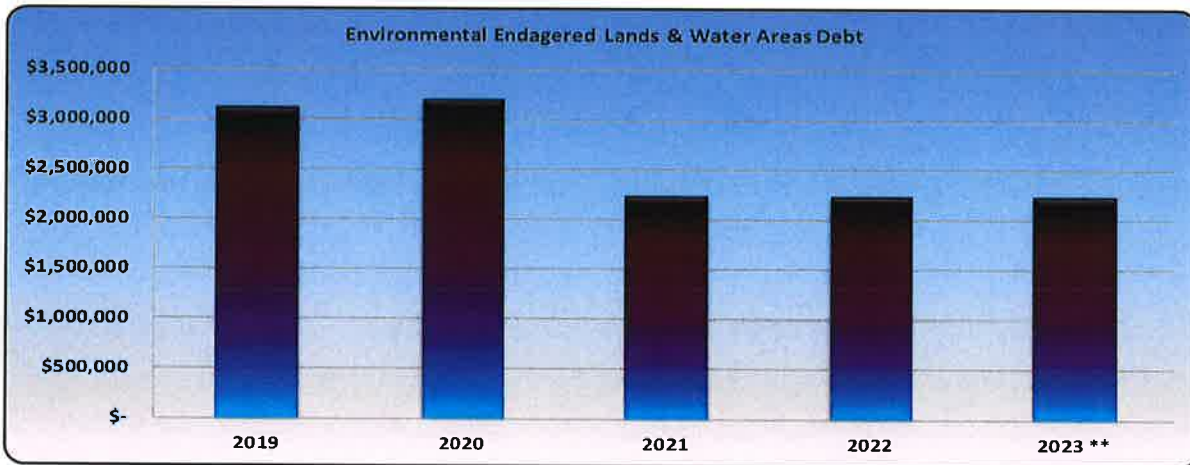
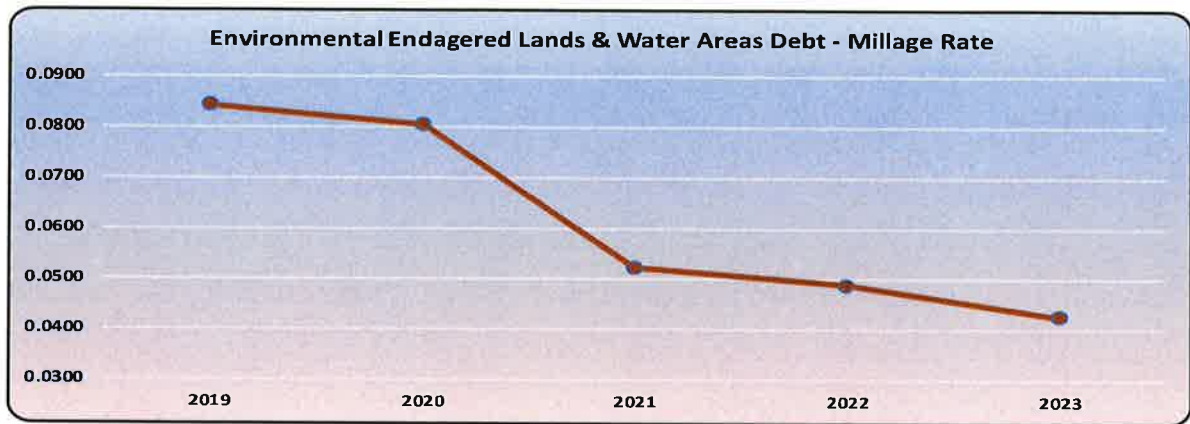
** 2023 information is unaudited

The Environmentally Endangered Lands & Water Areas Operating ad valorem tax is used to fund the Program's daily functions. The taxes collected are based on a millage rate applied to the value of Brevard County properties as determined by the Property Appraiser and the final millage rate is set and approved by the Board of County Commissioners.

In FY 2023 the final approved millage rate was .0522 which generated \$2.7 million in revenue compared to the final millage rate for FY 2022 which was .0571 which generated \$2.6 million in revenue. While the millage rate decreased by 8.5%, the revenues increased by \$125 thousand, due to the increasing property values and new construction within the County. The Environmentally Endangered Lands & Water Areas Operating ad valorem taxes is the largest revenue source for the Program, comprising 51.2% of the total revenue in FY 2023.

Revenue Trend Analysis

Environmentally Endangered Lands & Water Areas Debt Ad Valorem Tax



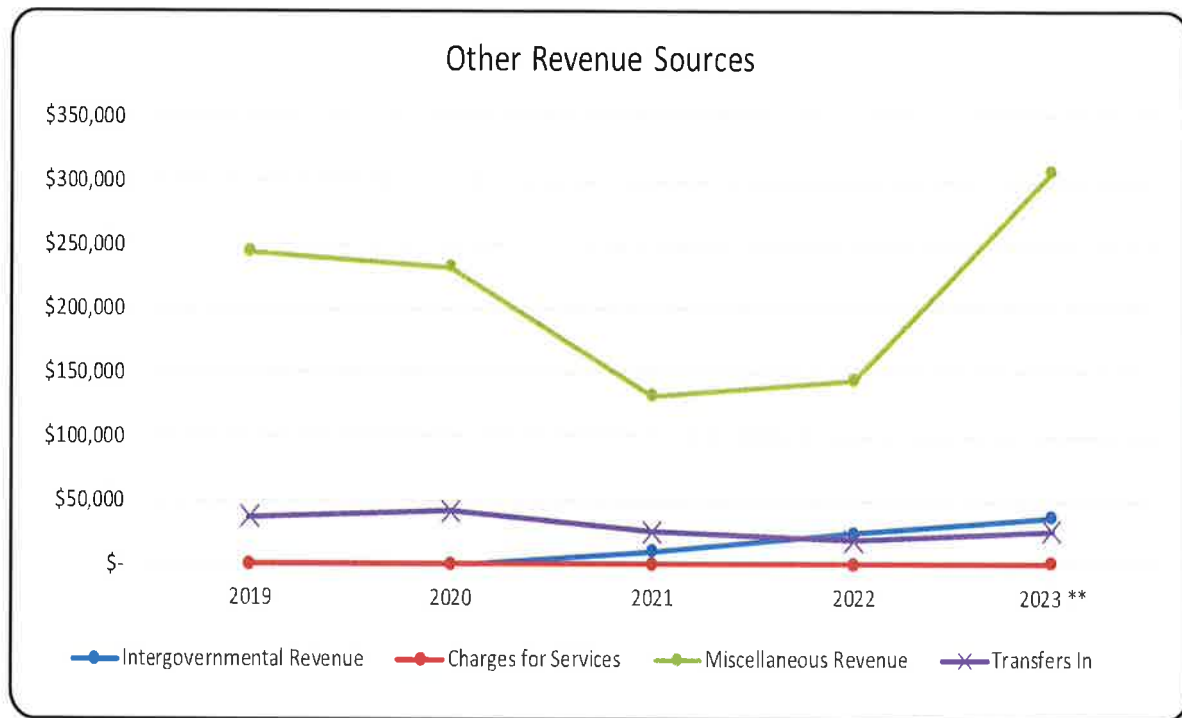
**** 2023 information is unaudited**

The Environmentally Endangered Lands & Water Areas Debt ad valorem tax is a debt service tax used to fund the repayment of the Program's long term bonds. The taxes collected are based on a millage rate applied to the value of Brevard County properties as determined by the Property Appraiser and the final millage rate is set and approved by the Board of County Commissioners.

