Agenda Report

2725 Judge Fran Jamieson Way
Viera, FL 32940

Consent

F.27. 5/17/2022

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:

- The American Rescue Plan Act Grant
- Fire Rescue Data Analysis
- Golf Brevard - Contract Compliance
- Half-Cent Sales Surtax - Save Our Indian River Lagoon FY2020 Audit Report
    - Purchasing Process Map
- The Payroll Function
- USSSA - Contract Compliance
- Follow-up Testing
    - Educational Facilities Impact Fees
    - HR - Recruiting and Onboarding
    - Library Services Turnover Audit

These reports were reviewed by the Internal Audit Committee on April 20, 2022.

Clerk to the Board Instructions:
Maintain necessary documents for records retention.

BREVARD County
BOARD OF COUNTY COMMISSIONERS

FLORIDA'S SPACE COAST

Kimberly Powell, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

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May 18, 2022

M E M O R A N D U M

TO: Frank Abbate, County Manager

RE: Item F.27., Acceptance and Approval of Internal Audit Reports

The Board of County Commissioners, in regular session on May 17, 2022, acknowledged and approved the Internal Auditors' Report for The American Rescue Plan Act Grant, Fire Rescue Data Analysis, Golf Brevard – Contract Compliance, Half-Cent Sales Surtax – Save Our Indian River Lagoon (SOIRL) FY2020 Audit Report – Purchasing Process Map, The Payroll Function, United States Specialty Sports Association (USSSA) – Contract Compliance, Follow-up Testing – Educational Facilities Impact Fees, Human Resources – Recruiting and Onboarding, and Library Services Turnover Audit.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

Donna Scott
for Kimberly Powell, Clerk to the Board

/ds

cc: Finance
Budget

Brevard County

Internal Audit Committee of
Brevard County, Florida

Internal Audit of
The American Rescue Plan Act Grant

Prepared By:
Internal Auditors
March 25, 2022

CRI Carr Riggs & Ingram
CPAs and Advisors

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Transmittal Letter

March 25, 2022

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to the approved 2021/2022 internal audit plan, we hereby submit our internal audit of the American Rescue Plan Act ("ARPA") Grant. We will be presenting this report to the Audit Committee at the next scheduled meeting on April 20, 2022.

Our report is organized in the following sections:

Executive Summary	This provides a summary of the observations and testing results related to our internal audit of the ARPA grant.
Background	This provides a general overview of the ARPA grant.
Objectives Approach and Results	The internal audit objectives and focus are expanded upon in this section as well as a review of the various phases of our approach and the results of our audit procedures.

We would like to thank all those involved in assisting the Internal Auditors in connection with the internal audit of the ARPA grant.

Respectfully Submitted,

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

Internal Auditors

Executive Summary

Overview

The American Rescue Plan Act of 2021 is a $1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the devastating economic and health effects of the COVID-19 pandemic. Brevard County was allocated $116,920,177, and received its initial tranche of funding in the amount of $58,460,088.50 on May 18, 2021 and the remainder of the funding will be received in May 2022.

These funds may be used for four categories:

1. Public health emergency with respect to Coronavirus Disease or its negative economic impacts
2. Premium pay to eligible workers
3. Revenue replacement for the provision of government services to the extent of the reduction in revenue of the county
4. Investments in water, sewer, or broadband infrastructure

The Treasury's final ruling detailing the final compliance requirements was published on January 6, 2022.

Objective, Approach and Results

The primary purpose of the internal audit of the ARPA grant function was to test the accuracy and compliance of the lost revenues calculation for 2020 and the quarterly project and expenditure report due January 31, 2022.

We obtained support for the lost revenues calculation and recalculated the lost revenue based on the formula and other grant specifications. See results noted below.

Additionally, we noted that the County has only expended funds under one project, and we agreed the expenditure amount in the report to the general ledger detail without exception for the vaccine incentive program totaling $1,997,086.

Summary of Results (See within for expanded results)		
Internal Audit Period October 1, 2021 – January 31, 2022		
Lost Revenues Calculation (October 1, 2019 – September 30, 2020) Submitted: January 31, 2022	Quarterly Project and Expenditure Report (March 3, 2021 through December 31, 2021) Submitted: January 31, 2022	Project Allocations
We noted that one account balance for 2020 was missing the revenue amount, and the component units for the County had been excluded from the calculation. All other aspects of the calculation appeared accurate. This matter was resolved by management as expanded upon below.	The report was reviewed and submitted on time.	All of the proposed projects approved through January 31, 2022 were allowable projects based upon the category assignment.

Background

Overview:

ARPA activities are initiated and developed at the local level based upon a community's perceptions of its local needs and priorities. Each entitlement grantee receiving ARPA funds is free to determine what activities it will fund as long as certain requirements are met.

Allowable Activities and Unallowable Activities:

Allowable activities fall under one of four categories:

1. Public Health and Negative Economic Impacts caused by the Public Health Emergency
2. Premium Pay for Essential Workers
3. Water and Sewer and Broadband Infrastructure Improvements
4. Replace lost public sector revenues

Unallowable activities include:

1. Contributions to Pension Plans
2. Debt Payments
3. Contributions for Reserve Funds
4. Paying Settlements of Judgments
5. Programs with requirements that undermine CDC Guidance

Lost Revenues

The lost revenues calculation is detailed in the interim final ruling, and expanded options were allowed for by Treasury's final ruling issued January 6, 2022.

The rate of growth is determined as the higher of either 5.2% standard rate or the actual rate of the county. The actual growth rate is calculated using the average annual revenue growth in the last full three fiscal years prior to COVID -19 public health emergency.

The counterfactual revenue is then calculated for each year utilizing either a fiscal or calendar year for 2020, 2021, 2022, and 2023, utilizing the formula below.

$$\textit{base year revenue} \times (1 + \textit{growth adjustment})^{\frac{n}{12}}$$

The counterfactual revenue is then compared to the actual revenue, and the difference is the lost revenues for the period.

Background – continued

Schedule of Funding and Period of Performance:

The County received $58,460,088.50 on May 18, 2021, and will receive the remaining $58,460,088.50 in May 2022. The funds can be used for expenditures from March 3, 2021 through December 31, 2026. Any funds expended January 1, 2025 - December 31, 2026 must be obligated by December 31, 2024 and can only be spent on what was obligated. Any funds not spent on what was obligated by December 31, 2026 must be returned to the U.S. Department of Treasury.

Procurement:

The procurement guidelines are the same as all other federal grants. Purchases must be made following the requirements in 2 CFR §200.318 through 200.327. Purchases above the simplified acquisition threshold (currently at $250,000), must be bid or noncompetitive procurement methods should be documented. Quotes should be obtained for small purchases (purchases between the simplified acquisition threshold and the micro-purchases threshold (currently at $10,000)).

Prior to entering in to subawards or contracts with award funds, the County must verify that contractors and/ or subrecipients are not suspended, debarred, or otherwise excluded pursuant to 31 CFR §19.300.

Reporting:

The County has a population that exceeds 250,000 residents; therefore, is subject to the following reporting requirements.

1) Interim Report - due August 31, 2021
2) Recover Plan Performance Report - due August 31, 2021
3) Project and Expenditure reports - due quarterly 30 days after the end of each quarter, beginning with January 31, 2022
4) FFATA reporting is being done by the Treasury on behalf of all recipients. The threshold is increased to $50,000 for subawards, and this information is included in the Project and Expenditure reports for the Treasury to perform the reporting.

The Recovery Plan Performance report is required to be publicly accessible.

Subrecipient Monitoring:

Subrecipients need to be monitored to ensure they are in compliance with the terms and conditions of the subaward and use the funds for authorized purposes. For any subaward agreements, the County would need all the required information in the contracts pursuant to 2 CFR §200.332. Currently, the County does not have any subawards for the ARPA grant.

Staffing

Key personnel involved the ARPA grant include:

Name	Title
Kathy Wall	Central Services Director
Jill Hayes	Budget Director
Fazie Khan	Special Project Coordinator IV

Objectives and Approach

Objectives

The objectives of this internal audit included the following:

- Test the accuracy and compliance of the lost revenues calculation for 2020.
- Test the accuracy and compliance of the quarterly project and expenditure report, due January 31, 2022.
- Determine if approved projects are allowable.

Approach

Our internal audit approach consisted of three phases:

Planning

During the first phase, we discussed with the Budget Department the options they had selected in calculating the lost revenues calculation. Management provided their preliminary planned projects for ARPA spending which consisted of the vaccine incentive program, water and sewer infrastructure, and fire rescue department projects.

Testing

Our procedures included obtaining an understanding of how the lost revenues calculation was performed, testing the accuracy of the calculation and discussing any elections to ensure proper compliance. Our procedures also included reviewing a draft of the project and expenditure report due on January 31, 2022 prior to submission.

Reporting

At the conclusion of our analysis, we summarized the results of our procedures into a report and conducted exit interviews with the Budget Department and the County Manager to discuss the details of our results.

Results

Procedures and Results	Resolution
1. Lost Revenues Calculation	
Initially, the County calculated the lost revenue using both allowable methods resulting in the following lost revenue: Calendar Year 2020: $24,375,613 Fiscal Year 2020: $20,749,890 During our review of the lost revenues calculation, we noted the following for each respective calculation: Calendar Year: (1) one account balance for 2020 was missing the revenue amount of $7,044,000; (2) the component units' revenue for the County had been excluded from the calculation.* Fiscal Year: the component units' revenue for the County had been excluded from the calculation.* *Pursuant to the Treasury guidance, the County's component units' revenue should be included in the lost revenue calculation. The effect of excluding the component units' revenue resulted in a lower lost revenue calculation. All other aspects of the calculation appeared accurate.	Management agreed with including the one account balance missing revenue as well as the component units' revenue. These revisions to the lost revenue calculation resulted in the growth adjustment increasing to 5.627% from 5.621%. The revised calculations resulted in the following final lost revenue amounts: Calendar Year 2020: $19,011,587 Fiscal Year 2020: $21,735,420 Based on the revised results, management submitted the fiscal year lost revenue amount on January 30, 2022 prior to the January 31, 2022 reporting deadline.
2. Quarterly Reporting and Expenditures	
Management prepared the first project and expenditure report that was due January 31, 2022 prior to the due date. The County has expended funds under one project, and we agreed the expenditure amount in the report to the general ledger detail without exception for the vaccine incentive program. The vaccine incentive program falls under the first of the four allowable activities' categories noted in the background section above. The other projects in the report were in the proper project category based upon their descriptions. The report was prepared by the Special Project Coordinator IV and then reviewed and submitted by the Budget Director, ensuring proper internal controls over the compliance for reporting. Further, the portal only provided a space to report the lost revenues amounts on a calendar year basis. We noted that there was a comment box where the County could type in the fiscal year.	Management updated the comment box to state that they calculated the revenue loss for the fiscal year ending September 30, 2020.

Procedures and Results	Resolution
3. Project Allocations	
We reviewed all of the projects that were approved by the Commission at various meetings through January 31, 2022. All of the proposed projects were allowable projects based upon the category assignment. See the table below for approved projects as of January 31, 2022. Funds can be obligated through December 31, 2024.	None needed.

Category	Approved Project Totals
1. Public Health and Negative Economic Impacts caused by the Public Health Emergency	$2 million for vaccine incentive
2. Premium Pay for Essential Workers	$0 No projects have been approved for this category.
3. Water and Sewer and Broadband Infrastructure Improvements	$44 million for various water sewer infrastructure projects
4. Replace lost public sector revenues	$1.7M for various nonprofits $8.5M for Fire Rescue operations and equipment

Brevard COUNTY

Brevard County, Florida
Fire Rescue Data Analysis

March 24, 2022

RSM

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TRANSMITTAL LETTER

March 24, 2022

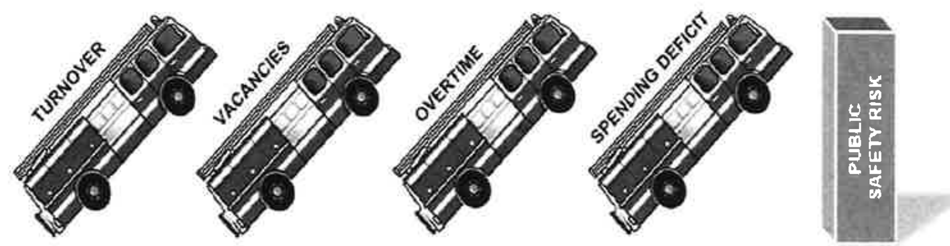
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Brevard County Board of County Commissioners:

Pursuant to your request, we have performed a data analysis of the Brevard County Fire Rescue Department ("BCFR" or "Department") that operates for the benefit of its citizens, their families, and visitors. Our analysis was designed to display the Department's financial and human resources and how it compares to peer groups in certain key indicators. Our review analyzed the factors and/or conditions that are contributing to the spending deficit experienced by the BCFR. The purpose of this report was to collect and analyze the facts and evidence collected related to the historical, current, and forecasted condition of the BCFR. This analysis was performed at the request of the Brevard County Board of County Commissioners ("BOCC," "Board," "County Commissioners") through the internal audit function; thus, we will present this at the next regularly scheduled Audit Committee meeting.

A 'domino effect' is a single event that causes a series of factors or conditions which act as dominoes, and ultimately influence a strategic objective. The following sections of this report will describe the domino effect of turnover, vacancies, overtime and spending deficit factors that could culminate in an impact to public safety risks. These conditions and their consequences are described in greater detail within the sections of this audit report.

Since the actions taken by the Board, the County has implemented various initiatives intended to address the aforementioned factors. These initiatives include further investment in BCFR personnel, enhanced and streamlined recruiting efforts, and the performance of exit interviews. We recommend BCFR implement formal tracking of their seven (7) year strategic plan to continually enhance standards and identify deviations from intended levels of performance and effectiveness. We will formally follow up on this recommendation through the Internal Audit function.



Respectfully Submitted,

RSM US LLP

INTERNAL AUDITORS

EXECUTIVE SUMMARY

Background

The BOCC has approved a net 29% increase to the County Fire assessment, augmented by the equivalent of $8.5M in ARPA revenue replacement funding.

The resources approved by the BOCC were allocated approximately 75% to personnel costs and 25% for capital, infrastructure, and reserve requirements to address the following priorities:

- **Personnel**
  - Attrition, Overtime, or Growth
- **Capital Equipment**
  - Replacement and Addition
- **Infrastructure**
  - Improve, Replace, or New Facilities
- **Reserves**
  - Replenish and Maintain

Fire Rescue – Data Analysis

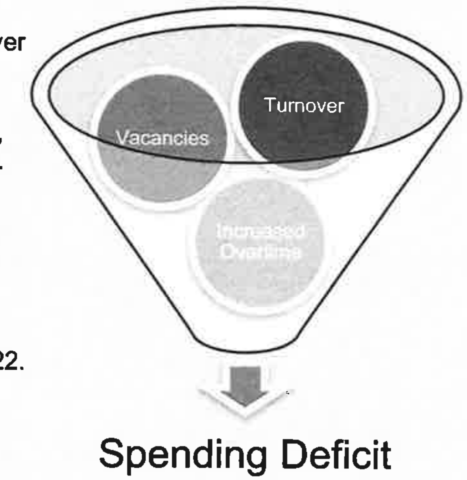
12.3% Five (5) year average field personnel turnover rate (FY17-21)

71% Of the 49 BCFR separations during FY2021, 71% were within their first five years of service.

38% Of FY19/20 exit interview respondents selected Total Compensation (Pay & Benefits) as the greatest contributing factor.

44 Open Fire Rescue vacancies, as of March 2022.

19% Of FY20-21 overtime hours were mandatory.



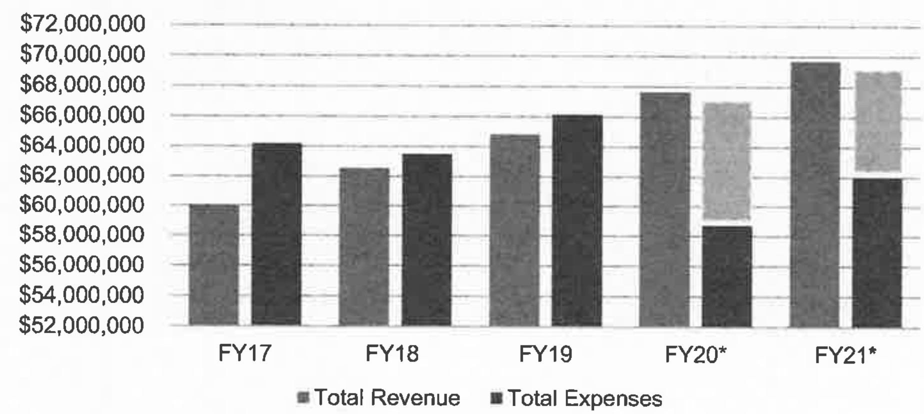
Fire Rescue Actions & Priorities

Recently, the County has implemented various initiatives to address the challenges experienced by Fire Rescue. Some of these initiatives are outlined below and discussed in greater detail within the report.

- Starting Salary Increase
- Capital and Infrastructure
- Improved and Streamlined Recruiting Efforts
- Performance of Exit Interviews

Financial Highlights

The graph below illustrates the fluctuations in Fire Rescue revenues and expenditures over the prior five (5) years.