In FY 2023, the final approved millage rate was 0.0425 which generated \$2.2 million in revenue compared to the final millage rate for FY 2022 which was .0488 and also generated \$2.2 million in revenue. From FY 2019 to FY 2023 the revenue has decreased by 28.2% and the millage rate has decreased by 49.6%, with the largest year over year decrease in FY 2021 compared to FY 2020 where the total revenue from the Environmentally Endangered Lands & Water Areas Debt decreased by 30.3% and the millage rate had decreased by 35.1%. The decrease is due to the Program's debt will be fully repaid by September 1, 2024 and the County had been reducing the millage rate and using a portion of the Program's Debt Service Fund's balance forward, \$2.19 million at the end of FY 2023, to service the remaining debt service payments, reducing the burden on county residents. The Environmentally Endangered Lands & Water Areas Debt ad valorem tax is the second largest revenue source for the Program, comprising 41.9% of the total revenue in FY 2023.

Revenue Trend Analysis

Other Revenue Sources



**** 2023 information is unaudited**

The Program derives the majority of its revenue from the two ad valorem taxes mentioned above, roughly 93.1% of the total revenue. The 6.9% of the remaining revenue is generated from charges for services, intergovernmental revenue, miscellaneous revenue and transfers in, which combined totaled \$373 thousand in FY 2023.

The Program derives its charges for services from multiple sources such as camping fees, program activity fees and recreation instruction. In FY 2023 revenue from charges for service totaled \$1,167 an increase of 253% compared to FY 2022, mainly due to the FY 2023 recreation instruction revenue of \$768, which did not occur in FY 2022.

Intergovernmental revenue is recognized when the Program earns revenue from other government agencies, whether it be federal, state or local. In FY 2023, the Program recognized \$36.9 thousand in intergovernmental revenue, which was from the U.S. Fish and Wildlife Service and administered through the Nature Conservancy, a non-profit, which provided a one-time grant for the tree density reduction program in the Florida Scrub Jay Habitat. The Program did not budget to receive any intergovernmental revenue in FY 2023 and received \$24.6 thousand in FY 2022 from a one-time Federal Emergency Management Agency (FEMA) reimbursement for Hurricane Irma.

Revenue Trend Analysis

Other Revenue Sources (continued)

Miscellaneous revenues has numerous sources, including interest earnings, rentals, sale of assets, insurance proceeds and donations. In FY 2023, miscellaneous revenues totaled \$307.6 thousand, with the largest revenue sources being from interest earned totaling \$265 thousand and insurance proceeds totaling \$25.7 thousand. From FY 2020 to FY 2021 the Program saw a large drop in miscellaneous revenues, a 43% decrease, which was due to the lower interest rates during Covid. Then from FY 2022 to FY 2023 the Program saw miscellaneous revenue increase by 113.1%, which was due to the large increase in interest rates. During FY 2023, the Program's revenue from interest earned increased 238%.

In FY 2023 the Program received a total of \$26.8 thousand in transfers, receiving \$4.5 thousand from the County's Property Appraiser and \$22.3 thousand from the County's Tax Collector, both due to excess fees.

Compensation and Benefits Analysis

The following is a summary of salaries and benefits for the Program:

	FY 2023 **			FY 2022	FY 2021	FY 2020	FY 2019
	Budget	Actual	Variance	Actual	Actual	Actual	Actual
Salaries & Wages	\$ 1,328,359	\$ 1,232,010	\$ (96,349)	\$ 1,182,802	\$ 1,113,663	\$ 1,088,147	\$ 1,150,666
Overtime	8,000	4,088	(3,912)	2,986	9,514	4,608	24,598
Benefits	600,006	573,820	(26,186)	519,281	479,842	462,435	499,282
Labor Distribution Credits	-	(5,345)	(5,345)	(39,220)	(27,705)	(32,080)	-
Total Compensation & Benefits	\$ 1,936,365	\$ 1,804,573	\$ (131,792)	\$ 1,665,849	\$ 1,575,314	\$ 1,523,110	\$ 1,674,546
Percentage (over) under budget			-6.8%				
Increase (decrease) over prior year			8.3%				

** 2023 information is unaudited

Analysis

Total salaries and benefits costs in FY 2023 were approximately \$1.81 million which included the costs for salaries, wages, overtime, payroll taxes, insurance and pensions. The Program has been able to maintain consistent and adequate staffing levels throughout the years, producing a consistent compensation and benefits expense year over year.

From FY 2019 to FY 2023, total compensation and benefits increased by 7.8%, which was due to yearly salary and wage increases, cost of living adjustments, with an average yearly increase of 2.5%. While, from FY 2022 to FY 2023, the total compensation and benefits costs increased by 8.3% due to a year over year increase in benefits costs of 11% and due to salary increases, a cost of living adjustment, which was 5.4% for all Program employees.

The Program's actual costs in FY 2023 was 6.8% under budget due to staffing vacancies throughout the year. At the end of FY 2023, the Program had a total staff of 29, 23 full-time employees, 5 part-time employees and 1 vacancy, part-time.

Long Term Debt Analysis

In FY 2013 the County completed a partial advance refunding of the Limited Ad Valorem Bonds, Series 2005. The refunding was financed through sinking fund contributions and the issuance of \$26,335,000 Limited Ad Valorem Tax Refunding Bond, Series 2013. The Limited Ad Valorem Tax Refunding Bond, Series 2013 is the only outstanding long term debt of the Program.

Below is the amortization schedule of the Limited Ad Valorem Tax Refunding Bond, Series 2013, since the end of FY 2018 through full repayment in FY 2024:

Fiscal Year Ending	Interest Rate	Total Interest	Principal Due September 1	Total Debt Service
2019	2.14%	\$ 346,894	\$ 2,570,000	\$ 2,916,894
2020	2.14%	291,896	2,625,000	2,916,896
2021	2.14%	235,721	2,675,000	2,910,721
2022	2.14%	178,476	2,725,000	2,903,476
2023	2.14%	120,161	2,780,000	2,900,161
2024	2.14%	60,669	2,835,000	2,895,669
Totals		\$ 1,233,817	\$ 16,210,000	\$ 17,443,817

Observations

The Program's outstanding principal as of the end of FY 2023 is \$2.84 million with total remaining debt service payments totaling \$2.90 million, \$60.7 thousand of which is interest. The bonds interest rate is 2.14% and the last payment will be made September 1, 2024.

Analysis

To service the debt the County implemented a debt service fund for the Program, Fund 2030, to assess and collect an ad valorem tax, as approved by voters, the Environmentally Endangered Lands & Water Areas Debt Ad Valorem Tax, from the Citizens of the County to service the debt. For FY 2023 the County adopted a final approved millage rate of 0.0425 for this tax, which generated \$2.24 million. In FY 2023 the debt service was \$2.90 million a difference of \$0.66 million from the estimated revenues, this variance was serviced by Fund 2030's excess fund balance, which totaled \$2.19 million at the end of FY 2023. In FY 2024 the debt service payments will be \$2.90 million, which the Program will service using revenue generated from their debt service ad valorem tax, Environmentally Endangered Lands & Water Areas Debt tax, and through the remaining of the Program's debt service fund's balance forward, \$2.19 million. Through analysis of the Program's budget and fund balance for debt service, the Program has adequate funds and revenue to meet all current debt obligations.

Capital Outlay Analysis

The following is a summary of capital outlay expenditures:

	2023 **			2022	2021	2020	2019
	Budget	Actual	Under (Over)	Actual	Actual	Actual	Actual
Land	\$ -	\$ -	\$ -	\$ 513	\$ -	\$ -	\$ -
Improvements Other Than Buildings	50,000	47,713	2,287	6,440	-	61,301	26,945
Machinery and Equipment	262,023	72,276	189,747	9,264	226,830	131,801	26,794
Totals	\$ 312,023	\$ 119,989	\$ 192,034	\$ 16,217	\$ 226,830	\$ 193,102	\$ 53,739
% of budget spent			38.5%				
Increase (decrease) over prior year spending			639.9%				

** 2023 information is unaudited

Analysis

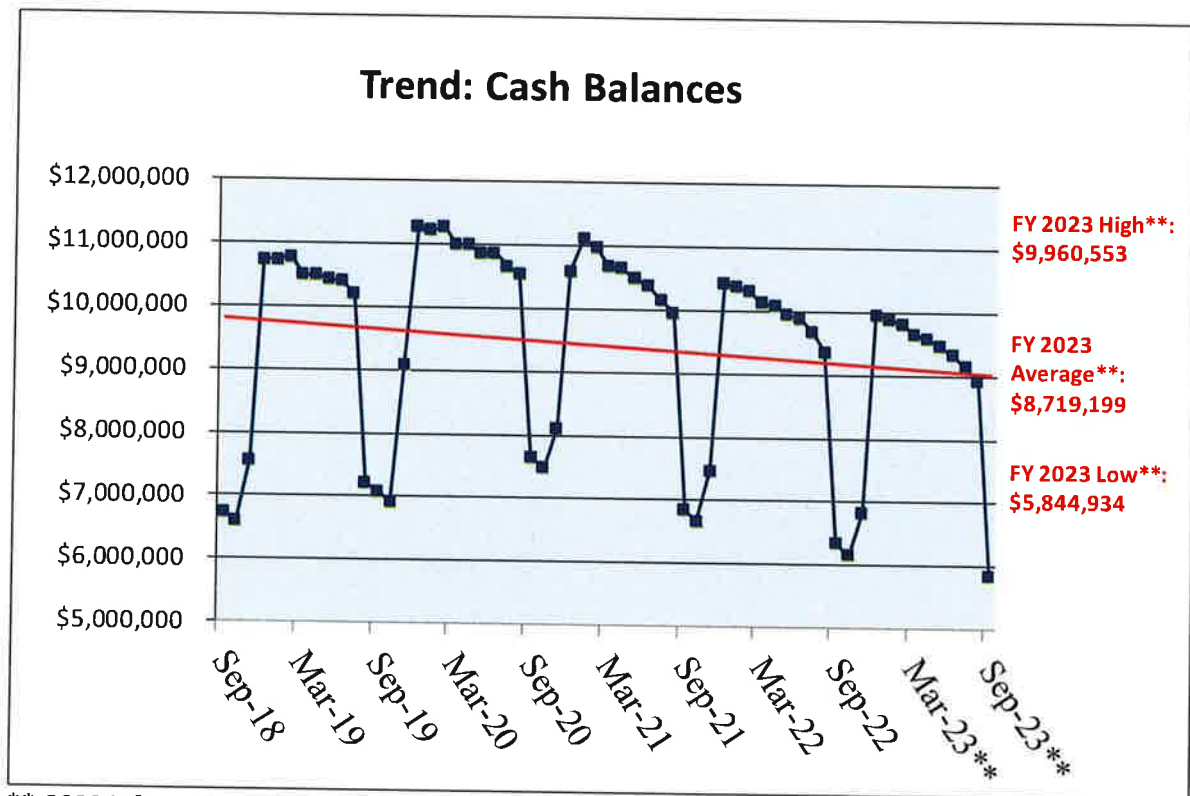
Total capital expenditures in FY 2023 were approximately \$120 thousand primarily for the purchase of mobile equipment and improvements other than buildings.

- FY 2022 to FY 2023 capital expenditures: 639.9% increase due to the Program purchasing equipment totaling \$72 thousand, the largest purchase being a truck for \$48 thousand. In FY 2023 the Program also made improvements other than buildings, completing a project fencing the Valkaria Scrub Sanctuary, totaling \$47.7 thousand. In FY 2022 the program had minimal capital purchases with, \$9.3 thousand for machinery and equipment, the largest being a trailer for \$4.4 thousand, \$6.4 thousand for improvements other than buildings and \$513 for land.
- FY 2023 capital expenditures to FY 2023 Budget: 38.5% of budget spent compared to 18.2% in FY 2022.

The unspent budget for capital outlay in FY 2023 was approximately \$192 thousand. This was mainly due to a large capital purchase for three vehicles, in the amount of \$185 thousand, that were ordered in FY 2023 but were not delivered and purchased until FY 2024.