In FY2020, salary expenses were reduced for the CARES Act Public Safety Fund by $7,795,450.
In FY2021, salary expenses were reduced for the CARES Act Public Safety Fund by $7,317,452.

EXECUTIVE SUMMARY

Corrective Action Timeline

The illustration below is a summary of the relevant decisions and corrective actions taken related to BCFR and the Fire Assessment.

2018

- Fire Assessment increased by 6%, the first increase since inception in 2008 and then CPI in each following year

2020

- Third Hiring Class implemented
- Increased floater pool
- Recruiter established
- Began collecting and analyzing exit interview data
- Conducted Salary Study
- New Hire Fire Academy Partnership established

2021

- BOCC approved net 29% increase to Fire Assessment
- Change in Recruiter
- BOCC elected to raise starting salaries
- Initiated Sponsorship program for graduated high school seniors
- $8.5M in Revenue Replacement

2022

- High School Firefighter I Program scheduled to start at Palm Bay Magnet School

OVERVIEW

The Brevard County Fire Rescue Department ("BCFR") provides fire protection, emergency medical services, technical/specialized rescue, hazardous materials intervention and ocean rescue services to the citizens and visitors of Brevard County, Florida. The Department serves 1,557 square miles of land, including 72 miles of beach along the Atlantic Ocean, 600,000 citizens and over 6 million visitors annually. The Special Operations Team is dispatched throughout the County for calls including: building collapses, hazardous materials events, rope rescues, confined space rescues, heavy vehicle extrication, trench rescues and terrorism events.

To serve all citizens and visitors, BCFR employs more than 700 professionals (including seasonal) across the following five (5) emergency response and prevention programs: Fire Operations, Emergency Medical Services ("EMS"), Dispatch Services, Fire Prevention, and Ocean Rescue.

Among these programs are various critical equipment and infrastructure that includes:

- 33 Fire/EMS Stations
- 1 Hazmat Truck
- 17 Advance Life Support Fire Engines
- 1 Breathing Air Unit
- 31 Advanced Life Support Ambulances
- 1 Tower Ladder Truck
- 1 Heavy Rescue
- 4 Ladder Trucks
- 22 Brush Trucks
- 1 Mobile Command Trailer

BCFR has four (4) primary funding sources that are intended to fund operations year to year. It is important to note Fire Operations is intended to be self-sustaining while EMS is intended to be supplemented through general funds transfers. The specific funding sources by Fire Rescue program are outlined in the illustration to the right.

Funding by Program	Fire Operations	EMS
Fire Assessment A non-ad valorem assessment based on the benefit to improved property.	●	
Municipal Service Taxing Unit (MSTU) An ad-valorem tax for areas receiving County fire protection	●	
EMS Transport Fees Collected on patient billing based on services rendered		●
General Fund Transfers Transfers from the County to supplement County-wide services		●

Fire assessment

The fire assessment is a non-ad valorem assessment. All improved property owners in unincorporated Brevard, West Melbourne, Melbourne Village, Palm Shores, and Grant/Valkaria are charged the fire assessment on their annual property tax bill to support fire protection services. These are the areas of Brevard County that receive fire protection services from BCFR. Businesses and property owners are charged this assessment based on the benefit to improved property that is received from fire protection services. Funding that is generated from the Fire assessment goes to fund the Fire Rescue budget specifically for fire operations. This includes competitive compensation for personnel, capital purchases, infrastructure investment, reserve replenishment, operating expenses, and a required expansion of services in response to community growth.

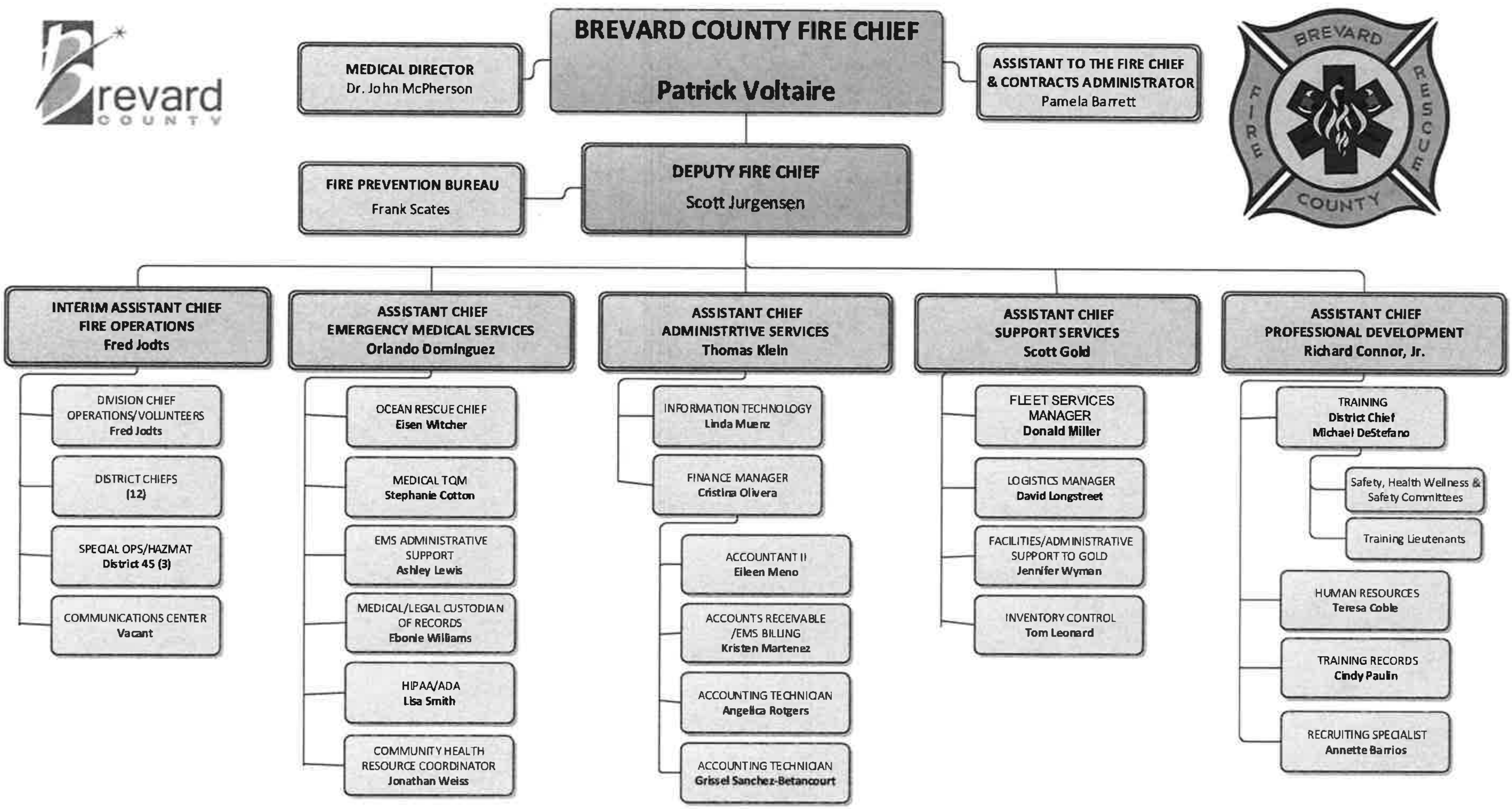
In 2018, the fire assessment was increased by 6%, the first increase to the fire assessment since inception in 2008. As part of the Board's continued commitment to supporting Fire Rescue Operations, significant resources have been allocated to make key investments in personnel, capital equipment, infrastructure, and reserve requirements. On April 20, 2021, the BOCC approved a 29% increase in the County fire assessment beginning November 2021, augmented by the equivalent of 4%, or $8.5M, generated by the federal dollars allocated through the County's revenue replacement calculation supported by the American Rescue Plan Act ("ARPA"), which will be allocated over a seven (7) year period. In tandem with the fire assessment increase, the County Manager committed to increased general fund support for staffing, infrastructure, and capital proportionate to the fire assessment increase. BCFR proposed a seven (7) year plan, based on operational expenditures required to accomplish department performance goals. The minimum operational requirements were quantified in the seven (7) year plan, which address immediate concerns in personnel, capital, infrastructure, and reserves.

OVERVIEW – continued

Organizational Chart

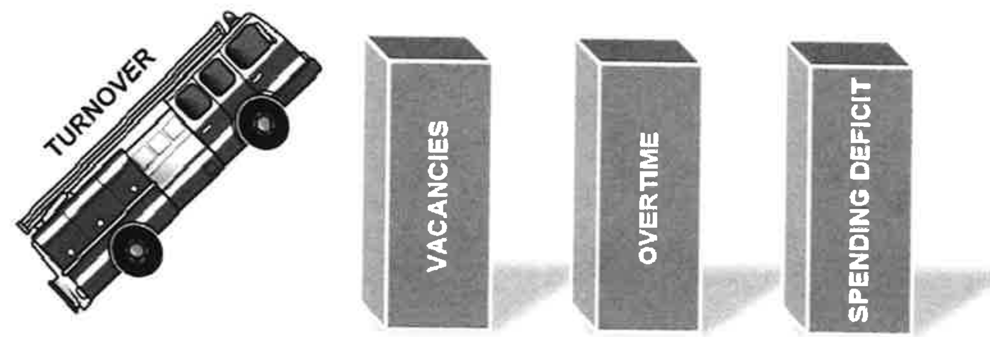
Brevard County Fire Rescue defines Primary First Responders as the entire group of badge wearing Medical and Fire personnel. These individuals include Field Personnel, Fire Marshalls, Dispatchers, and Fire/Rescue Leadership who carry a Fire/Medical badge. Field personnel operate the Fire/Rescue stations and trucks responding to calls. These individuals include District Chiefs, Lieutenants, Fire Medics, Fire/EMTs, and single certification Paramedics and EMTs.

The Brevard County Fire Rescue Department organizational chart, as of March 2022, is illustrated below.



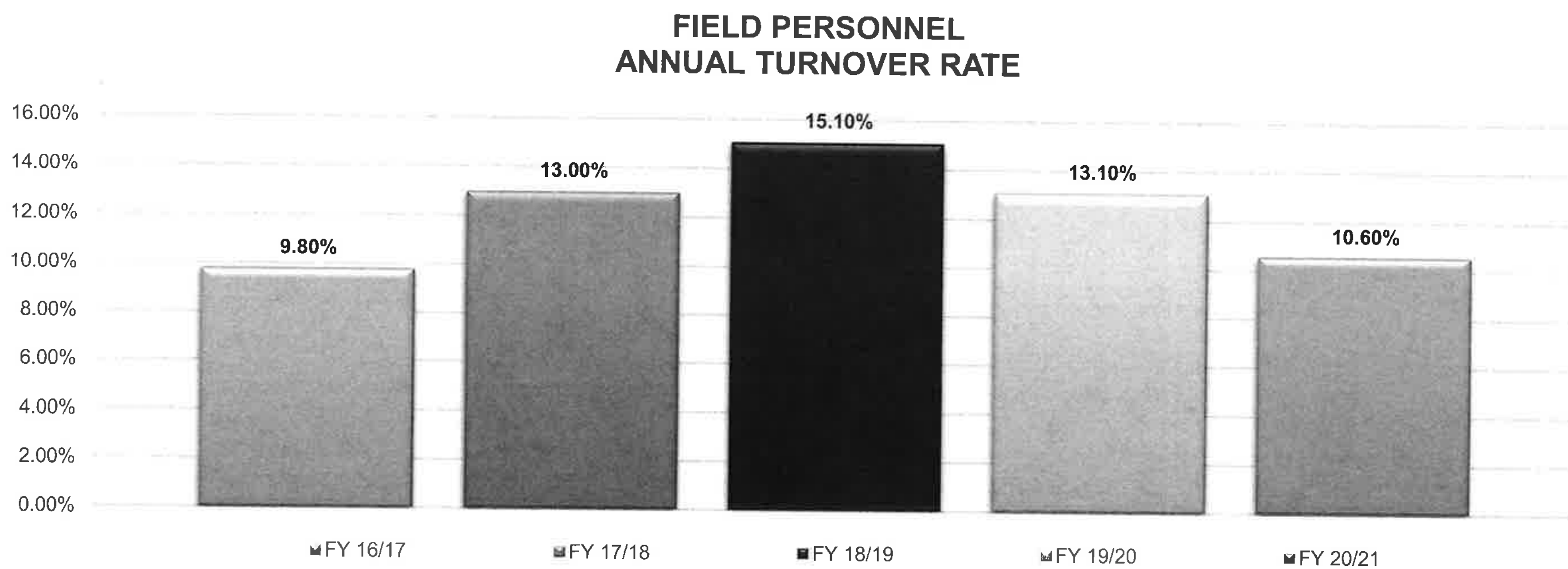
FIRE RESCUE TURNOVER

Employee turnover occurs when an employee leaves the organization and management seeks someone to replace the employee. If positions are not timely filled due to hiring challenges, the accompanying responsibilities are typically shifted to the remaining team members, increasing their workload. As part of our review, we obtained retention statistics from BCFR and County Human Resources to evaluate turnover trends and the potential impact on Fire Rescue operations.



Of the current 551 Primary First Responders, at least 462, or 84%, are field personnel. Field personnel includes District Chiefs, Lieutenants, Firemedics, FF/EMTs, Paramedics and EMTs. From FY2017 through FY2021, total field personnel turnover was 277 employees. The average annual field personnel turnover rate was 12.32%, or 56.4 employees. Managing and responding to turnover is a continuous challenge experienced throughout the industry. Effective October 1st, 2021, the Board elected to raise starting salaries to a competitive level. BCFR intends to put monitoring activities in place to evaluate turnover with the goal of reducing turnover.

The graph below illustrates the average turnover rate trend for field personnel between FY2017 and FY2021.



FIRE RESCUE TURNOVER - continued

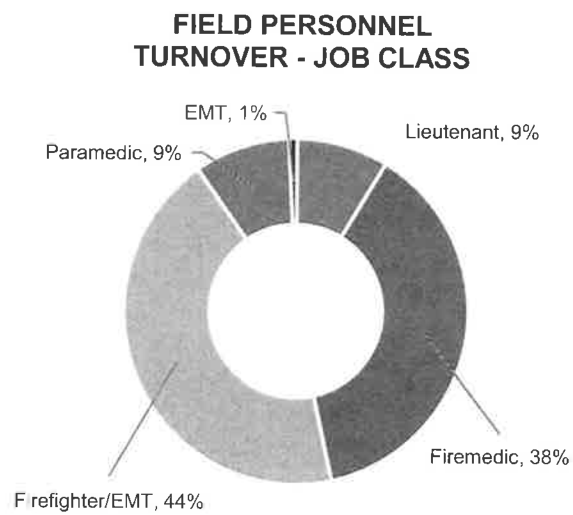
Turnover by Job Class

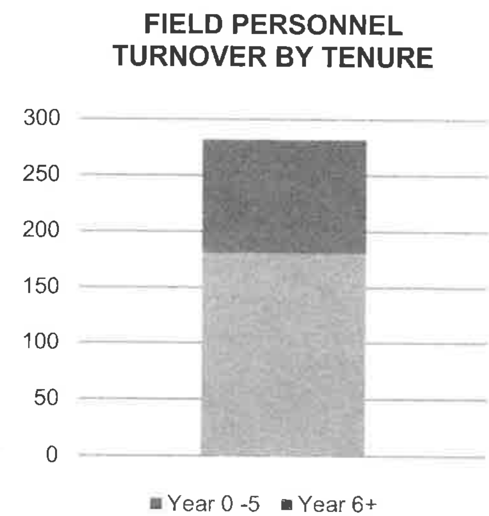
When analyzing turnover by job class over the five (5) year period, the Firemedic and Firefighter/EMT job classes comprised 82% of total field personnel turnover, excluding District Chiefs.

When analyzing turnover by tenure, most turnover was by employees within the first 5 years of employment, representing 64% of total field personnel turnover between FY2017 and FY2021. In FY2021, 35, or 71%, of the 49 total BCFR separations were employees within five years of service. The illustrations to the right provide a breakdown of turnover, from FY2017 through 2021, by job class and tenure.