Cash Flow Analysis

To evaluate cash flows of the Program for the year, we performed the following analysis of the Program's cash flows from all funds.



**** 2023 information is unaudited**

Observations

- Cash balances (in blue) fluctuate during the year, as the majority of the Program's cash is received in December and January each year, due to the timing of tax collections and in September the Program has makes their debt service payment.
- The Program's cash position has steadily decreased over the last five fiscal years by 13.4% from the start of FY 2019 to the end of FY 2023. See the trend line (in red) above, which demonstrates the decreasing cash flow trend.

Analysis

As shown above, cash balances have decreased steadily during the past five years. As mentioned earlier in the report, the decrease in cash is a result of the decline of the Program's total revenue compared to the growth of the Program's total expenditures including transfers out and capital outlay. Total revenues decreased by 7.1% where the expenses increased by 7.9%.

Fund Balance Analysis

Considerations

To evaluate fund balance / balance forward, we considered the following:

- Consider whether fund balance amounts are:
 - Legally restricted
 - Board designated for capital and debt service
 - Department designated as unspent funds in the event of an emergency or other unexpected need of the department
 - Unrestricted
- Analysis of historic fund balance compared to historic Program operating costs

The following parameters were used when analyzing fund balance and balance forward:

- Fund balance:
 - Assets in excess of liabilities as of the end of each fiscal year
- Balance forward:
 - Budgeting term used to represent the "unspent funds" carried forward as revenue to the next year's budget
- Designated fund balance:
 - Portion of fund balance approved by the Board for an intended purpose, such as capital projects.

Observations

Through discussions with management and review of the County's Annual Comprehensive Financial Report (ACFR), we noted that virtually all of the Program's fund balance is legally restricted, other than a small amount of inventory that is reported as nonspendable, in FY 2022 the Program reported \$8,500 as nonspendable. During the budgeting process, management of the Program designates fund balance in the following ways:

- Management identifies balance forward as unrestricted, restricted or designated for capital. Such determinations are projections based on management's best estimates and judgment.
- In addition, the Program budgets "reserves" as an expenditure item. This effectively represents management's expectation of fund balance at the end of the current budget year. Such balances can only be spent in the current budget year with the Board's approval.

We note there is a policy for General Fund reserves which says for the General Fund, planned fund balance shall be no less than ten percent (10%) of general operating revenues. However, there is no such policy that provides guidance to departments with dedicated funding sources other than the General Fund.

The following is a summary of the Program's fund balance (excluding the Debt Service Fund and South Region Capital Project Fund, as those fund balances are restricted for debt and a capital project) at the end of the year, as a percentage of operating expenditures for the year (in thousands):

Fund Balance Analysis

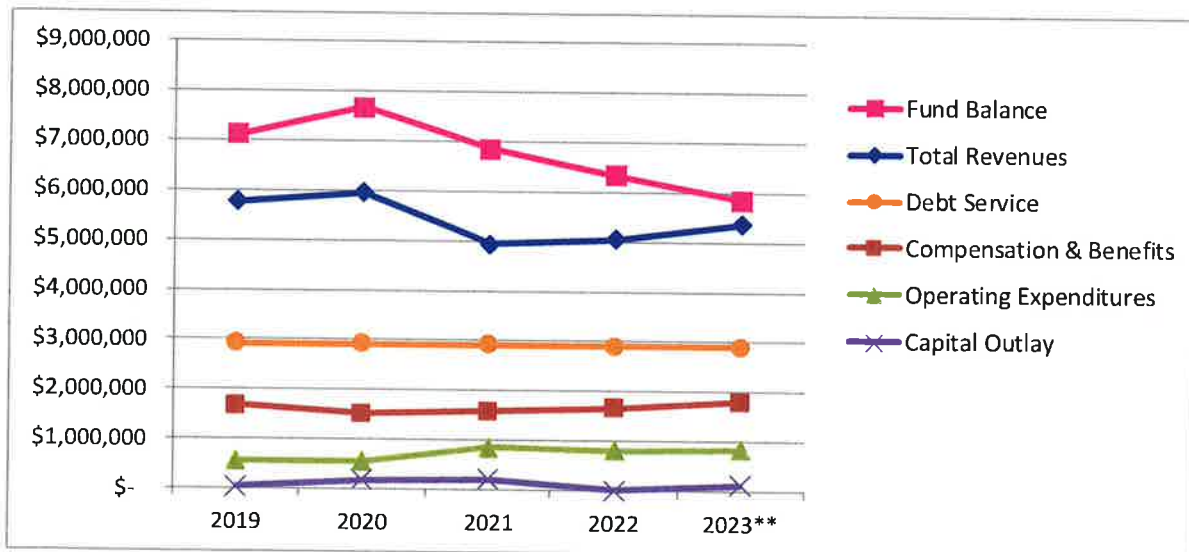
Observations (Continued)

	Fiscal Year				
	2023 **	2022	2021	2020	2019
Total Fund Balance *	\$ 2,846,457	\$ 2,768,912	\$ 2,620,835	\$ 2,776,669	\$ 2,570,302
Annual Total					
Operating Expenditures ***	\$ 2,647,572	\$ 2,484,141	\$ 2,444,489	\$ 2,083,005	\$ 2,246,458
Fund Balance as a % of					
Operating Expenditures ***	108%	111%	107%	133%	114%
Change in Fund Balance:					
FY 2019 to FY 2023	10.7%				
FY 2022 to FY 2023	2.8%				
Change in Operating Expenditures:					
FY 2019 to FY 2023	17.9%				
FY 2022 to FY 2023	6.6%				

* Excludes the Debt Service Fund and the South Region Capital Project Fund

** 2023 Information is unaudited

*** Operating expenditures exclude capital outlay, debt service, transfers, and budgeted reserves.



** 2023 Information is unaudited

Analysis

The Program has a little over one year of expenditures for operations in fund balance but virtually no money for capital outlay. Fund balance has been trending downward over the last couple of years as a result of revenues decreasing while total expenditures have increased.

Internal Auditor Follow-Up Report
Summary of Audit Corrective Actions

BREVARD COUNTY INTERNAL AUDIT

February 2024

Audit Report / Subject	Management Comments	Auditor Status Up-Date	Report Issue Date	Corrective Actions		
				Total	Open	Closed
Individual Functions						
Public Records Request	February 2024	February 2024	June 29, 2022	5	0	5
Pre-Trial and Misdemeanor Probation Services - Contract Compliance	January 2024	January 2024	September 6, 2023	8	4	4
Total				13	4	9

NOTES:

Follow-up Not Required as no ECD's or testing was applicable this reporting cycle.

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
FUNCTION: THE PUBLIC RECORDS REQUEST

Report Issue Date: June 29th, 2022

Risk	Observation #1: Entering Public Records Request	Management Comments as of February 2024	Auditor Comments as of February 2024	Status
Moderate	Based on our interviews and walkthroughs with CAO management and staff, we noted the following: PRRs submitted via telephone, in-person, or via email were not always entered into PRRT by the respective department Records Custodians as required by AO-47.	CAO management performed the following: a. Circulated an email to all the department directors and Records Custodians reminding them of the requirement to enter all PRRs into the PRRT with AO-47 attached. b. Circulated an email to all County employees reminding them of their responsibility under AO-47 to assure compliance and uniformity with regard to the handling of requests for inspection and copies of public records not exempted by State law and to notify their applicable Records Custodian to ensure any PRR received is entered into the PRRT system in accordance with AO-47.	a. We obtained and reviewed a copy of the email that CAO (including AO-47 attachment) circulated to all the department directors and Records Custodians reminding them of the requirement to enter all PRRs into the PRRT. b. We obtained and reviewed a copy of the email that CAO circulated to all County employees reminding them of their responsibility under AO-47 to assure compliance and uniformity with regard to the handling of requests for inspection and copies of public records not exempted by State law and to notify their applicable Records Custodian to ensure any PRR received is entered into the PRRT system in accordance with AO-47. These audit items are considered closed.	Closed
	Auditor Recommendation We recommend that CAO management perform the following to facilitate compliance with AO-47 that requires all PRRs to be entered into the PRRT software for tracking/monitoring: a. Circulate an email to all the department directors and Records Custodians reminding them of the requirement to enter all PRRs into the PRRT with AO-47 attached. b. Circulate an email to all County employees reminding them of their responsibility under AO-47 to assure compliance and uniformity with regard to the handling of requests for inspection and copies of public records not exempted by State law and to notify their applicable Records Custodian to ensure any PRR received is entered into the PRRT system in accordance with AO-47.	ECD: Closed.	Testing Date: Closed.	

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
FUNCTION: THE PUBLIC RECORDS REQUEST

Report Issue Date: June 29th, 2022

Risk	Observation #2: Closing Public Records Requests	Management Comments as of February 2024	Auditor Comments as of February 2024	Status
Moderate	Based on our interviews and walkthroughs with CAO management and staff, we noted the following: PRRT has an automated control requiring an entry into the comments field prior to PRR closure. However, anything typed in the "Comments" field allows the PRR to be closed. No pull-down menus/templates with the most common responses are utilized.	CAO management in working with the IT department has configured a pull-down menu to include the most common responses to the requester.	We obtained and reviewed a screenshot from the PRRT that included a pull-down menu with common requests to select for closing public records requests. This audit item is considered closed.	Closed
	Auditor Recommendation We recommend that CAO management perform the following: Work with the IT department to determine whether the PRRT can be configured to add a Drop-down menu to include the most common responses to the requester. Alternatively, if this is not feasible, take this into consideration in the implementation of Next Request. Note: Based on our experience with Next Request, it has pull-down templates and/or menus available to facilitate the above.	ECD: Closed.	Testing Date: Closed.	

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
FUNCTION: THE PUBLIC RECORDS REQUEST

Report Issue Date: June 29th, 2022

Risk	Observation #3: Public Record Request Consultations with CAO	Management Comments as of February 2024	Auditor Comments as of February 2024	Status
Moderate	Based on our interviews and walkthroughs with CAO management and staff, we noted the following: In accordance with AO-47, upon request by any County Employee responding to a PRR, the CAO provides guidance for fulfilling PRRs in compliance with the Florida Public Records Act. Based on our discussions with the CAO, this direction is most commonly communicated to the County employee via email. Depending on the nature of the request for guidance, and if asked via phone, the CAO would sometimes provide guidance orally as well. If any records are redacted or exempted, the PRR response provided to the requester must include the relevant Public Records F.S. citation. According to the CAO, the most common statement used when records are redacted is similar to: "Your requested documents are enclosed, and have been redacted pursuant to section 17.325(3) of the FL Statutes." (Per CAO staff).	The following standard wording was circulated to the Records Custodians via email: 1. Records Redacted: Please find enclosed the materials responsive to your request for public records. Some of the material contains information that is confidential or exempt from public disclosure pursuant to Florida Statutes and has been redacted accordingly. [Provide the reason and statutory authority for the redactions, e.g., all social security numbers have been redacted per section 119.071(5)(a)3, Florida Statutes]. 2. Records Withheld: Please find enclosed the materials responsive to your request for public records. Certain records are confidential or exempt from public disclosure pursuant to Florida Statutes and have been withheld accordingly. [Provide the reason and statutory authority for withholding the record(s), e.g., blueprints for a County-owned structure have been withheld per section 119.071(3), Florida Statutes].	We obtained the evidence of the email that CAO sent to Records Custodians noting that the email included the following standard language: 1. Records Redacted: Please find enclosed the materials responsive to your request for public records. Some of the material contains information that is confidential or exempt from public disclosure pursuant to Florida Statutes and has been redacted accordingly. [Provide the reason and statutory authority for the redactions, e.g., all social security numbers have been redacted per section 119.071(5)(a)3, Florida Statutes]. 2. Records Withheld: Please find enclosed the materials responsive to your request for public records. Certain records are confidential or exempt from public disclosure pursuant to Florida Statutes and have been withheld accordingly. [Provide the reason and statutory authority for withholding the record(s), e.g., blueprints for a County-owned structure have been withheld per section 119.071(3), Florida Statutes]. This audit item is considered closed.	Closed
	Auditor Recommendation To facilitate consistency relative to redacted and exempt records, we recommend that management perform the following: - Provide standard wording to the Records Custodians for redacted public records to ensure consistency. For example: Your requested documents are enclosed, and have been redacted pursuant to section 17.325(3) of the F.S. - Provide standard language for any PRR's that have exempt records while citing the appropriate section of the F.S.	ECD: Closed.	Testing Date: Closed.	