When evaluating the cause of employee turnover, we noted that resignations represented 81% of total separations. The remaining causes of turnover are outlined below:

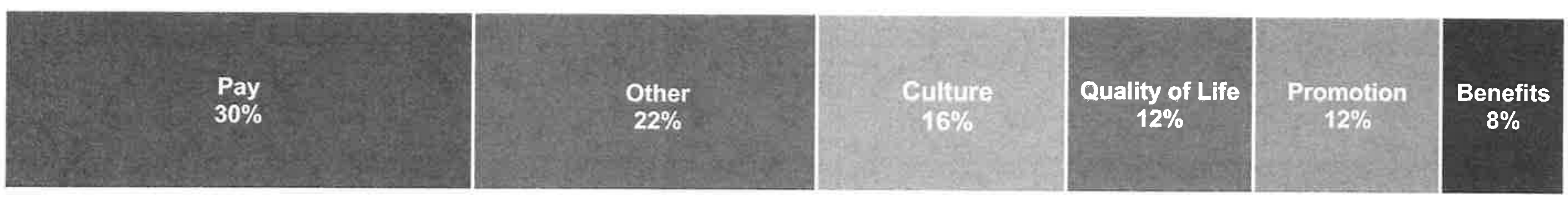
- Resigned: **81%**
- Retired: **14%**
- Other: **5%**





Through discussions with management, we noted that no exit interview data was formally collected prior to FY2020. To better understand the resignation trend noted above, FY2020 exit interview data was analyzed. Of the 131 separations occurring over the period, 47%, or 62 employees, completed a formal in-person exit interview or responded to an exit interview survey. Respondents selected from a list of reasons that contributed to their resignation, with no restrictions on the number of reasons selected. These factors include pay, benefits, quality of life, promotion, culture, and other. Respondents who elected to leave the County for reasons other than the five (5) prepopulated reasons could select "Other" and write in a specific reason for their separation. The primary responses received included but are not limited to career changes and respondents moving closer to home. Of the 62 respondents to the exit interview survey, 38% selected total compensation (Pay & Benefits) as at least one contributing factor.

The illustration below outlines the percentage of respondents who selected one of the six (6) contributing factors listed on the exit interview survey.



FIRE RESCUE TURNOVER – continued

County Action – Exit Interviews

Fire Rescue highlighted exit interview data as an important focus for human resources to gather in the future, with the goal of garnering more insights as to why employees are leaving the department. We recommend the County and BCFR continue to formalize and streamline the process for conducting and maintaining exit interview data in the future.

Fire Rescue Pay Scale

Often turnover can be a product of employees using a department as a pass through. Individuals may return to areas with a bigger community with higher compensation. Given that compensation was the most frequently cited reason for voluntary resignation, we examined BCFR's current pay scale for major positions. BCFR conducted a FY2020 salary study of comparable counties around Florida for their major positions. The study was a self-reported survey that gathered a positive response rate. As a result, some counties elected either not to respond or not provide all data requested such as maximum salary. The study only gathered salary data and did not include benefits or additional supplemental positions that can increase an employee's pay such as driver or certifications.

The study demonstrated that BCFR ranked below average for all four major positions when ranking comparable counties by minimum salary.

1. Brevard's Firefighter EMT minimum salary was **10% below** the study average.
2. Brevard's Fire Medic minimum salary was **9% below the** study average.
3. Brevard's Lieutenant EMT minimum salary was **3% below** the study average.
4. Brevard's Lieutenant paramedic minimum salary was **4% below** the study average.

RSM reviewed the salary study and agreed the counties used were most comparable based on size, demographics, and location. The table on the right provides a comparison between Brevard County and each comparable County identified by the study for each of the four (4) major positions. For full study results, please see **Appendix B**.

BCFR employees are subject to a negotiated salary step-program that determines salaries based on years in service. The program, effective 2018-2021, consists of 15 steps, with all new employees starting at step 0 regardless of experience. Using the Firefighter EMT Step Program as an example, prior to the approved salary increases, a Brevard firefighter EMT would require 9 years of experience just to achieve the minimum salary of an Indian River firefighter EMT.

County Action – Starting Salaries Increase

Effective October 1st, 2021, the Board elected to raise salaries to a competitive level and increase the number of floater positions by 39. This decision was made to improve scheduling, recruiting, and retention of employees within the first five (5) years of their tenure. The expectation is that this action will lead to an estimated $2M in overtime cost savings and create a total initial salary cost increase of $6,423,021, or 12.1%, in the first year.

Data is as of February 2021.
Annual adjustments to CPI should be considered

FIREFIGHTER EMT			
Rank	County	Starting Salary*	Max Salary**
1st	Indian River	$44,151	$64,136
10th	Brevard	$35,886	$52,936
	Average	$38,784	$62,083
FIRE MEDIC 2			
Rank	County	Starting Salary*	Max Salary**
1st	St. Lucie	$56,628	$92,241
13th	Brevard	$43,690	$60,740
	Average	$48,389	$70,506
LIEUTENANT PARAMEDIC			
Rank	County	Starting Salary*	Max Salary**
1st	Osceola	$65,235	$99,929
4th	Brevard	$58,452	$71,992
	Average	$59,072	$86,042
LIEUTENANT EMT			
Rank	County	Starting Salary*	Max Salary**
1st	Osceola	$56,110	$90,804
4th	Brevard	$50,648	$64,188
	Average	$52,271	$77,763

* This table reflects the pay scale, by position, for comparable counties where data could be identified. This table does not reflect salary changes made following the recent salary study.
** Each County can vary between 10-30 steps.

FIRE RESCUE TURNOVER – continued

The tables below summarize the projected salary rank for the Brevard County Firefighter EMT and Fire Medic positions following the salary increase, compared to peer counties, as of February 2021, assuming no change in other counties' salaries. During our procedures, we validated that there were no significant changes in the comparable Counties' salaries since this salary study was performed in February 2021. Annual adjustments to CPI should be considered.

Firefighter EMT

Rank	County	Starting Salary	Max Salary
1st	Indian River	$44,151	$64,136
2nd	Pasco	$43,000	NR*
3rd	Seminole	$42,500	NR*
4th	Lake	$39,632	$66,044
5th	Osceola	$39,561	$64,022
6th	Brevard	$39,490	$54,535
7th	Okeechobee	$38,423	$55,760
8th	Volusia	$37,042	$58,546
9th	St. Lucie	$36,847	$73,138
10th	Flagler	$36,598	NR*
	Average	$39,724	$62,312

*Information noted provided as part of the salary study

Moved up Four Ranks 10th to 6th

Moved up Ten Ranks 13th to 3rd

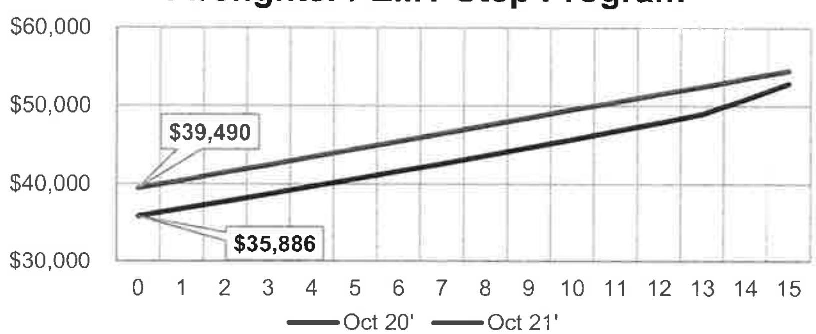
Fire Medic 2

Rank	County	Starting Salary	Max Salary
1st	St. Lucie	$56,628	$92,241
2nd	Seminole	$50,508	NR*
3rd	Brevard	$50,241	$65,285
4th	Volusia	$50,022	NR*
5th	Marion	$50,014	NR*
6	Pasco	$50,000	NR*
7th	Lake	$49,283	$74,635
8th	Osceola	$48,686	$73,147
9th	Okeechobee	$47,943	$68,058
10th	Indian River	$47,452	$68,096
	Average	$50,078	$73,577

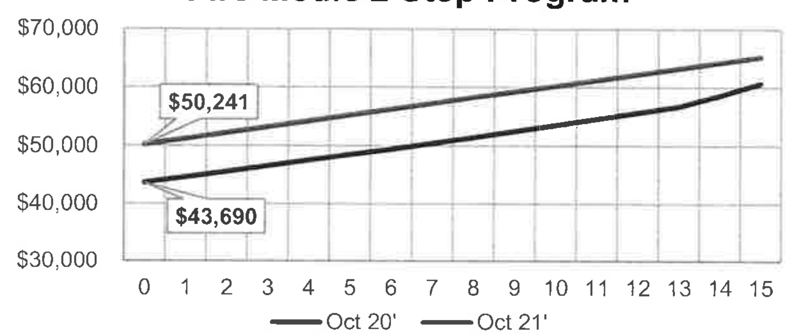
*Information noted provided as part of the salary study

The impact of the salary increases is presented below for both the Firefight/EMT and Fire Medic 2 positions. These graphs illustrate the rise in annual salaries over the 15-step program compared to the prior step program.

Firefighter / EMT Step Program



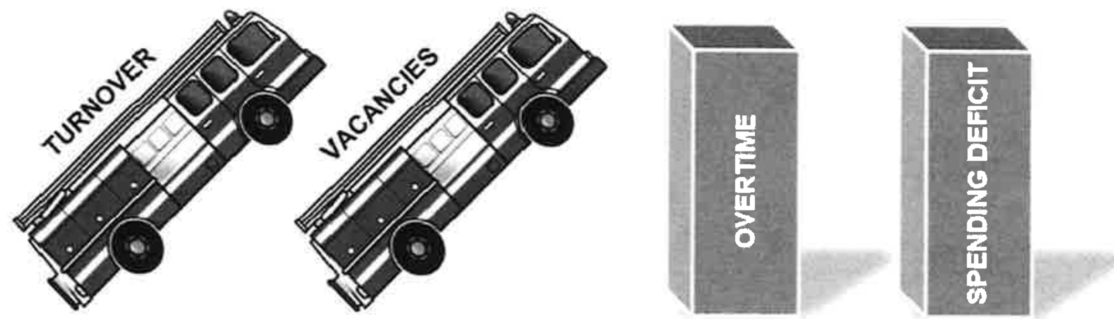
Fire Medic 2 Step Program



FIRE RESCUE VACANCIES

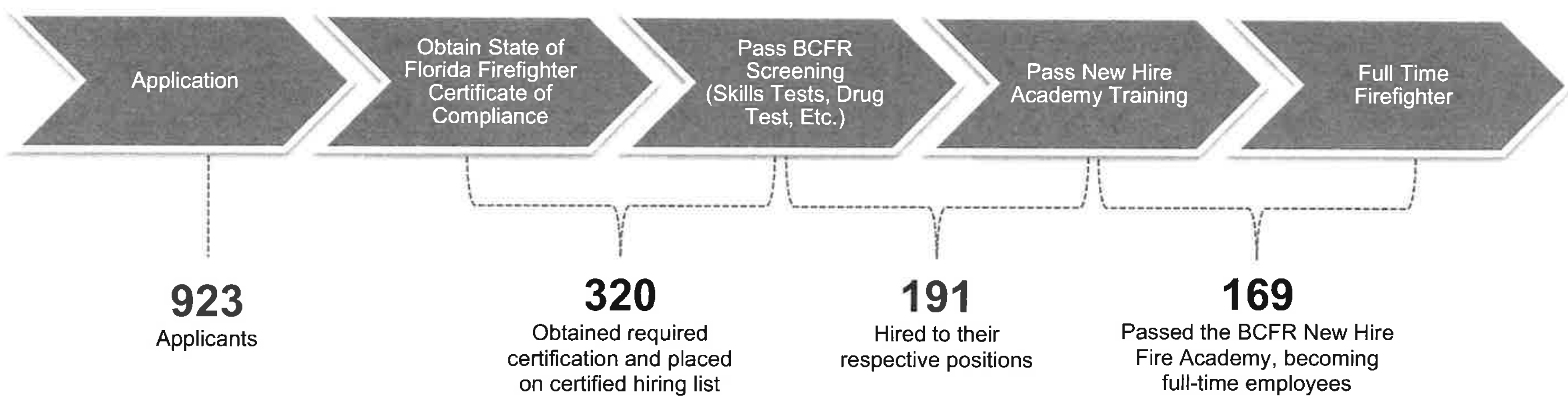
Hiring Process

The process for onboarding new primary first responder employees is comprehensive. Most candidates do not make it to the BCFR New Hire Academy stage of the hiring process due to the rigorous standards required of prospective employees. The BCFR New Hire Academy for new hires is a 10 week in-class and drill yard training program and one month of 24 hours shifts for on-the-job training, totaling 14-15 weeks. The training is focused on best practices and BCFR operational standards. Due to this process, it takes a considerable amount of time to on-board a new employee from the time of initial application, hiring, and completion of BCFR New Hire Academy training.



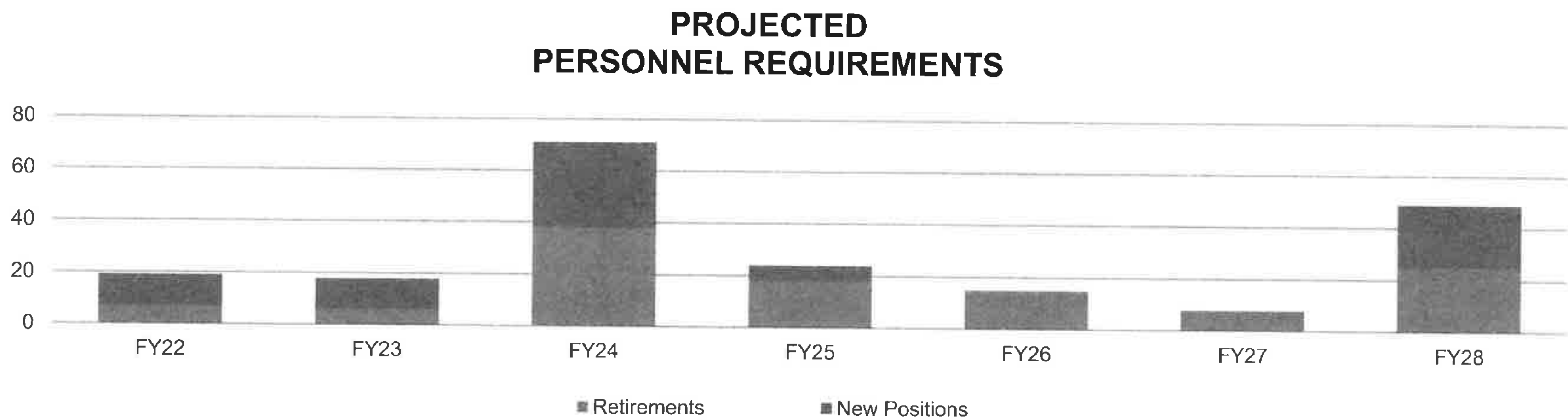
Once hired, employees are assigned to locations or are added to the floater pool. The floater pool is a group of full-time employees that do not belong to a particular station or unit but are assigned to shifts based on need. If a station is in need of an employee due to a variety of reasons (i.e. sick leave, military leave) a floater pool employee will fill the appropriate spot. As of June 2021, the floater pool consists of 48 full-time employees. BCFR management estimates that increasing the floater pool by 39 (48 to 87) employees will address employee fatigue, operational readiness, and reduce overtime.

BCFR applicants must demonstrate both written and physical abilities during the hiring process, which includes a health assessment. Approximately 40% (368) of applicants invited to test either do not accept the invitation to test or do not show up for testing. Of the 923 applicants between January 2018 and March 2021, 320 passed the testing and pre-employment screening and were placed in a certified hiring list. Of the 320 certified candidates, 191 were offered contingent job offers after successfully passing fitness, drug, and alcohol tests. Of the 191 hired to their respective positions, 169 completed the hiring process, including BCFR New Hire Academy Training, and transitioned into a full-time employee. The illustration below describes the full hiring process every fire member undergoes to become a firefighter in Brevard County.



FIRE RESCUE VACANCIES – continued

As of March 2022, the number of vacant BCFR positions totaled 44, which includes 17 new floater pool positions. A primary factor that influences the number of vacant positions is turnover, which averages 57 employees a year. Over the next seven (7) years, 204 future personnel requirements are projected. Of the 204 projected personnel requirements, 57% are a result of upcoming retirements and the remaining 43% are projected for new positions. BCFR intends to add, revamp, or relocate/rebuild stations during FY24, FY25 and FY28. The challenge of managing current personnel requirements with upcoming retirements is further illustrated below.



County Action – Increase Hiring Class & Floater Pool

To address current and projected vacancies, BCFR developed four (4) solutions which include; a third hiring class, larger hiring classes, increasing the floater pool, and application for the FEMA SAFER grant. Beginning in 2020, a third hiring classes was offered to address the long-term staffing issue resulting from increased turnover and vacancies. The increased floater pool is intended to address the short-term staffing and scheduling requirements. BCFR management estimates increasing the floater pool by 39 (48 to 87) employees could address any turnover or vacancy requirements daily, while also accounting for future position requirements for 2023.