Internal Auditor Follow-Up Report of Corrective Actions

**BREVARD COUNTY INTERNAL AUDIT
FUNCTION: THE PUBLIC RECORDS REQUEST**

Report Issue Date: June 29th, 2022

Risk	Observation #4: Monitoring Open Requests	Management Comments as of February 2024	Auditor Comments as of February 2024	Status
Moderate	Based on our interviews and walkthroughs with CAO management and staff, we noted the following: - One of the assistant county attorneys we interviewed who was part of the PRR process indicated that she regularly monitored the outstanding PRRs in the PRRT to identify any "older" outstanding requests to ensure that they are addressed in a timely manner. However, she indicated that there is no formal documented monitoring process in place. - Presently, the CAO Records Coordinator has access to close any of the PRR requests in PRRT. At times, the CAO Records Coordinator has to close previously fulfilled PRR's that have been noted as fulfilled in PRRT, but not closed by the respective Records Custodian. All but a few of the PRRs were fulfilled by County departments/offices other than the CAO. - The respective Records Custodians for each department have access to close the open requests that appear in their respective cue.	CAO management implemented the following: A spreadsheet was created to monitor all the open PRRs. The spreadsheet is updated multiple times during the week as each PRR develops. An email is sent following up on any PRRs that are open more than 14 days.	We obtained a copy of the spreadsheet for two different days since the spreadsheet is updated and monitored by the CAO Records Coordinator (or designated staff) real-time noting it included a list of open requests by department. This audit item is considered closed.	Closed
	Auditor Recommendation We recommend that management perform the following: - Develop and document a formal, monitoring process in keeping with current practice to address open PRRs on at least a weekly basis. - Formally designate the CAO Records Coordinator, in keeping with current practice, to perform and/or to oversee this monitoring process to help ensure that open requests are addressed and closed in a timely manner.	ECD: Closed.	Testing Date: Closed.	

Risk	Observation #5: Public Records Request Accessibility	Management Comments as of February 2024	Auditor Comments as of February 2024	Status
Low	During our interviews and walkthroughs with CAO management and staff, we noted the following: The County website in the PRR section does not include the CAO's physical location (i.e. address, building & suite number) for requesters that want to submit their requests by mail or in-person.	CAO management added the physical location of the CAO's to the website where the PRR section is currently located (i.e. address, building & suite) to facilitate accessibility for requesters that want to submit a PRR in-person or by mail.	We inspected the website (brevardfl.gov/Public Records Request) on August 29, 2023 noting that the physical location of the CAO was included. This audit item is considered closed.	Closed
	Auditor Recommendation We recommend that management add the physical location of the CAO's to the website where the PRR section is currently located (i.e. address, building & suite) to facilitate accessibility for requesters that want to submit a PRR in-person or by mail.	ECD: Closed.	Testing Date: Closed.	

 Open/Closed
 = On schedule to complete ECDs
 = Missed ECD (1st time), planned to complete in next 3 month review
 = Missed ECD (2nd time or over 3 months for revised ECD)

Internal Auditor Follow-Up Report of Corrective Actions

Report Issue Date: September 6, 2023

BREVARD COUNTY INTERNAL AUDIT FUNCTION: PRE-TRIAL AND MISDEMEANOR PROBATION SERVICES

Risk	Observation #1: Probationer Documentation	Management Comments as of January 2024	Auditor Comments as of January 2024	Status
High	We selected a random sample of 40 probationer (offenders) cases such that our sample included all the types of cases managed by PPS probation officers (PO) including: Pre-trial/Release, Pre-Trial Community Supervision, Pre-Trial Diversion and Misdemeanor Probation. We noted the following: a. For 17 out of 40 cases, there was a lack of documentation included in Probation Tracker as required by the Agreement (Attachment A, C. 3.) Types of documentation: Rejection Letters, Community Center Completion, Drug test results, Probation Program Completion Letter, Probation Terms Modification, VOP forms, Warrants, Medical marijuana cards, etc. b. For the 17 cases noted above, PPS was unable to subsequently provide documentation not included in Probation Tracker (some offender cases included multiple missing document types) as follows: • Program Completion Letters - 1 • Rejection Letters - 2 • Positive Drug Statement - 3 • Community Service - 1 • Drug Tests Notated/Recorded - 9 • Medical Marijuana cards - 2 • Program Contract agreement - 1 • Dismissal Letter - 2 • Violation of Probation - 1 • Judgments - not signed - 2 • Unemployment Assistance - 1	a. Professional Probation Services (PPS) has implemented an audit form to ensure performance requirements are met in compliance with the contract including all relevant case documentation being uploaded to Probation Tracker. Community Corrections Manager (CCM) provides oversight by reviewing (PPS) caseloads monthly and provides any discrepancies to PPS manager. b. PPS manager currently has quarterly training with staff. PPS manager provided training plan to CCM which includes new employee training and refresher training for PPS staff. c. PPS has implemented an audit form to ensure performance requirements are met in compliance with the contract.	a. We obtained a copy of the audit form from PPS which includes a checklist to ensure all the required documents are uploaded to Probation Tracker. We will perform sample testing when we have a sufficient testing period to evaluate the retention and upload of all relevant case documentation. This audit item is considered open. b. We obtained PPS's "Training Plan 2024" and inspected documents detailing agendas, objectives, and attendees noting evidence of the training on 1/19/2024. This audit item is considered closed. c. We obtained a copy of the audit form. We will perform sample testing utilizing the audit form when we have a sufficient testing period for the contract compliance process performed by PPS. This audit item is considered open.	Open
	Auditor Recommendation We recommend that County management perform the following: a. Require PPS to retain and upload all relevant case documentation to Probation Tracker in accordance with the Agreement (Attachment A, Section C.3.) b. Request PPS to provide additional training to PO's to help facilitate more effective PO compliance with the requirement to retain relevant case documentation in Probation Tracker. c. Request PPS to put a process in place to provide for review/oversight of the PO's.	ECD: a. April 2024 b. Completed c. April 2024	Testing Date: a. Open; Testing Date: April 2024 b. Closed. c. Open; Testing Date: April 2024	

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
 FUNCTION: PRE-TRIAL AND MISDEMEANOR PROBATION SERVICES
 Report Issue Date: September 6, 2023

Risk	Observation #2: Probationer Supervision	Management Comments as of January 2024	Auditor Comments as of January 2024	Status
High	For the 40 cases sampled, we noted the following regarding PPS supervising activities: a. For 4 of the offenders that were court ordered to have no contact with the victims, there was no notation in Probation Tracker by the PO that the offender's address was compared to the victim's address in accordance with the Agreement (Attachment A, Section H. 4.). b. For 1 of the offenders, the VOP process was not notated by the PO in the offender's file that resulted in the auditor being unable to verify that the VOP process was in accordance with the 5 days required by the Agreement (Attachment A, Section K.). c. One of the offenders failed to check in for one month, and the PO fail to contact the offender until one month thereafter out of compliance with the Agreement (Attachment A, Section B. 2. (1) Face-to-face meeting per month for each person who is placed on Pretrial Community Supervision. Additionally, each person in the program shall be required to call-in to the telephone number designated by the Contractor once a week for the other weeks of each month). d. For one of the cases, fees for Cost of Supervision were collected in excess of the scheduled amount in the amount of \$165.00. Instead, the fees collected were based on the State Attorney Pre-trial form.	a. PPS manager provided training plan including new employee training and refresher training for PPS staff. b. PPS have reviewed overpayment and the refund has been completed. c. CCM sent a memo to PPS CCO to be compliant with fee schedule accordance with contract. d. PPS has implemented an audit form to ensure performance requirements are met in compliance with the contract.	a. We acquired PPS's "Training Plan 2024," and first quarter documentation provided, and examined documents detailing agendas, objectives, and attendees. This audit item is considered closed. b. We reviewed the documentation that supports a refund was issued to the offender for the overage in fee collected. Documentation is sufficient. This audit item is considered closed. c. We obtained PPS's "Training Plan 2024" and inspected documents detailing agendas, objectives, and attendees noting evidence of the training on January 19, 2024. This audit item is considered closed. d. A copy of the contract compliance report has been provided. We will perform sample testing when we have a sufficient testing period to determine if the CCM audit form has been properly implemented to provide oversight of the PO's by PPS. This audit item is considered open.	Open
	Auditor Recommendation We recommend that County management perform the following: a. Request PPS to provide additional training to PPS PO's to help facilitate more effective PPS PO compliance with the requirements of their supervisory services. b. Request PPS to refund the overpayment of \$165.00, if feasible. c. Remind PPS of the requirement to charge and collect fees in accordance with the fee schedule included in the Agreement (Attachment B). d. Request PPS to put a process in place to provide for review/oversight of the PO's.	ECD: a. Completed. b. Completed. c. Completed. d. April 2024	Testing Date: a. Closed. b. Closed. c. Closed. d. Open; Testing Date: April 2024	

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
FUNCTION: PRE-TRIAL AND MISEMEANOR PROBATION SERVICES
Report Issue Date: September 6, 2023

Risk	Observation #3: Random Drug Testing	Management Comments as of January 2024	Auditor Comments as of January 2024	Status
High	PPS is required to supervise offenders with respect to random drug testing in accordance with drug test policies set by the respective judge. The PO's supervision of the random drug testing includes: the identification and reporting of the following: fraudulent tests, missed tests and failed tests. For the 40 offenders selected, 15 of them included judge ordered random drug testing which resulted in the following: a. One offender presented a fraudulent sample, however; there was no indication that PO immediately notified the judge/court (fraudulent sample is grounds for immediate notification to the Judge/court). Note: the fraudulent sample was noted in Probation Tracker on 12/27/2021 and VOP status was reported 10/31/2022. Additionally, there was no notation by the PO that he alerted the judge/court of the fraudulent sample. b. Three offenders failed to show/missed more than 2 drug test appointments for drug testing, however; PO did not report violation to Judge per policy (2 no shows is grounds for violation), (1 missed 5 tests, 2 missed 25+) c. 1 out of the 15 offenders failed drug test 19 times before VOP was filed. PO failed to adhere to Judge's drug test policy (2 drug fails is grounds for violation).	a. PPS manager and CCM have had a meeting regarding CCM review of cases and detailed explanations. b. PPS manager and CCM had a meeting regarding PPS compliance with respective judge's drug testing policies and VOP requirements.	a. We evaluated and examined the detailed explanations provided. The explanations provided were deemed sufficient. This audit item is considered closed. b. We will perform sample testing when we have a sufficient testing period to evaluate compliance with the applicable drug testing policies. This audit item is considered open.	Open
	Auditor Recommendation We recommend that County management perform the following: a. Request PPS management to provide a detailed explanation as to the causes for each of these specific exceptions noted. b. Request PPS management to provide a written action plan for the steps PPS will take to facilitate PPS compliance with the respective judge order drug testing policies and VOP reporting requirements.	ECD: a. Completed. b. April 2024	Testing Date: a. Closed. b. Open: Testing Date: April 2024	

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
FUNCTION: PRE-TRIAL AND MISDEMEANOR PROBATION SERVICES

Report Issue Date: September 6, 2023

Risk	Observation #4: Caseload by Probation Officer	Management Comments as of January 2024	Auditor Comments as of January 2024	Status
Moderate	The Agreement requires the following with respect to PO caseload throughout the contract period (Attachment A, Section A.2.): One (1) probation officer for every 200 people on active probation, community supervision, or pre-trial diversion. No probation officer shall have more than 200 people under supervision (includes people on probation, community supervision and/or pretrial diversion cases added together; a person under supervision for more than one case is counted as one person for the purpose of this limitation). We noted the following with respect to this provision: • For the month of October 2022, we noted that four PO's exceeded this threshold as follows: 202, 256, 239, and 256. • For the month of December 2022, we noted that four PO's exceeded this threshold as follows: 203, 230, 250, and 226. • For the months of February and May 2023, no exceptions were noted.	a. PPS provided a plan to maintain caseloads under threshold. CCM sent a memo to PPS CCO to be compliant and review caseloads in accordance with the agreement. b. CCM is reviewing caseloads every two weeks and documenting results.	a. We obtained a copy of the email memo sent to PPS CCO noting memo included reminder to be compliant and review caseloads in accordance with the contract. We obtained and inspected a copy of the Caseload Plan for keeping caseloads below the threshold established in the contract. This audit item is considered closed. b. We will perform sample testing when we have a sufficient testing period to test the caseload maintenance under the threshold per agreement (Attach A, Section A.2). This audit item is considered open.	Open
	Auditor Recommendation We recommend that County management perform the following: a. Request PPS to provide a plan as to how they will comply with the caseload requirements of the Agreement throughout the Agreement period (Attachment A, Section A.2.) and remind them in writing of the requirement as indicated below: Each officer's caseload shall be reviewed every two (2) weeks to ensure this caseload limitation is being met and caseloads shall be adjusted to meet the limitation. Documentation of such review and how caseloads are equalized shall be forwarded to the County's contract manager at the end of each month. b. Implement a documented review of PPS PO caseload as part of County management's monthly desktop audits to monitor PPS progress and compliance with the Agreement.	ECD: a. Completed. b. April 2024	Testing Date: a. Closed. b. Open: Testing Date: April 2024	

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
 FUNCTION: PRE-TRIAL AND MISDEMEANOR PROBATION SERVICES
 Report Issue Date: September 6, 2023