	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21
Total Hiring Classes	3	2	2	3	3
New Hires	97	56	54	57	45
Turnover	44	58	70	61	49
				Vacancies (as of March 2022)	44

FIRE RESCUE VACANCIES – continued

County Action – Recruiting

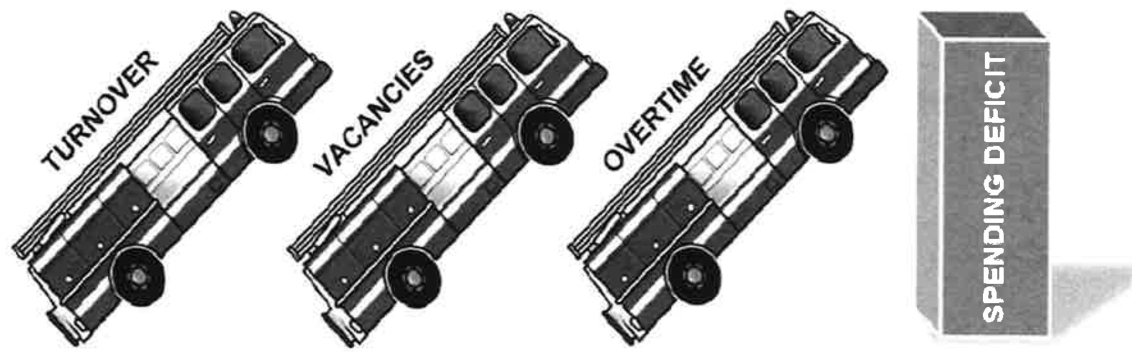
BCFR has identified a need to focus on recruiting a higher proportion of candidates living within Brevard County, as opposed to candidates seeking to relocate from other areas, as a way to potentially decrease the employee turnover rate. Action items taken include the following initiatives:

- *Recruiter* – In July 2020, BCFR established a recruiter in July 2020 to increase contact and communication with local institutions. To enhance relationship building beyond local educational institutions, a new recruiter was selected. The intention was to expand recruiting to the regional level through enhanced information and communication methods, including increasing media coverage, renovating the webpage, and other advertisement opportunities.
- *Local Hiring Preference Points* – One way that BCFR has initiated this effort is through increased efforts to hire locally. Specifically, providing additional points during the hiring process to local individuals as a way of providing hiring preferences to local candidates.
- *New Hire Fire Academy Partnerships* – Fire Rescue has initiated efforts through partnerships with local colleges to facilitate the BCFR New Hire Fire Academy programs. The first of these Fire Academy partnerships was established in 2020 with Eastern Florida State College. Fire Rescue intends to use this partnership to establish similar curriculums in an effort to encourage local recruiting efforts.
- *High School Sponsorships* – Fire Rescue intends to engage local High Schools in developing curriculums that expose students to potential opportunities and careers with the BCFR. A sponsorship opportunity was established by BCFR to target High School seniors as well as other local individuals interested in working for Brevard County Fire Rescue. The sponsorship funds the educational costs of the BCFR New Hire Fire Academy and Emergency Medical Technician (EMT) school. The agreement is that once a sponsored individual completes all their training and becomes EMT or EMS certified by the State of Florida, they will be hired by Brevard County Fire Rescue and will be committed to at least two years of employment.
- *High School Firefighter I Program* – Brevard County Fire Rescue is currently assisting the Brevard Public Schools Office of Career and Technical Education to establish a firefighting program that would prepare the students to the State of Florida Firefighter I level of certification upon completion. The program is being held at Palm Bay Magnet High School and is scheduled to start in August of 2022.

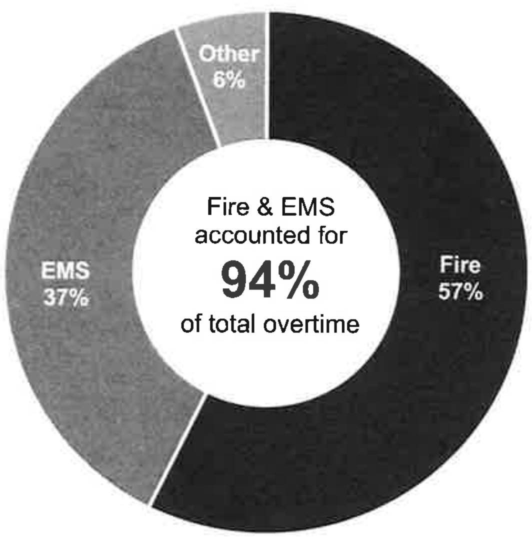
FIRE RESCUE OVERTIME

The impact of turnover and vacancies leads to reduced size and strength of a workforce, increasing the workload for the remaining employees. In the past several years, the cost of primary first responders have increased. To understand the significant expense categories driving operational costs, we obtained and reviewed the budget data from the County and analyzed trends by expense category.

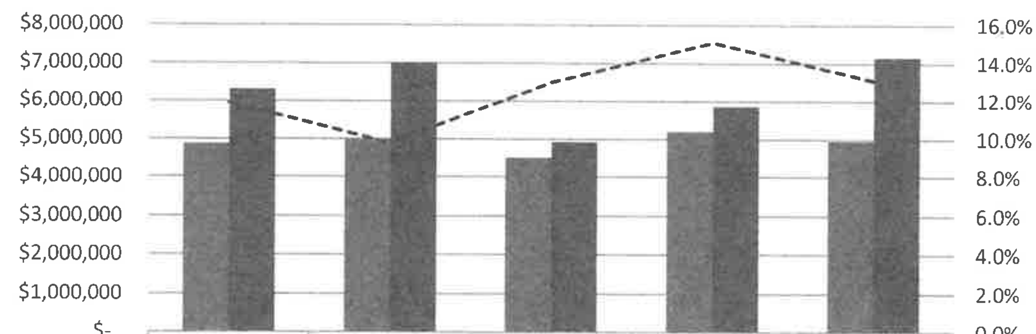
During review of expenditure data, we noted that overtime costs represented a significant portion of Fire Rescue expenditures. Over the five-year period reviewed, total BCFR overtime exceeded budgeted overtime projections by $6.7 million, or approximately $1.3M, per year.



The two largest programs, Fire Operations and EMS, accounted for 94% of total overtime over the five (5) year period reviewed. Fire Operations represented 57% of total overtime, which was approximately $3.7M above budgeted overtime estimates. The EMS program represented 37% of total overtime across the same period and was approximately $2.65M above budgeted overtime estimates.



FIRE RESCUE OVERTIME BUDGET VS ACTUALS



	2016*	2017*	2018	2019*	2020 *
Overtime Budget	$4,877,695	$5,018,432	$4,521,438	$5,204,783	$4,964,202
Overtime Actuals	$6,320,241	$7,019,953	$4,925,092	$5,866,679	$7,161,151
Attrition Rate	11.9%	9.8%	13.0%	15.1%	13.1%

* Note: Various hurricanes occurred each year impacting overtime incurred, which included hurricane Matthew, Irma, and Dorian. Furthermore, COVID-19 heavily impacted operations in 2020.

FIRE RESCUE OVERTIME – continued

Mandatory vs Voluntary Overtime

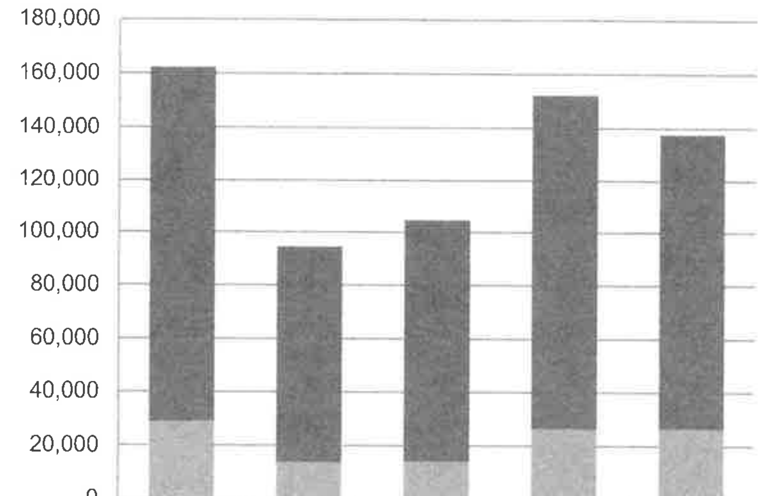
Overtime can be further broken down by mandatory overtime and voluntary overtime. Any shift/time that isn't covered by personnel voluntarily is categorized as mandatory overtime, as the personnel is selected and required to cover a shift despite it being overtime hours for that individual.

Between FY2017 through FY2021, 17% of overtime hours were mandatory, while 83% of overtime hours were voluntary. These overtime hours include the Lieutenant, Firemedic, Firefighter, Paramedic, and EMT positions. The Paramedic and EMT roles are single certification positions and did not come online for BCFR until 2018. The graph to the right illustrates overtime trends, by type, from FY2017 through FY2021.

According to BCFR Management, mandatory overtime is often viewed negatively by field personnel. OSHA warns that extended work shifts "may be more stressful physically, mentally, and emotionally". As a result, it is a point of focus for BCFR Management to reduce both mandatory and voluntary overtime to improve employee morale and quality of living. Of the 62 respondents to the FY2020 exit interview survey, 16, or 26% of respondents cited quality of life as a reason for leaving BCFR.

The COVID-19 pandemic did have a significant impact on overtime hours as a result of CDC recommendations for first responders. Specifically, mandates that required all employees exposed to an individual that is confirmed positive for COVID-19 to self-quarantine for a period of fourteen (14) days. These guidelines contributed the shortage of critical infrastructure employees due to the "exposure" quarantine period. Furthermore, additional precautionary measures were expected to be performed by first responders not exposed, which included tasks such as pre-screenings prior to the start of a shift, regular monitoring during a shift, and continuous cleaning and disinfecting of workspaces.

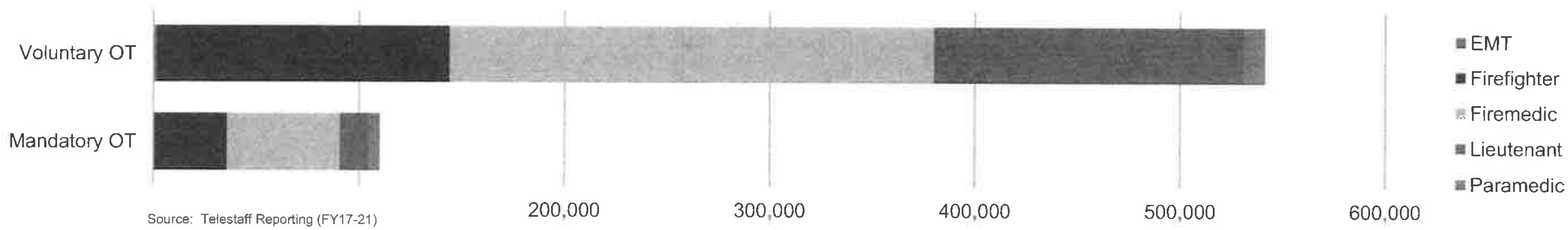
FIRE RESCUE OVERTIME HOURS



	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21
Voluntary OT	133,327	80,777	90,543	125,866	111,049
Mandatory OT	29,137	13,734	14,164	26,535	26,636

Source: Telestaff Reporting (FY17-21)

FIRE RESCUE OVERTIME HOURS BY POSITION

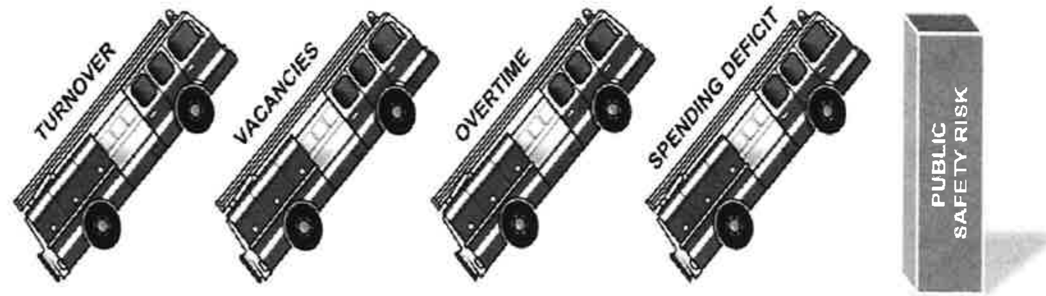


Source: Telestaff Reporting (FY17-21)

FIRE RESCUE SPENDING DEFICIT

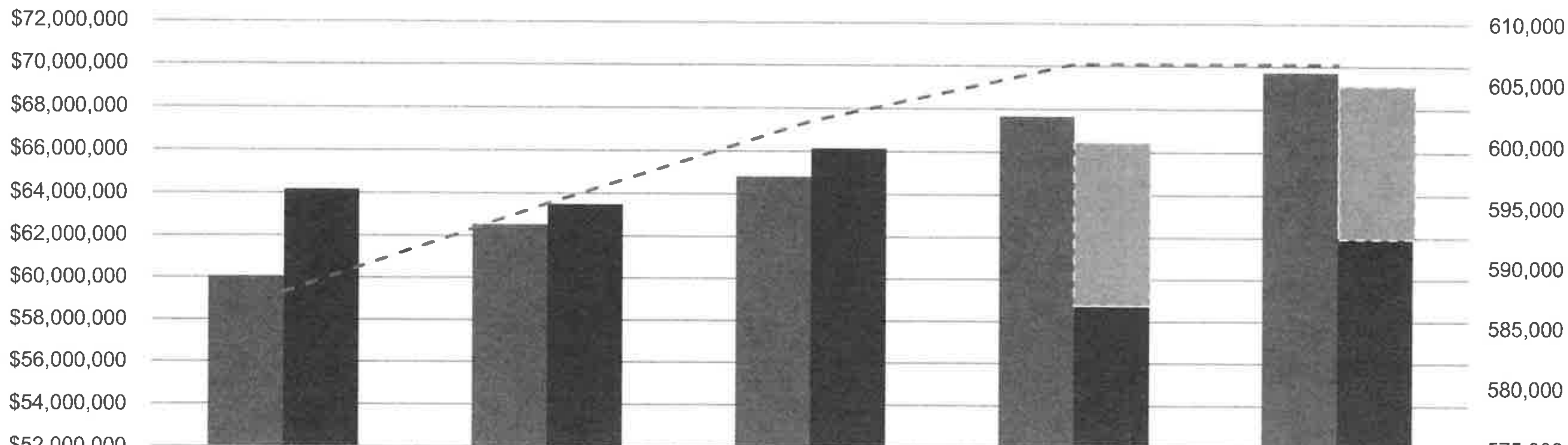
Over the five-year period, the Brevard County population grew by 5.2%, or nearly 30,000 residents. The rise in population has impacted both the revenue generated through property owners, as well as the cost of providing Fire Rescue services to the County. While total revenue has steadily increased over the prior five years, so did total expenditures. The impact of this deficit has contributed to the reduced Fire Rescue fund balance.

The primary source of Fire Rescue revenues includes, but are not limited to, Taxes, Permit Fees, Special Assessments, Charges for Services, and General Fund Transfers. The primary source of Fire Rescue expenditures includes, but are not limited to, compensation and benefits, operating expenses, and capital outlay.



The graph below illustrates the relationship between the rise in population, total revenues, and total expenditures since FY2017, excluding balance transfers.

FIRE RESCUE REVENUES VS EXPENSES



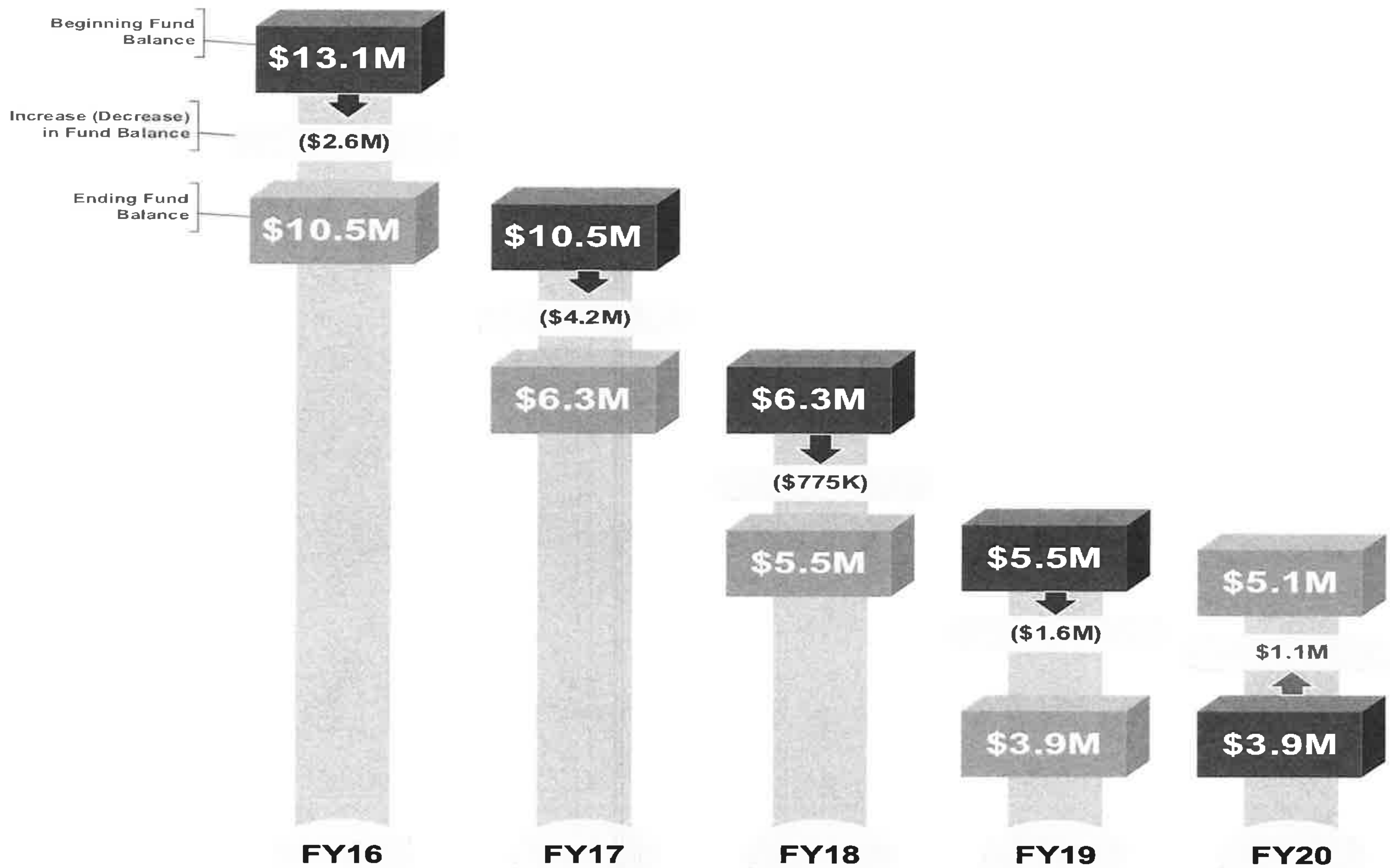
	FY17	FY18	FY19	FY20*	FY21*
Total Revenue	$60,057,942	$62,534,197	$64,834,445	$67,665,071	$69,724,484.15
Total Expenses	$64,175,555	$63,491,857	$66,147,760	$58,721,661	$61,996,208.37
Population	587,769	595,203	601,942	606,671	606,671

In FY2020, salary expenses were reduced for the CARES Act Public Safety Fund by $7,795,450

In FY2021, salary expenses were reduced for the CARES Act Public Safety Fund by $7,317,452

FIRE RESCUE SPENDING DEFICIT - continued

In FY2016, the Fire Rescue beginning fund balance was $13.1M. The ending fund balance is determined by the difference between total revenues and total expenses over the fiscal year, excluding balance forwards which are carried over from the prior fiscal year and included as revenue in the current year budget. A negative fund balance is sometimes referred to as a deficit. Over the five-year period, the Fire Rescue fund balance was reduced by approximately $8M. The illustration below summarizes the Fire Rescue fund balance changes over the prior five years, outlining any spending deficits incurred.

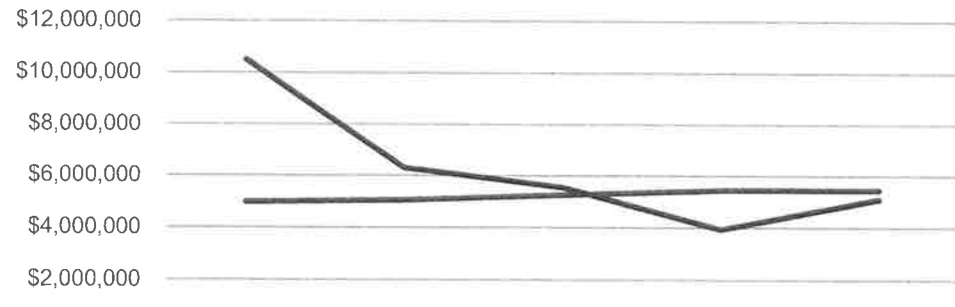


FIRE RESCUE SPENDING DEFICIT - continued

Fire Rescue Reserves

Through review of the Fire Rescue historical budget data (FY2016 through FY2020), we noted that the fund balance was utilized to cover initiatives and annual deficit spending resulting from expenses outpacing revenues. As a result of these initiatives and deficit spending, the current BCFR fund balance has been diminished to $5.1M. In prior years, the County was able to rely on reserves to account for spending deficits incurred as a result of managing BCFR operations. However, going forward, the BCFR reserve balance may no longer be sufficient to cover the difference between expenses incurred and revenues generated, without the actions taken and previously described throughout this report.

Budget and Fiscal Policies, Section H.3. requires no less 10 percent for operating or unrestricted reserves for general government. The ending fund balance was below the minimum reserve requirements, as outlined by County policy, for both FY2019 and FY2020. The graph to the right illustrates the annual amount of Fire Rescue historical reserves compared to the reserve requirements outlined by the Brevard County Reserve Policy.



	FY16	FY17	FY18	FY19	FY20
County Reserve Policy	$4,974,136	$5,053,846	$5,246,840	$5,434,962	$5,449,851
Ending Fund Balance	$10,513,517	$6,301,742	$5,526,271	$3,945,872	$5,093,830

County Action – Allocation of Resources

As part of the Board's continued commitment to supporting Fire Rescue Operations, significant resources have been allocated to make key investments in personnel, capital equipment, infrastructure, and reserve requirements. Resources approved by the Board through the Fire assessment augmented by Fire Rescue Public Safety Funds and ARPA Revenue Replacement are intended to enable the Fire Rescue Department to address the aforementioned four (4) areas of concern within the seven (7) year period.

Fire Rescue 7-Year Plan – FY21-22 Increase from the Following Sources	Increase in Millions
Increase in Fire assessments Rates, Approved by BOCC (4/20/21)	$7.37
ARPA Revenue Replacement ($8.5M over 7 years)	$1.21
Total Fire Operations	$8.58
CARES Public Safety Payroll Reimbursement ($11.7M over 7 years)	$1.67
Increase in General Fund Contribution	$1.97
Total Emergency Medical Services	$3.64
Total FY21-22 Increase in Millions	$12.22

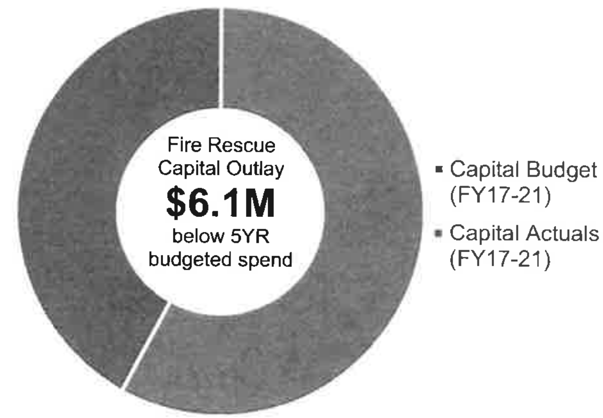
FIRE RESCUE SPENDING DEFICITS – continued

Capital Outlay Costs

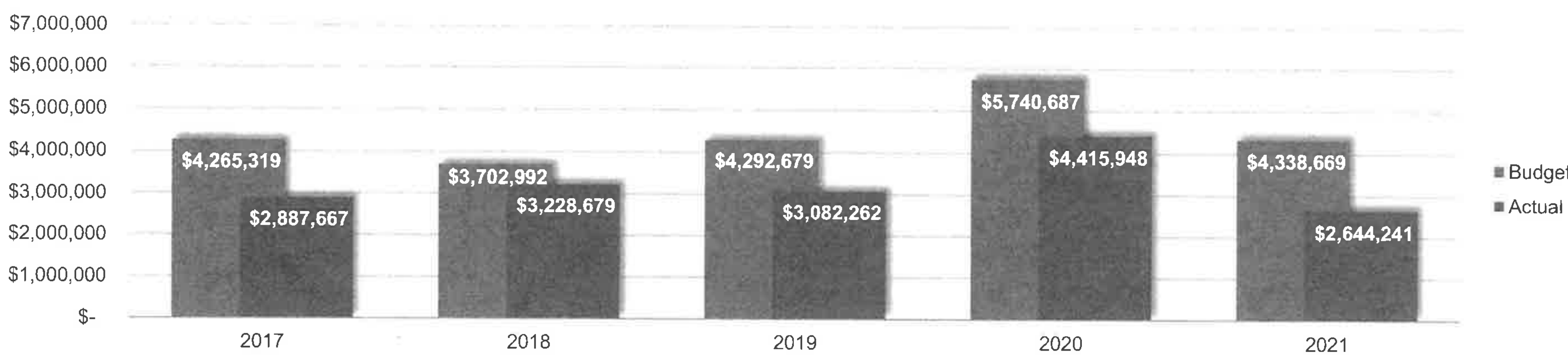
The Fire Rescue capital outlay budget is intended to address the costs of replacing equipment, supplies, utilities, fire trucks, as well as costs of maintaining fire stations. From FY2017 through FY2021, Fire Rescue capital outlay spending was approxmatly $6.1M below budget.

The primary types of capital outlay costs include machinery and equipment and construction costs. Machinery and equipment are the primary capital outlay costs, representing approximately 92% of the five (5) year capital outlay budget. On average, the annual Machinery & Equipment budget was underspent by 18%, or $741K, over the prior five (5) year period. The annual variance can be attributed to factors such as the rescheduling of capital items to another period, unforeseen events in the construction industry or capital outlay costs coming in underbudget.

Furthermore, budgeted Construction costs were underspent annually by approxmately 75% over the five year period reviewed. Construction can include new construction or refurbishing for stations and facilities. Construction delays were the a factor that contributed to the budget variances beginning in FY2019. These delays impacted the construction timelines for capital outlay. The graph below illustrates the combined annual machinery & equipment and construction actual costs compared to budget.



FIRE RESCUE CAPITAL OUTLAY BUDGET VS ACTUALS



County Action – Capital and Infrastructure Replacement

BCFR is also proposing increasing the expense and capital outlay budget by 2% annually after FY2022. The minimum operational requirements were quantified in the Board approved seven-year plan, which address only immediate concerns in personnel, capital, infrastructure, and reserves. Appendix A provides a breakdown of the Fire assessment proposals by tier as well as the current seven-year capital replacement and improvement plan based on 2020 prices with an assumed 3% price increase annually. Note – Environmental factors such as inflation and minimum wage increases will impact originally planned budgets and forecasts.

APPENDIX A

County Action – Capital and Infrastructure Replacement

The 7-year plan contains the proposed supplemental capital outlay through Fiscal Year 2028. This plan is intended to strengthen Brevard County's ability to better serve the needs of the community and strive towards compliance with National Fire Protection Association (NFPA) standards. Below is the current seven-year infrastructure replacement and improvement plans based on 2020 prices with an assumed 3% price increase annually.

Capital Improvement & Replacement Plan							
Item	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Engine	$0	$587,887	$605,524	$0	$642,400	$661,672	$681,522
Truck	$0	$0	$0	$1,159,274	$0	$614,937	$633,385
HazMat	$0	$0	$815,994	$0	$0	$0	$0
Tender	$344,793	$355,136	$0	$0	$0	$0	$411,700
DC Vehicle	$60,471	$62,285	$64,154	$66,079	$68,061	$0	$0
Type 6	$60,471	$0	$64,154	$0	$68,061	$0	$72,206
Extrication set	$22,104	$22,767	$23,450	$24,153	$24,878	$25,624	$26,393
SCBA's	$95,481	$98,345	$101,296	$104,335	$107,465	$110,689	$114,009
Bunker gear new employees	$45,320	$44,346	$43,272	$4,952	$0	$0	$48,703
Total	$628,640	$1,170,767	$1,717,843	$1,358,793	$910,865	$1,412,922	$1,987,919

APPENDIX A – continued

County Action – Capital and Infrastructure Replacement - continued

Infrastructure Improvement & Replacement Plan							
Item	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Station 86 w/land (8800sq ft)	$0	$3,700,419	$0	$0	$0	$0	$0
Station 40 w/land (5500sq ft)	$0	$0	$0	$2,476,119	$0	$0	$0
Station 64 (5500sq ft)	$0	$0	$0	$0	$0	$2,626,915	$0
Station 82/83 w/land (8800sq ft)	$0	$0	$0	$0	$0	$2,101,532	$2,164,578
Station 44 rebuild	$0	$1,060,900	$1,092,727	$0	$0	$0	$0
Station 27 w/land	$0	$0	$0	$0	$0	$0	$2,705,723
Station 42 (5500sq ft)	$0	$0	$0	$1,238,060	$1,275,201	$0	$0
Land	$0	$0	$437,091	$0	$0	$477,621	$0
Est. Offset from land sale	$0	$0	$0	$0	$0	($955,242)	$0
Land Prep	$0	$0	$0	$0	$0	$0	$0
Training Infrastructure (Burn Bldg Only)	$700,000	$0	$0	$0	$0	$0	$0
Fleet Facility	$0	$0	$0	$0	$0	$0	$0
Total	$700,000	$4,761,319	$1,529,818	$3,714,179	$1,275,201	$4,250,826	$4,870,301
Fire only	$700,000	$0	$437,091	$2,476,119	$0	$0	$0
Fire to be cost distributed	$0	$4,761,319	$1,092,727	$1,238,060	$1,275,201	$4,250,826	$4,870,301
Fire portion 60%	$0	$2,856,791	$655,636	$742,836	$765,121	$2,550,496	$2,922,180
EMS Portion 40%	$0	$1,904,528	$437,091	$495,224	$510,081	$1,700,330	$1,948,120
Total Infastructure Fire	$700,000	$2,856,791	$1,092,727	$3,218,955	$765,121	$2,550,496	$2,922,180

APPENDIX B

Full Salary Study (Prior to New 2021 Board Salary Increases)

Fire Fighter EMT

Rank	County	Min Salary	Max Salary	Steps
LOW	Marion	$32,983		
	Brevard	$35,886	$52,936	15
	Flagler	$36,598		
	St. Lucie	$36,847	$73,138	12
	Volusia	$37,042	$58,546	
	Okeechobee	$38,423	$55,760	
	Osceola	$39,561	$64,022	15
	Lake	$39,632	$66,044	
	Seminole	$42,500		
	Pasco	$43,000		
	Indian River	$44,151	$64,136	14
	Citrus	NR	NR	NR
	Polk	NR	NR	NR
HIGH	Palm Beach	$48,824	NR	NR
	AVERAGE	$39,830	$62,083	

Fire Medic

Rank	County	Min Salary	Max Salary	Steps
LOW	Brevard	$43,690	$60,740	15
	Flagler	$44,863		
	Citrus	$44,945	$56,623	
	Polk	$45,020		13
	Indian River	$47,452	$68,096	14
	Okeechobee	$47,943	$68,058	
	Osceola	$48,686	$73,147	15
	Lake	$49,283	$74,635	
	Pasco	$50,000		
	Marion	$50,014		
	Volusia	$50,022		
	Seminole	$50,508		
	St. Lucie	$56,628	$92,241	11
HIGH	Palm Beach	$56,700	NR	
	AVERAGE	$49,073	$70,506	

Lieutenant EMT

Rank	County	Min Salary	Max Salary	Steps
LOW	Volusia	$48,047	$75,716	
	Brevard	$50,648	$64,188	12
	Lake	$53,231	$80,633	
	Indian River	$53,320	$77,472	14
HIGH	Osceola	$56,110	$90,804	15
	Flagler	NR	NR	NR
	Citrus	NR	NR	NR
	Polk	NR	NR	NR
	Okeechobee	NR	NR	NR
	Pasco	NR	NR	NR
	Marion	NR	NR	NR
	Orange	NR	NR	NR
	Seminole	NR	NR	NR
	St. Lucie	NR	NR	NR
	Palm Beach	NR	NR	NR
	AVERAGE	$52,271	$77,763	

Lieutenant Paramedic

Rank	County	Min Salary	Max Salary	Steps
LOW	Volusia	$54,385	$82,054	
	Indian River	$56,513	$81,688	14
	Okeechobee	$58,012	$81,166	
	Brevard	$58,452	$71,992	12
	St. Lucie	$59,086	$96,244	11
	Lake	$61,822	$89,224	
HIGH	Osceola	$65,235	$99,929	15
	Flagler	NR	NR	NR
	Citrus	NR	NR	NR
	Polk	NR	NR	NR
	Pasco	NR	NR	NR
	Marion	NR	NR	NR
	Orange	NR	NR	NR
	Seminole	NR	NR	NR
	Palm Beach	NR	NR	NR
	AVERAGE	$59,072	$86,042	

APPENDIX B – continued

District Chief or Batt Chief				
Rank	County	Min Salary	Max Salary	Steps
LOW	Volusia	$51,914	$84,624	
	St. Lucie	$71,887	$117,096	11
	Brevard	$76,122	$93,045	10
HIGH	Osceola	$77,690	$120,097	15
	Flagler	NR	NR	NR
	Citrus	NR	NR	NR
	Polk	NR	NR	NR
	Indian River	NR	NR	NR
	Okeechobee	NR	NR	NR
	Lake	NR	NR	NR
	Pasco	NR	NR	NR
	Marion	NR	NR	NR
	Orange	NR	NR	NR
	Seminole	NR	NR	NR
	Palm Beach	NR	NR	NR
	AVERAGE	$69,403	$103,716	

*Not reported or data provided did not have requested information

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Brevard COUNTY

Brevard County, Florida

Internal Audit Report – Contract Compliance – Golf Operations

January 10, 2022

RSM

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TRANSMITTAL LETTER

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January 10, 2022

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to the approved Brevard County ("County") Fiscal Year ("FY") 2021/2022 internal audit plan, we hereby present our contract compliance report of the contract agreement ("Agreement") between Brevard County ("County") and Golf Brevard, Inc. ("Golf Brevard"). We will be presenting this report to the Audit Committee of Brevard County, Florida at the next scheduled meeting on April 20, 2022. Our report is organized in the following sections:

Executive Summary	This section provides a high-level overview and summary of the observations noted in our internal audit.
Background	This provides an overview of the contract compliance process, as well as relevant background information.
Objectives and Approach	The objectives of this internal audit are expanded upon in this section, as well as a review of our approach.
Observations Matrix	This section includes a description of the observations noted during our internal audit and recommended actions, as well as Management's response including responsible party, and estimated completion date ("ECD").