Risk	Observation #5: Background Checks	Management Comments as of January 2024	Auditor Comments as of January 2024	Status
Moderate	We noted that the Agreement requires the following with respect to background checks for PPS employees: A background check, including FCIC/NCIC check, and verification of relevant employment and claimed education shall be conducted on all newly hired officers and supervisors to determine that the person is of good character and has no felony or other conviction involving dishonesty or deceit. Pursuant to Sec. 948.15(3)(b), Florida Statutes, staff qualifications and criminal record checks of staff shall comply with standards established by the American Correctional Association. The results of the background check shall be kept on file and available for examination by the Court and the County (Attachment A, Section L.) We reviewed the background checks of 27 PPS employees noting the following result for one current PPS PO employee: Misdemeanor conviction – Theft by Deception This is a lack of compliance with Section L. noted above since the nature of the misdemeanor conviction is identified as "Theft by Deception" and, as such, appears to qualify as an "other conviction involving dishonesty or deceit."	a. On 09/22/2023 County Staff resubmitted fingerprints retained in FALCON (Florida's Integrated Criminal History System)- all came back on 09/25/2023 for all PPS staff- no Criminal history noted on either NCIC or FCIC background checks. b. On 09/22/2023 County Staff resubmitted fingerprints retained in FALCON (Florida's Integrated Criminal History System)- all came back on 09/25/2023 for all PPS staff- no Criminal history noted on either NCIC or FCIC background checks.	a & b. We received a copy of an email provided by the CCM as evidence that updated background checks were performed for the PPS employees, and that per the email: "no criminal history was identified on NCIC or the Florida Background Checks for the employees". This audit item is considered closed.	Closed
	Auditor Recommendation We recommend that County management perform the following:	ECD: Closed.	Testing Date: Closed.	
	a. Request PPS to conduct updated background checks for all its officers and supervisors and present the results to the County upon request. b. Request PPS to provide the results of the background checks in accordance with the Agreement (Attachment A, Section L.) and to address the disposition of "felony or other conviction involving dishonesty or deceit" as applicable.			

Internal Auditor Follow-Up Report of Corrective Actions

BREWARD COUNTY INTERNAL AUDIT
FUNCTION: PRE-TRIAL AND MISDEMEANOR PROBATION SERVICES

Report Issue Date: September 6, 2023

Risk	Observation #6: Annual Audited Financial Statements	Management Comments as of January 2024	Auditor Comments as of January 2024	Status
Moderate	The Agreement requires the following with respect to annual financial statements (Attachment A, Section M.1.) An annual financial report, audited and certified by a licensed, independent Certified Public Accountant, shall be provided to the County within 180 (one hundred-eighty) days following the close of the Contractor's fiscal year. The certified financial report shall be in such detail as to disclose the revenues, expenses, and disbursements relating to the services provided (emphasis added). The annual financial report provided for 12/31/2022 was a compilation and not "audited and certified by a licensed, independent Certified Public Accountant." A Compilation Financial Report offers no assurance whatsoever by the accountant as stated in the report. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of	CCM received the CPA's annual audited financial report for FY2022 (PPS fiscal year-end is 12/31; the 12/31/23 audit is not due until 180 days after the close of PPS fiscal year.	We inspected the documentation provided on November 13th, 2023 noting that an independent Auditor's report for FY2022 was performed by McMullan CPA. This audit item is considered closed.	Closed
	Auditor Recommendation We recommend that County management require PPS to provide an annual audited financial report by a licensed, independent Certified Public Accountant within 180 days following the close of the Contractor's fiscal (i.e. 12/31/2022) year as required by the Agreement (Attachment A, Section M.1.).	ECD: Closed	Testing Date: Closed	

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
FUNCTION: PRE-TRIAL AND MISDEMEANOR PROBATION SERVICES

Report Issue Date: September 6, 2023

Risk	Observation #7: Reporting – Annual and Quarterly	Management Comments as of January 2024	Auditor Comments as of January 2024	Status
Low	Annual Budget Reporting PPS did not provide the County with a copy of their fiscal budget each year within 30 (thirty) days of the beginning of its fiscal year for fiscal years 2021, 2022 or 2023 pursuant to the Agreement (Attachment A, Section M.2.) Quarterly Reporting In its Quarterly Reporting, PPS did not include the following statistical data to the County: Number of in person visits, number of other visits, and type of visit for each program in accordance with the Agreement (Attachment A, Section M.3.)	PPS provided the 2024 fiscal year budget. PPS provided quarterly reports updated with requirements in accordance with the contract.	We obtained a copy of PPS Fiscal Budget for 2024 that was provided to the county pursuant to the Agreement (Attachment A, Section M.2.) within 30 days of the contractor's fiscal year end (12/31/23). This audit item is considered closed. We obtained a copy of quarterly reports for the 3rd and 4th quarter of 2023 noting that both reports included the following statistical data to the County: number of in person visits, number of other visits, and type of visit for each program pursuant to the Agreement (Attachment A, Section M.3.). This audit item is considered closed.	Closed
	Auditor Recommendation We recommend that County management to require PPS to comply with the annual and quarterly reporting requirements in accordance with the Agreement (Attachment, A, Sections M.2 and M.3).			
		ECD: Closed	Testing Date: Closed	

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT
FUNCTION: PRE-TRIAL AND MISDEMEANOR PROBATION SERVICES

Report Issue Date: September 6, 2023

Risk	Observation #8: Policies and Procedures	Management Comments as of January 2024	Auditor Comments as of January 2024	Status
Low	We noted that PPS policies and procedures have not been updated for at least ten years specific to their services provided to the County. Additionally, we noted that the respective judge testing protocol effective dates ranged from 2018 to 2020.	a. CCM sent a memo for PPS to review policies and procedures to ensure they are up-to-date and align with the contract requirements. b. CCM sent a memo for PPS to review drug testing protocols for each respective judge on a annual basis and document the policy.	a. We obtained and inspected the memo from CCM to PPS Management noting the memo included the request for PPS to update its policies and procedures to align with compliance with the contract. This audit item is considered closed. b. We obtained and inspected the "PPS compliance with respective judge's drug testing policies and VOP requirements" which documents PPS policy which indicates that drug testing policies of the respective County judges are up-dated every time judges rotate from the bench. This audit item is considered closed.	Closed
	Auditor Recommendation We recommend that County management perform the following: a. Request PPS to provide updated and consistent policies and procedures manual. b. Include a policy that requires PPS to obtain the most recent drug testing protocols from the respective judge on a regular basis (suggest annual) and document the updated policy as applicable in Probation Tracker.	ECD: Closed.	Testing Date: Closed	

 = On schedule to complete ECDs
 = Missed ECD (1st time), planned to complete in next 3 month review
 = Missed ECD (2nd time or over 3 months for revised ECD)