We would like to thank the staff and all those involved in assisting RSM US LLP with this internal audit.

Respectfully Submitted,

RSM US LLP

RSM US LLP

EXECUTIVE SUMMARY

Background

Contract compliance incorporates all interaction between the County and the selected contractor from the inception of the executed contract until the work has been completed and accepted, or the contract is terminated, payment has been made, and all disputes have been resolved.

On July 24, 2017, RSM issued an internal audit report regarding the former golf operations services provider for the County. The audit established a timeline for the breach of contract, and outlined the financial obligations existing at each golf property at the time. An update was provided for this report on August 23, 2017, which futher detailed the financial performance of the golf properties under the previous contractor's management. Highlighted were the financial struggles and stalemated performance in rounds being played across the County's public golf courses.

On April 24, 2018, the County approved a 49-month agreement with Golf Brevard, Inc. to operate The Habitat and Spessard Holland, golf properties beginning September 1, 2018. Golf Brevard, Inc. was founded as a 501(c)3 non-profit entity in 2018 and was established with a goal of providing affordable golf to the citizens of Brevard County. Quarterly, Golf Brevard, Inc. management meets with the County Parks and Recreation Director to discuss ongoing management objectives, conditions, and goals for the properties.

Golf Brevard, Inc. is required by the agreement with the County to maintain golf programs, as well as pro shop merchandise for sale and food and beverage services. To foster positive experience for citizens of Brevard County, the agreement between Golf Brevard, Inc. and the County requires all conditions meet its First Class Standard.

Overall Summary / Highlights

The observations identified during our review are summarized on the following pages. We have assigned relative risk or value factors to each observation. Risk ratings are the evaluation of the severity of the concern and the potential impact on the operations of each item. The detailed observations are listed in the observation matrix including management action plans, estimated completion dates and responsible parties.

Objective and Approach

The objective of this contract compliance audit was to evaluate compliance with the agreement between the County and the vendor to determine whether processes are sufficiently documented, compliant and performed with the requirements of the agreement. The specific procedures performed include;

- Reviewed the Agreement and applicable amendments between Brevard County and Golf Brevard, Inc;
- Obtained and reviewed background information on the contract, including contract copy, contract administrator information, and detail of required reporting documentation.
- Conducted interviews with key personnel from both the County and Golf Brevard, Inc. to understand operating requirements and processes;
- Performed on site walkthroughs and observed the golf properties;
- Selected samples from various financial and operational components to evaluate contractual compliance, including: financial and operating monthly and annual reporting packages; maintenance history, policies and procedures; staffing personnel listing; ongoing monitoring of customer complaints; and insurance policies.
- Summarized and charted the financial performance and key performance indicators over the duration of our audit period; and
- Assessed the overall contract administration processes and controls to determine effectiveness.

Our scope period was September 1, 2018 through October 31, 2021.

At the conclusion of our internal audit, we summarized our observations into this written report, and conducted exit conferences with County leadership and management which included the Director of Parks and Recreation, Assistant County Manager, and County Manager.

Number of Observations by Risk Rating

(See page 3 for rating definitions)

Internal Audit Report	High	Moderate	Low
Golf Brevard – Contract Compliance	-	1	1

Fieldwork was performed October 2021 through December 2021.

We would like to thank all Brevard County team members who assisted us throughout this internal audit.

EXECUTIVE SUMMARY – CONTINUED

Observations Summary

The following is a summary of the observations noted in the areas reviewed. The detailed observation is included in the observations matrix section of the report. Definitions of the rating scale are included below.

Summary of Observations	
Observations	Rating
1. Reporting Package Documentation	**Moderate**
2. Maintenance Policies and Procedures	**Low**

Observation Risk Rating Definitions	
Rating	Explanation
Low	Observation presents a low risk (i.e., impact on financial statements, internal control environment, public perception/brand, or business operations) to the organization for the topic reviewed and/or is of low importance to business success / achievement of goals and internal control structure.
Moderate	Observation presents a moderate risk (i.e., impact on financial statements, internal control environment, public perception/brand, or business operations) to the organization for the topic reviewed and/or is of moderate importance to business success / achievement of goals and improve its internal control structure. Action should be in the near term.
High	Observation presents a high risk (i.e., impact on financial statements, internal control environment, public perception/brand, or business operations) to the organization for the topic reviewed and/or is of high importance to business success / achievement of goals and improve its internal control structure. Action should be taken immediately.

BACKGROUND

OVERVIEW

Currently, there are two (2) County owned public golf facilities located within Brevard County, the Habitat Golf Course in Grant-Valkaria, FL and Spessard Holland Golf Course in Melbourne Beach, FL. These properties opened as 18 hole golf courses in 1991 and 1977 respectively. Municipal golf courses are designed to be available to the public at reasonable costs as a recreational facility. On July 24, 2017, RSM issued an internal audit report regarding the former golf operations services provider for the County. The audit established a timeline for the breach of contract, and outlined the financial obligations existing at each golf property at the time. An update was provided for this report on August 23, 2017, which futher detailed the financial performance of the golf properties under the previous contractor's management. Highlighted were the financial struggles and stalemated performance in rounds being played across the County's public golf courses. On April 24, 2018, the County approved a 49-month Golf Course Properties Agreement ("Agreement") with Golf Brevard, Inc., to operate The Habitat and Spessard Holland, golf properties effective September 1, 2018. Golf Brevard, Inc. owns all revenues and expenses generated through the management of the golf properties. The agreement between Golf Brevard, Inc. and the County requires Golf Brevard, Inc. to re-invest all profits into the improvement of its operated golf properties.

Golf Brevard, Inc. was founded as a 501(c)3 non-profit entity in 2018 and was established with a goal of providing affordable golf to the citizens of Brevard County. Public golf facilities within the County are perceived as an extension of the County's management, regardless of day to day operation management. Golf Brevard, Inc. management meets with the County Parks and Recreation Director quarterly, in person to discuss ongoing management objectives, conditions, and goals for the properties. The County provides oversight, including periodic soil testing, observations of current conditions, and regular reporting on the maintenance of each golf course. Golf Brevard, Inc. is responsible for managing and operating the following, at a minimum:

1. *General Golf Activities* – tee time reservations, practice range facilities, golf club set rentals, golf lessons or club repairs, memberships, and golf cart rentals
2. *Membership Program* – operating a membership program at both Spessard Holland and the Habitat Golf Courses
3. *Pro-Shop Operations* – including the retail and sale of both hard and soft goods. Golf Brevard, Inc. is responsible for developing an inventory listing, and ensuring a high quality of goods provided for sale.
4. *Food & Beverage Services* – operation of restaurant services at both the Habitat and Spessard Holland Golf Courses

TRANSITION FUNDING

Because of its status as a new entity, Golf Brevard, Inc. was initially unable to secure traditional loans without credit history. As a result, the County provided "Transition Funding" in the amount of $490,000 to assist Golf Brevard, Inc. in establishing operations, a satisfactory level of maintenance, promotion, and standard golfing experience at each of the two courses. Of the $490,000 funding, $100,000 was not to be repaid, and was to be used by Golf Brevard, Inc. to begin management operations. The remainder of the loan is to be repaid by Golf Brevard, Inc. in annual installments of $130,000 due within 45 days of the anniversary of the contract execution on September 1, beginning in 2021. Additionally, according to the agreement provision "8.9 Repayment of Transition Funding", if within the first two (2) years of inception of the contract Golf Brevard, Inc. accumulates liquid cash reserves in excess of $500,000, that excess is to be paid to the County as pre-payment on the Transition Funding loan, within 30 days of October 1st of each applicable year. To date, Golf Brevard, Inc. has completed one payment to the County in the amount of $85,841.07, triggered by liquid cash reserves as calculated by Golf Brevard, Inc. in excess of $500,000 at the end of FY2020.

Transition Funding Snapshot	
Initial Transition Funding	$490,000.00
Less – Start-up Funding*	$100,000.00
Total Transition Funding Loan	$390,000.00

Transition Funding – Payments to Date			
Payment Type	Due Date	Payment Date	Payment Amount
Excess Liquid Cash Reserve	November 1, 2020	November 24th, 2020	$85,841.07
Annual Loan Installment	October 15, 2021	October 12th, 2021	$130,000.00
Transition Loan Balance Remaining			$174,158.93

Transition Funding – Upcoming Payments			
Payment Type	Due Date	Payment Date	Payment Amount
Annual Loan Installment	October 15, 2022	TBD	$130,000.00

BACKGROUND – CONTINUED

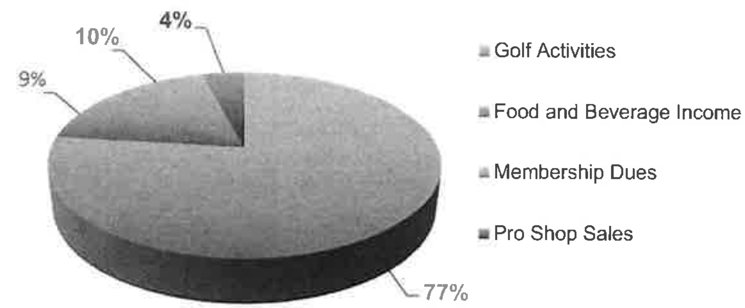
FINANCIAL PERFORMANCE

Golf Brevard, Inc. is required by the agreement with the County to maintain golf programs, as well as pro shop merchandise for sale and food and beverage services. The largest component of total income generated by Golf Brevard, Inc. is created by the golf activities in place, including cart rentals, club rentals, driving range fees, and green's fees. This income is supplemented by pro shop sales and food and beverage sales at both properties. The illustration to the right outlines total Golf Brevard, Inc. income generated by program since contract inception in September 2018.

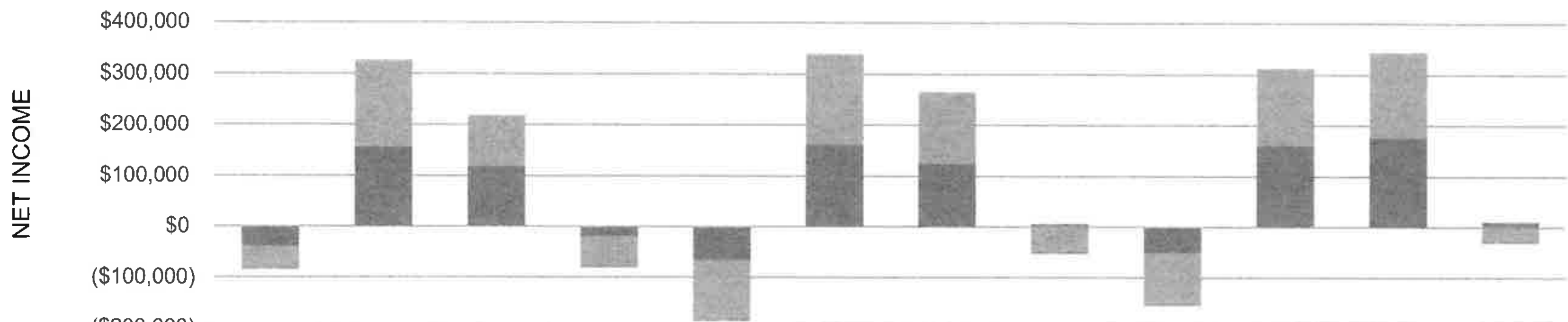
In general, seasonality exists in the golfing industry where gross earnings rise on average between September and March of each year, before falling between May and August of each year. Net income/(loss) is expressed as the difference between gross earnings and total expense. We noted that Golf Brevard, Inc. has reported an accumulated total net income of $1,229,263.41 between September 1, 2018 and August 31, 2021. This period includes the onset of the COVID-19 pandemic, which began in March 2020. COVID-19 has presented unique challenges, including additional health and safety procedures, business closings, and staffing shortages nationwide.

The net income performance of both golf properties are outlined in the illustration below.

GOLF BREVARD, INC.
INCOME BY PROGRAM



GOLF BREVARD, INC.
NET INCOME/(LOSS) BY GOLF COURSE



	FY18 Q1	FY18 Q2	FY18 Q3	FY18 Q4	FY19 Q1	FY19 Q2	FY19 Q3	FY19 Q4	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4
Habitat Net Income/(Loss)	($45,371)	$170,433	$100,355	($62,603)	($121,483)	$178,793	$142,513	($53,673)	($105,294)	$152,709	$168,118	($31,662)
Spessard Net Income/(Loss)	($40,099)	$155,587	$118,196	($18,947)	($65,805)	$160,542	$123,741	$6,473	($50,595)	$160,264	$175,996	$11,078

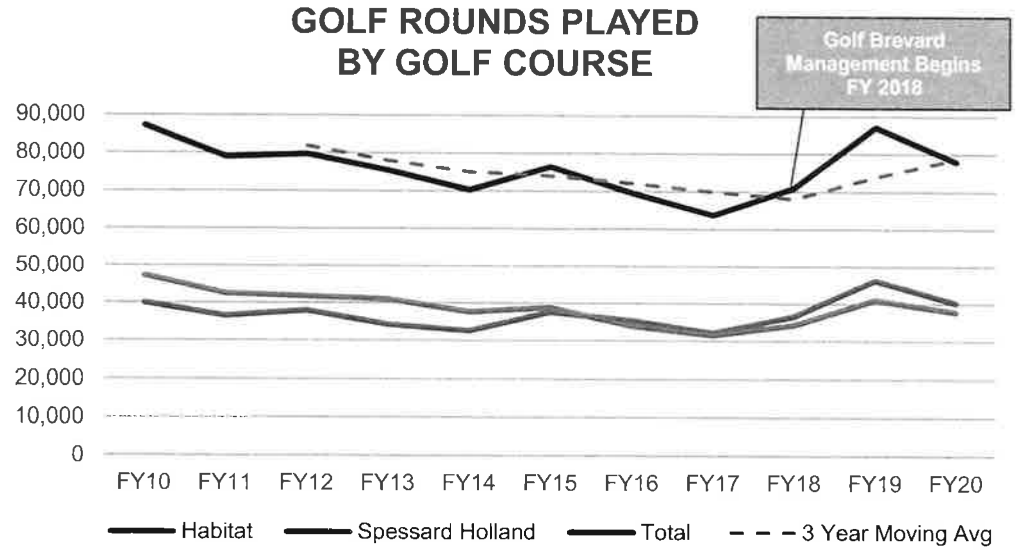
BACKGROUND – CONTINUED

ROUNDS PLAYED

In general, rounds played at both properties have been steadily increasing year over year since Golf Brevard, Inc. began operations at the end of FY2018. A three year moving average of total rounds played across both properties indicates general growth over the 3 years of Golf Brevard, Inc. management. This trend is especially pronounced at Spessard Holland Golf Course, which was experiencing a sharper average decline in rounds played prior to FY2018.

Total rounds played across the two properties fell between FY2010 and FY2017 from 87,335 to a 10 year low of 63,731. Rounds played since have grown by an average of 4,762 rounds per year, or an average annual growth rate (AAGR) of 5.6%.

In the period of FY2017 to FY2019, the population of Brevard County increased by 1.43%, or 14,173 individuals according to United States Census Bureau statistics. This would indicate that on a per-capita basis, rounds of golf played at the Habitat and Spessard Holland Golf Courses are outpacing population growth.



REPORTING

The County's agreement with Golf Brevard, Inc. requires monthly and annual reporting. These reports are intended to communicate the operational and financial performance of golf course properties. The monthly and annual reporting requirements outlined by *Exhibit D* of the contract agreement are as follows:

1. A profit and loss statement, balance sheet, cash flow statement, and budget variance report showing the results of operation of the Golf Course Properties for such month and for the Agreement Year to date, which statement shall include sufficient detail to reflect all Gross Revenues and Golf Course Properties Expenses, and which shall further breakdown revenues and expenses between the golf courses, restaurants, pro shop sales, rentals and lessons, and other categories as appropriate and/or as reasonably required by County.
2. Total Rounds Report with comparison to prior year
3. Course Maintenance Schedules
4. Update on Current Conditions
5. Rate Schedule for each player category
6. Capital Projects Update

COVID-19 IMPACT

The COVID-19 public health emergency impacted the standard operating procedures for most organizations, including Golf Brevard and the County. The unique challenges imposed by the COVID-19 pandemic influenced golf course managment in a variety of ways, including but not limited to, employee availability, increases to COVID related expenditure, rounds of golf played by the public, staffing shortages, and employees needing to perform multiple duties. Golf Brevard was able to maintain operations through the COVID-19 public health emergency and have worked closely with the County to ensure all challenges to standard operation have been addressed.

OBJECTIVES AND APPROACH

OBJECTIVES

The objective of this contract compliance audit was to evaluate compliance with the agreement between the County and the vendor to determine whether processes are sufficiently documented, compliant and performed within the requirements of the agreement. Our objective was to assess whether Golf Brevard, Inc. is aligned with its contractual agreement with the County.

APPROACH

Our audit approach consisted of the following three phases:

Understanding and Documentation of the Contract and Process

During the first phase, we performed the following:

- Conducted an entrance conference and met with those involved with the contract compliance and monitoring responsibilities over the selected contract from the respective department to discuss the scope and objectives of the cycle audit, obtain preliminary data, and establish working arrangements;
- Obtained copies of contract agreements and any amendments, financial information and other documents deemed necessary;
- Reviewed the applicable State Statutes and County policies; and
- Conducted interviews with responsible personnel from the vendor and the selected department/division to obtain an understanding of the unique aspects of the process in order to perform walkthroughs and our testing.

Detailed Testing

The purpose of this phase was to test compliance based on our understanding of the Contract Compliance process. Our fieldwork testing was conducted utilizing sampling and other auditing techniques to meet our audit objectives outlined above. Our testing included services performed for the time period of September 1, 2018 through October 31, 2021. Specific procedures performed include:

- Gathering and evaluating background information on the County's contract compliance procedures and any required controls or documentation;
- Obtaining and reviewing background information on the contract, including contract copy, contract administrator information, and detail of required reporting documentation;
- Selecting samples from various financial and operational components, including: financial and operating monthly and annual reporting packages; maintenance history, policies, and procedures; daily; staffing personnel listing; ongoing monitoring of customer complaints; and insurance policies;
- Assessing the overall contract compliance processes and controls to determine effectiveness; and
- Summarizing and charting financial performance and key performance indicators over the duration of our audit period.

Reporting

At the conclusion of this audit, we summarized our findings related to this internal audit and reviewed with the respective members of County Management. We have incorporated management's response into our report.

OBSERVATIONS MATRIX

Observation	1. Reporting Package Documentation
Moderate	

Exhibit D of the contract agreement between the County and Golf Brevard, Inc. outlines the required monthly and annual reporting due to the County from Golf Brevard, Inc. A total of nine (9) reports are expected to be provided by Golf Brevard, Inc. monthly and for the Agreement Year to date. The detailed reporting and frequency requirements per the contract are outlined in the table below. Through detail testing, we noted that not all reporting was provided by Golf Brevard, Inc. to the County, as required by the contract.

Monthly Reporting

We selected a sample of six (6) months over our audit period and requested the reporting packages submitted by Golf Brevard, Inc. to the County. Through testing of the six (6) months selected for testing, we identified the following exceptions related to monthly reporting:

- *Financial Reporting*
  - 1 of 6 of sampled months did not provide a P&L Statement timely.
  - 1 of 6 of sampled months did not provide a Statement of Cash Flows timely.
  - 1 of 6 of sampled months did not provide a Balance Sheet timely.
  - 1 of 6 of sampled months did not provide a Budget Variance Report timely.
  - 1 of 6 of sampled months did not include Budget Variance Reporting.
- *Operational Reporting*
  - 1 of 6 of sampled months did not include Total Rounds Report with comparison to prior year report.
  - 2 of 6 of sampled months did not include Capital Projects Updates.
  - 4 of 6 of sampled months did not include Course Maintenance Schedules.
  - 1 of 6 of sampled months did not include Current Conditions Updates for both golf properties.

Report Name	Frequency
Profit and Loss Statement (by Golf Course)	Monthly & Annual
Statement of Cash Flows	Monthly & Annual
Balance Sheet	Monthly & Annual
Budget Variance Report	Monthly & Annual
Total Rounds Report	Monthly & Annual
Course Maintenance Schedules	Monthly & Annual
Rate Schedule for each player category	Monthly & Annual
Capital Projects Update	Monthly & Annual
Update on Current Conditions	Monthly & Annual

Additionally, we found that at the time of this report, the reporting package for October 2021 has not yet been provided by Golf Brevard to the County. Further, we noted that the course maintenance schedules provided give limited updates on the maintenance performed, and do not generally outline regular schedules or procedures **(See Observation #2).**

Annual Reporting

In addition to monthly reporting, audited financial reports are to be provided to the County at Golf Brevard, Inc.'s fiscal year end. We selected one (1) annual reporting period, FY2020, to verify compliance with the contract. An annual report summarizing high-level overview of the operational performance, course conditions, and goals was provided to County staff on December 3, 2021, but did not included audited financial statements . Audited annual financial reports are required by the agreement to be submitted to the County, and the financial reporting required by *Exhibit D* were either unaudited, incomplete and/or missing, and therefore not in compliance with the terms of the contract.

OBSERVATIONS MATRIX – CONTINUED

Observation	1. Reporting Package Documentation – continued
	We noted that Golf Brevard, Inc. is undergoing a change in accounting process, transitioning from an in-house bookkeeper to an outsourced accounting firm. Historical reconciliation is being performed by the newly contracted accounting firm. We have communicated with the new accounting firm who has confirmed that they are working with Golf Brevard, Inc. management to catch up with reporting requirements, however at the time of this report, this process is still ongoing. At the time of this report, an annual audited financial reporting package for FY2021 has not yet been provided to the County. These reports are intended to provide the County with a comprehensive financial perspective and summarized operational performance of Golf Brevard, Inc.'s management and business at the County's Golf Properties. Without timely reporting, the County may not be able to evaluate the financial stability of golf operations and make strategic decisions timely.
Recommendation	We recommend that Golf Brevard, Inc. continue to evaluate their accounting processes to ensure that all required reporting can be completed and timely communicated to the County in compliance with the requirements of the contract. We acknowledge that the County is in the process of evaluating changes to the contractually required reporting documents. Based on the monitoring performed by the County Parks and Recreation team and the repayment of the County's loan, we would support a reduction in the reporting required of Golf Brevard.
Management's Response	**Response:** County staff attend monthly Golf Brevard, Inc. meetings and hold quarterly joint meetings with Golf Brevard, Inc. Additionally, staff and an independent golf consultant inspect the two golf courses four times per year. County staff receive monthly maintenance reports and maintenance is discussed in advance with County staff. The 2020 Annual Report was received on December 3, 2021. **Responsible Party:** Monthly Reporting: Throughout the beginning years of the Agreement, financial reporting was challenging for a fledgling organization. In April 2021 Golf Brevard, Inc. began working with the professional accounting firm CRI to evaluate our organization's accounting procedures and internal controls. As a consequence, new and improved procedures have been adopted. CRI also is assisting Golf Brevard, Inc. in preparing its own accurate and timely financials by providing a software system and data input that complies with generally accepted accounting procedures. This will enable Golf Brevard. Inc., to produce timely and accurate financial reports each month. Annual Reports: In 2020, Golf Brevard, Inc. experienced leadership transition and the COVID pandemic hit. When it was discovered that the 2020 Annual Report was not submitted, this oversight was remedied immediately. **ECD:** Complete, testing will be performed during the next round of follow up testing

OBSERVATIONS MATRIX – CONTINUED

Observation — **2. Maintenance Policies and Procedures**

Low

Per Section 8.2 *Obligations of GOLF BREVARD, INC. and COUNTY for Repairs, Replacements, and Maintenance,* Golf Brevard, Inc. is required to keep the Golf Course Properties, including all fairways, greens, tees and tee boxes, bunkers, water hazards, and practice ranges in good condition and repair. *Exhibit B* of the contract agreement requires that Golf Brevard, Inc. develop formal programs and procedures to document and plan for the maintenance of all properties. Through testing, we noted that no formal process or procedural documentation was provided for the following maintenance programs, as required by the agreement:

Required Documentation	Description	Documentation Provided by Golf Brevard?
Preventative Maintenance Program	For all mechanical, electrical and plumbing systems, and equipment	✗
Tree Plan	To encompass tree maintenance, placement, trimming, and replacement	✗

Although the County has not identified persistent or emergent maintenance concerns at either golf facility, documentation does not exist to describe the policies and procedures, frequency, or maintenance expectations of the golf properties. Currently, Golf Brevard, Inc. relies on institutional expertise of management to identify regular maintenance needs, plan for scheduled and unscheduled maintenance operations, and determine whether maintenance is being performed in the manner specified by the agreement.

Without formal policies or procedures to guide maintenance activities or a process to track all maintainenece performed, the County must rely on their own inspection to independently verify that preventiative and standard maintenance practices, including top-dressing and overseeding, bunker maintenance, mowing, and other critical maintenance procedures are being performed in line with the expectations of the County, and is unable to identify maintenance procedures that should be performed by Golf Brevard at any given point in time. Additionally, without sufficient policies and procedures in place, Golf Brevard, Inc. may not be able to provide for effective succession planning. Without sufficient successon planning, the County may not be able to efficiently and effectively continue operations in the instance that changes that may occur with key Golf Brevard, Inc. personnel.

Recommendation

We recommend Golf Brevard, Inc., in collaboration with the County, formally document all maintaintance procedures performed to golf course properties. This documentation should be designed to promote consistent and defined expectations in the performance of course maintenance.

Further, we recommend that Golf Brevard, Inc. formally identify and track all upcoming planned and unplanned maintenance to achieve the maintenance standards identified in the contract.

OBSERVATIONS MATRIX – CONTINUED

Observation	2. Maintenance Policies and Procedures – continued
Management's Response	**Response:** County staff attend monthly Golf Brevard, Inc. meetings and hold quarterly joint meetings with Golf Brevard, Inc. Additionally, staff and an independent golf consultant inspect the two golf courses four times per year. County staff receive monthly maintenance reports and maintenance is discussed in advance with County staff. An Annual Preventative Maintenance Program will be submitted at the beginning of each fiscal year. An Annual Tree Plan will be submitted at the beginning of each fiscal year. A summary of the Annual Preventative Maintenance Program and the Annual Tree Plan for the previous year will be included in the year-end report. Golf Brevard, Inc. performs customer service satisfaction surveys annually through the Rosen School of Hospitality Management. **Responsible Party:** Golf Brevard, Inc. **ECD:** For FY 2022, the Annual Preventative Maintenance Program and Tree Plan reports will be submitted to County staff on or before March 31, 2022.

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Brevard County
Half-Cent Sales Surtax – Save Our Indian River Lagoon ("SOIRL") FY 2020 Internal Audit Report

March 22, 2022

RSM

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TRANSMITTAL LETTER

March 22, 2022

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to the approved Brevard County ("County") Fiscal Year ("FY") 2019/2020 internal audit plan, we hereby present our internal audit report of the Half-Cent Sales Surtax – Save Our Indian River Lagoon Project ("SOIRL") covering FY 2020. Below is an overview of the SOIRL timeline.

FY 2017	The County began collecting surtax revenue in January 2017. RSM issued the first SOIRL report dated October 25, 2017 and presented to the Audit Committee on November 1, 2017 and to the independent SOIRL Citizen Oversight Committee ("COC") on November 17, 2017. Our report included walkthroughs and control design assessments of the interlocal agreement process as well as the County's financial system, SAP, project tracking processes, and account monitoring and oversight. There were minimal expenditures and as such no expenditures were tested.
FY 2018	RSM issued the FY 2018 SOIRL report dated May 2, 2018 and presented it to the audit committee on May 16, 2018. A copy was provided to the SOIRL COC. In addition to sharing the project plan status, the scope of the detailed transaction testing in this report included revenue, interlocal contracting and expenditures.
FY 2019	RSM issued two SOIRL reports during FY 2019 dated November 7, 2018 and August 7, 2019. They were presented to the Audit Committee on November 7, 2018 and August 21, 2019, respectively, and to the SOIRL COC in January 2019 and October 2019. The scope of the detailed transaction testing in these reports focused on revenues and expenditures for a sample of projects as well as providing unaudited example project timelines.
FY 2020	RSM completed the draft FY 2020 SOIRL report on March 22, 2022 and will present to the Audit Committee on April 20, 2022. The scope of the detailed transaction testing focused on revenues, procurement, and expenditures. Internal Audit fieldwork was scheduled for March 2020 and was interrupted by the COVID-19 pandemic. Testing and analysis of collections, as well as attending COC meetings occurred throughout FY 2020, while expenditure and procurement testing was completed in FY 2022. The final report will be presented to the SOIRL COC in an upcoming meeting.
FY 2021	RSM issued the FY 2021 SOIRL report dated June 9, 2021 and presented to the Audit Committee on June 9, 2021, and to the SOIRL COC in July 2021. The scope of the detailed transaction testing in this report included revenues and expenditures.

RSM is currently planning for the FY 2022 audit. We would like to thank the staff in County Finance, Central Services, Natural Resources Department and all those involved in assisting the Internal Auditors in connection with this review.

Respectfully Submitted,

RSM US LLP

INTERNAL AUDITORS

EXECUTIVE SUMMARY

Background

On November 8, 2016, the citizens of Brevard County passed a Half-Cent Sales Surtax to address the critical need of funding to implement the SOIRL Project Plan aimed to meet water quality targets and improve the health, productivity, aesthetic appeal, and economic value of the lagoon. The surtax is effective for a period of ten years, beginning January 2017, and was originally projected to generate $302 million in funding.

The original Project Plan ("Plan") was developed in partnership with scientists, economists, environmentalists and multiple government agencies. The first annual Plan update was recommended by the COC and approved by the Board of County Commissioners ("BOCC") in March 2017. Local stakeholders submit projects annually to the County for inclusion in the Plan which are reviewed by the COC and approved for Plan inclusion by the BOCC. The most recent plan update was approved by the BOCC in February 2022.

The County manages certain projects in the Plan and contracts directly with the respective organizations/contractors to complete the work. Key accounting and compliance duties in the administration of the Plan are segregated between the County's Central Services Office and County Finance. The County's Central Services function drives the procurement and contracting. In addition, certain portions of the Plan require the County to enter into agreements with local municipal governments where the Indian River Lagoon ("IRL") shares jurisdiction. Based upon the current Project Plan, as amended, there are multiple municipal partners with whom the County contracts, on a reimbursement basis, to complete projects funded by the surtax. An agreement must be executed for each project, so there may be multiple agreements for one municipality. County Finance receives the deposit of SOIRL funds directly from the Florida Department of Revenue and disburses the funds for eligible expenditures directly to municipal partners/vendors.

Summary of Results		
FY 2020		
Collections	Expenditures	Procurements
✓	✓	✓

Objectives and Approach

FY 2020 – Internal Audit fieldwork was scheduled for March 2020 and interrupted due to the COVID-19 pandemic. During FY 2020, the SOIRL COC continued to meet. These meetings were attended by RSM, as we have done in all other periods.

The primary purpose of the internal audit of the Half-Cent Sales Surtax is to test the appropriateness, existence and accuracy of the SOIRL activities as reported by the County Management to the COC, BOCC and general public. Our audit approach consisted of the following phases:

Understanding and Documentation of the Process

We obtained preliminary data from County Finance, Central Services and Natural Resources relative to our in-scope period. We reviewed the COC committee meeting minutes as well as relevant Statutes, Ordinances, Administrative Orders and written policies and procedures. We completed a thorough procurement process review with Central Services to develop the process maps.

Testing and Reporting

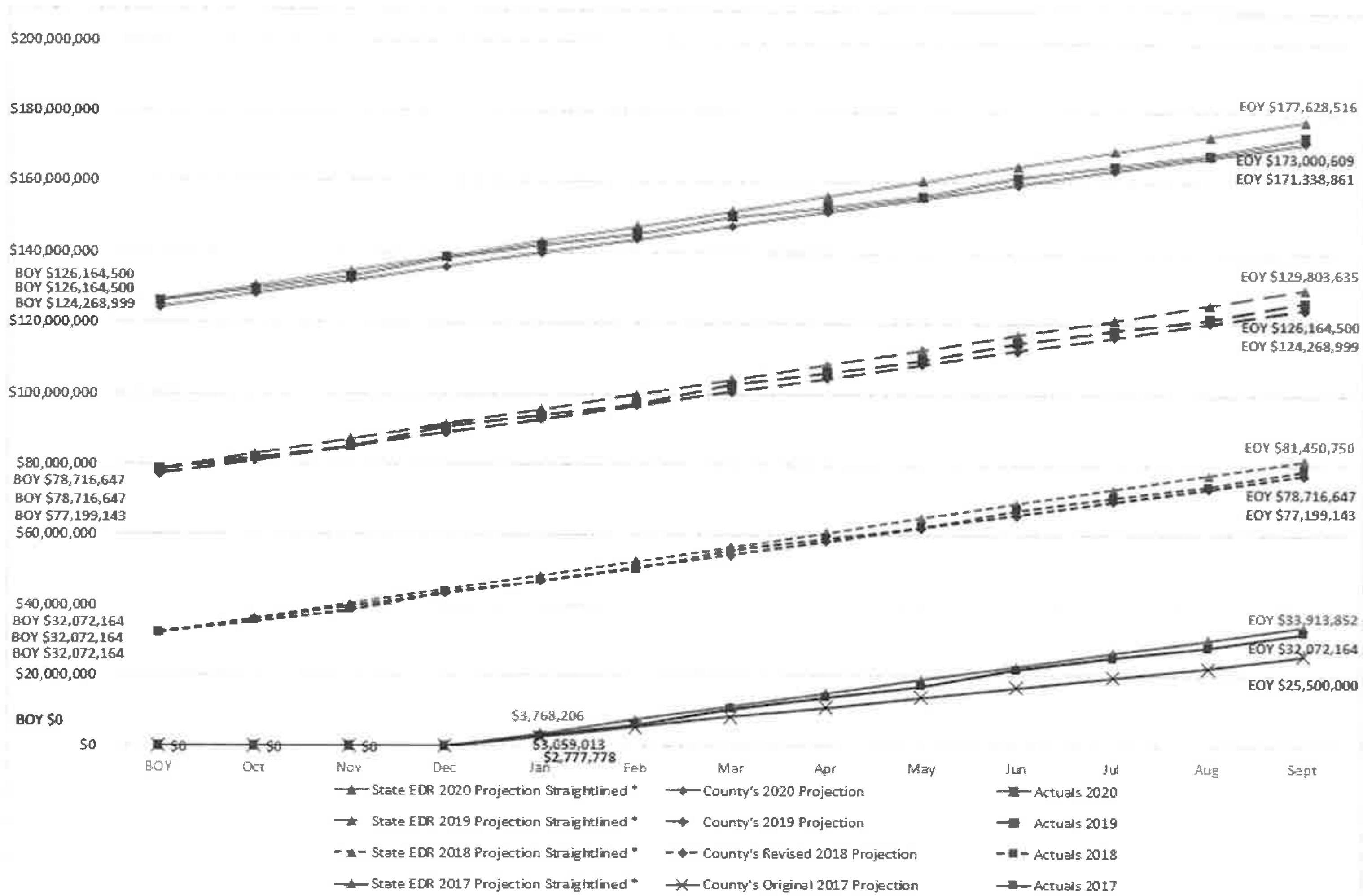
For the scope period October 1, 2019 through September 30, 2020, RSM performed select audit procedures including confirmation of reported surtax collections, validation of a sample of expenditure supporting documentation, and review of procurement documentation for compliance with applicable Florida Statutes and BOCC policies and procedures. We judgmentally sampled non-project procurements as well as approved projects for testing, considering amount spent during the scope period, prior audit testing, and complexity of the contract as follows:

- Confirmed 100% of collections independently through the Department of Revenue.
- 30 out of 58 active projects selected for expenditure testing, representing $9,313,657 of $11,147,517 (83.6%) total expenditures during the scope period.
- Reviewed evidence of proper procurement compliance for 20 of 60 vendors to whom payments were made of SOIRL funds during the in-scope period. The expenditures of the vendors tested represented $3,755,925 of the $4,101,475 vendor related expenditures (91.6%). Contracts and expenditures for the County's municipal, vendor partners are tested as part of the expenditure testing noted above.

We compiled the results of our detailed testing into this written report.

OVERVIEW

On November 8, 2016 the citizens of Brevard County passed a Half-Cent Sales Surtax to address critical need of funding to implement the Plan. The surtax is effective for a period of ten (10) years, with collections starting January 1, 2017. As is customary with sales tax, the first payment is received 2-3 months after being earned, starting with January collections being paid in March 2017. The below graphic represents projected vs. actual collections. This graphic is updated and published by the County on their website and presented to the COC.

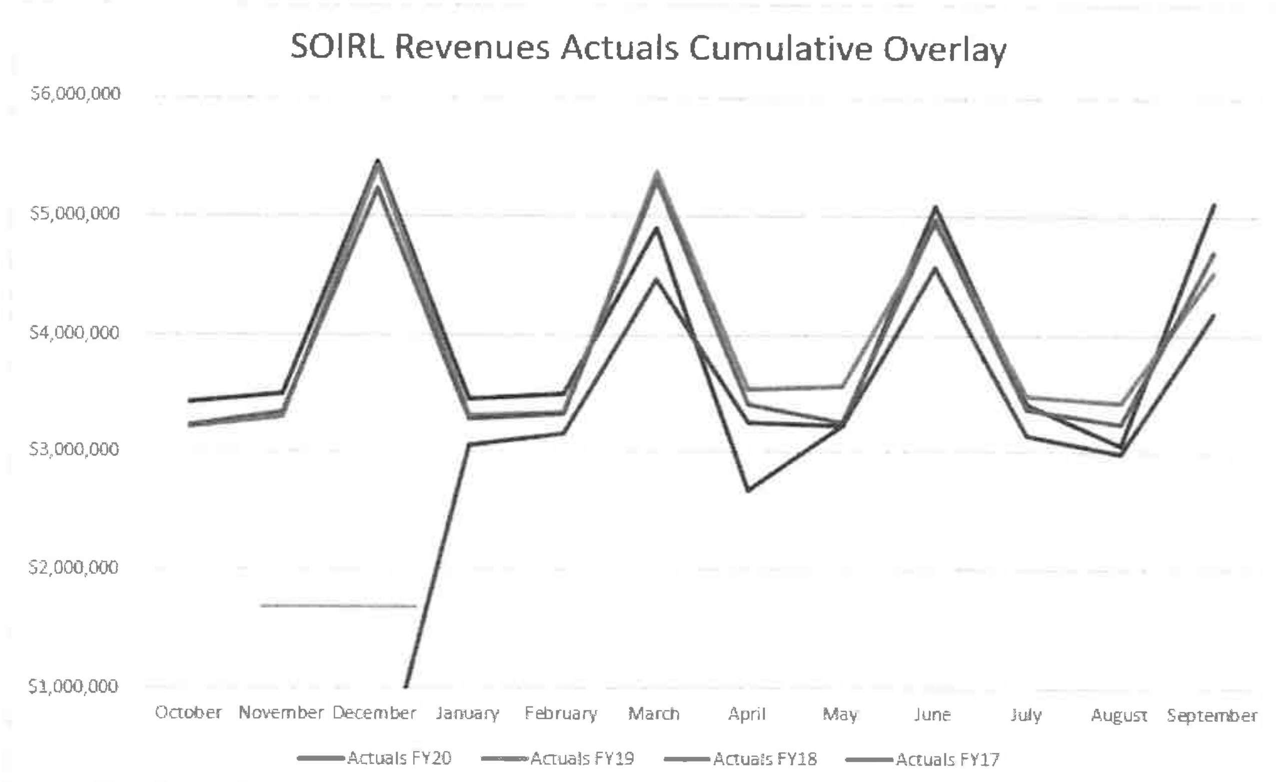


RESULTS

Collections Testing

The County receives a monthly Surtax deposit via ACH from the State of Florida. County Finance receives an e-mail from the Department of Revenue to login to their account detailing the revenue collections for the covered period. Information included are multiple tax types and the reported totals for the month being deposited. The funds are deposited directly from the Florida Department of Revenue to the County and County Finance posts the journal entry to the SOIRL trust fund. We obtained the County's general ledger from County Finance for the period in scope and independently confirmed the reported revenues for the SOIRL surtax by comparing to the Department of Revenue's publicly available surtax transaction detail in order to test for completeness and accuracy of the County's reported SOIRL surtax collections. ***No exceptions were noted in our testing.***

The surtax allocation trends of actual collections over the scope period are illustrated below.



FY 2020 Impacts of COVID-19

Due to the COVID-19 pandemic, the County collected approximately 0.5% less surtax funds than originally budgeted in FY 2020. Overall, the impact from COVID-19 on collections for the SOIRL trust fund was minimal.

Brevard County

RESULTS – CONTINUED

Expenditures

The County reported a total of $11,147,517 in SOIRL expenditures from the SOIRL trust fund for the period of October 1, 2019, through September 30, 2020. This amount agrees to the County's audited Annual Comprehensive Financial Report. Those expenditures funded 58 active projects during the scope period. Of the active projects, we obtained support through County Finance and SAP for a sample of 30 projects totaling $9,313,657 (83.6%) of the total SOIRL expenditures during the in-scope period. The projects sampled were judgmentally selected to provide a high level of coverage. The table shown below is the compiled results of the testing procedures and a description of testing attributes that were completed for the current round of testing. ***No exceptions were noted in our testing.***

	Waste Water Treatment		Septic Removal by Sewer			Public Education Finance			Monitoring & Respond					Oyster Bars & Planted Shorelines	
Detailed Procedures	Cocoa Beach Water Reclamation Facility Upgrade	City of Titusville Osprey WWTF Nutrient Mgt Upgrade 2	Merritt Island Redevelopment Agency ("MIRA") Septic Phase Out Project	Sylvan Estates Septic-to-Sewer Conversion	South Beaches Zone A	Oyster Gardening	Expanded Fertilizer Education	Septic system Maintenance Education	Community Groundwater Monitoring	Kilroy Maintenance	Living Shoreline Monitoring	Grand Canal Sediment Testing	Plan Updates	Brevard Zoo Central IRL Oyster Project 2	Brevard Zoo North IRL Oyster Project
Vendor(s)	City of Cocoa Beach, Ortega Industrial Contractors	City of Titusville, CDM Smith	Utility Services Department	City of West Melbourne, Atlantic Development of Cocoa, Infrastructure Solution Services	Individual homeowners	East Coast Zoological Society	Marketing Talent Network Inc	Marketing Talent Network Inc	Applied Ecology Inc	Ocean Research & Conservation	University of Central Florida	Applied Ecology Inc, Pace Analytical Services LLC, Geosyntec Consultants Inc	Tetra Tech Inc	East Coast Zoological Society	East Coast Zoological Society
Approved Contract	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Set Contracted Values	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assigned Task Order	1	1	5	1	3	4	✓	✓	✓	4	4	✓	✓	4	4
Invoice Supported and Reviewed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Proof of Payment Reviewed*	✓	✓	5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reimbursement Package Reviewed[3]	✓	✓	5	✓	✓	4	2	2	2	4	4	2	2	4	4
Municipality Proof of Payment[1]	✓	✓	5	✓	3	4	2	2	2	4	4	2	2	4	4
Expense Allowable per Program	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

RESULTS – CONTINUED

	Stormwater Projects								Muck Removal & Interstitial						Septic System Upgrades
Detailed Procedures	Basin 10 County Line Road Woodchip Bioreactor	Carter Road Biosorption Activated Media Basin 115	Fleming Grant Biosorption Activated Media Basin 2134	Cliff Creek Baffle Box	St Teresa Basin Treatment	La Paloma Basin Treatment	South Street Basin Treatment	Broadway Pond Biosorption Activated Media Basin 832	Grand Canal Muck & Interstitial Treatment	Sykes Creek Muck & Interstitial Treatment	Cocoa Beach Muck Dredging Phase IIB	Cocoa Beach Muck Dredging - Phase III	Rockledge A Muck & Interstitial Treatment	Titusville Railroad West	North IRL 586 Septic System Upgrades
Vendor(s)	Cathcart Construction Company	Gregori Construction & Engineering	Cathcart Construction Company	City of Melbourne, Hinterland Group Inc	City of Titusville	City of Titusville	City of Titusville	Cathcart Construction Company	The Courier Journal Inc, Atkins North America Inc, Waterfront Property Services LLC	Florida Fish & Wildlife, The Title Station Inc, Taylor Engineering Inc	City of Cocoa Beach, Central Sands Inc, Mead & Hunt	City of Cocoa Beach, Central Sands Inc, Mead & Hunt	GHD Services Inc	Tetra Tech Inc GHD Services Inc	Environmental Conservation, Individual homeowners
Approved Contract	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Set Contracted Values	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assigned Task Order	6	6	6	1	1	1	1	6	6	6	1	1	✓	✓	3
Invoice Supported and Reviewed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Proof of Payment Reviewed*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reimbursement Package Reviewed[1]	6	6	6	✓	✓	✓	✓	6	6	6	✓	✓	2	2	✓
Municipality Proof of Payment[1]	6	6	6	✓	✓	✓	✓	6	6	6	✓	✓	2	2	3
Expense Allowable per Program	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* All SOIRL payments and/or journal entries are processed by the County Finance Department.

Notes for numbered procedures:

1. SOIRL projects completed by municipalities will not have assigned task orders as these documents are specific to projects that are implemented by Brevard County staff and contractors. The municipality submits an application for reimbursement. The supporting documentation submitted for these applications includes the invoices documenting the municipality has received the goods and/or services and municipality proof of payment as evidence the municipality subsequently paid for those goods and/or services.
2. SOIRL projects where Brevard County is the responsible entity, and the contract is for continuing services; will have assigned task orders and/or invoices for completion of work from those task orders. As such, those projects will not have reimbursement packages or proof that another municipality has paid for those goods and/or services.
3. SOIRL septic system upgrades are reimbursement agreements with individual homeowners and therefore would not have assigned task orders and/or the municipality involvement for proof of payment.
4. These SOIRL projects are contracts with not-for-profit organizations and/or Universities and require an invoice and a documentation package, but not an assigned task order, reimbursement package and/or the municipality involvement for proof of payment.
5. SOIRL projects completed by a county redevelopment agency normally would have assigned task orders and proof of payment. However, the SOIRL portion of this project's costs was only for the utility connection fees for individual homeowners and the SOIRL payment was performed as an interdepartmental journal entry to the Utility Services Department. There has no municipality involvement for proof of payment and no reimbursement package as this is not a reimbursement.
6. SOIRL projects where Brevard County is the responsible entity, and the contract is for construction; will have invoices for completion of work. As such, those projects will not have assigned task orders, reimbursement packages or proof that another municipality has paid for those goods and/or services.

RESULTS – CONTINUED

Procurement

We obtained the expenditure detail from County Finance exported from SAP for the SOIRL trust fund during FY 2020. We selected a judgmental sample of 20 of the 60 vendors and performed detailed testing to determine if proper procurement processes were followed for each vendor. The vendor expenditures of the sampled vendors represented $3,755,925 of the $4,101,475 vendor related expenditures (91.6%). See table below for a description of testing procedures and detailed testing results. ***No exceptions were noted in our testing.***

	Sampled Vendors									
Detailed Procedures*	Alan Jay Chevrolet Cadillac Inc.	Applied Ecology Inc.	Atkins North America	Bussen-Mayer Engineering Group	Cathart Construction Company	Dell Marketing LP	East Coast Zoological Society	Environmental Conservation Services	Florida Institute of Technology	GHD Inc.
Purchase Order Approved by Purchasing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Purchase Thresholds and Related Required Admin Approvals Reviewed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Purchase Served Public Purpose and Related to SOIRL Project	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
No Bid Splitting to Avoid Competitive Solicitation Reviewed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Procurement Method	PB	RFQ/CCNA	RFQ/CCNA	RFQ/CCNA	ITB	FLSC	MOA	SS	LA	RFQ/CCNA

	Sampled Vendors									
Detailed Procedures*	Gregori Construction & Engineering	GeoSyntec Consultants Inc.	IRL Council	Ocean Research & Conservation	Randstad North America Inc.	Taylor Engineering	TetraTech Inc.	The Title Station	University of Central Florida	Waterfront Property Services
Purchase Order Approved by Purchasing	✓	✓	✓	✓	✓	✓	✓	Land	✓	✓
Purchase Thresholds and Related Required Admin Approvals Reviewed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Purchase Served Public Purpose and Related to SOIRL Project	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
No Bid Splitting to Avoid Competitive Solicitation Reviewed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Procurement Method	ITB	RFQ/CCNA	Inter-Local	SS	ITB	RFQ/CCNA	RFQ/CCNA	Land	Co-op	ITB

*Detailed Procedures are based on Applicable Florida Statutes ("FS"), BOCC Policies ("BCC"), BOCC Administrative Order ("AO"), and Purchasing Services ("PS") Procedures as follows: FS 287.017, 287.055, 287.057; BCC-25, BCC-26; AO-29. See Appendix D for process maps for procurement process flow, required purchase thresholds approvals and related internal controls.

Notes:

- PB - procured via a piggyback agreement and approved by the BOCC pursuant to BCC-25 and associated FS.
- RFQ/CCNA - procured via a request for qualifications under the Consultant's Competitive Negotiation's Act and approved by the BOCC pursuant to BCC-26 and BCC-25 and associated FS.
- LA - procurement selection of vendor specified by legislative appropriation and the associated grant and approved by the BOCC pursuant to BCC-25 and associated FS.
- ITB - procured via an invitation to bid and approved by the BOCC pursuant to BCC-25 and associated FS.
- FLSC - procured via the Florida State Contract and approved by the BOCC pursuant to BCC-25 and associated FS.
- MOA - procured via memorandum of understanding and approved by the BOCC pursuant to BCC-25 and associated FS.
- SS - procured via single source method and approved by the BOCC pursuant to BCC-25 and associated FS.
- Land - procurement related to the acquisition of land (purchase orders are not issued for land acquisitions) and approved by the BOCC pursuant to BCC-25 and associated FS.
- Co-op - procured via cooperative agreement and approved by the BOCC pursuant to BCC-25 and associated FS.
- Inter-Local – An Inter-Local Agreement with the following counties: Volusia, Indian River, St. Lucie, and Martin.

APPENDIX A: ORDINANCE 2016-15

- The BOCC adopted Ordinance 2016-15 on August 23, 2016. The ordinance placed a Tax Referendum on the upcoming election ballot for voter consideration.
- On November 8, 2016, within the territorial limits of Brevard County, the Tax Referendum was voted on and passed with 62% favorable vote, to allow for a half-cent sales surtax on sales within the County.
- This legally restricted tax will help pay to restore the IRL over a 10-year period by implementing the approved SOIRL Project Plan, as amended.

- The Ordinance authorizes the use of the half-cent sales surtax to provide restoration services to improve the quality of the water and the lagoon through methods such as:
    - Wastewater Treatment Facility Upgrades for Reclaimed Water,
    - Fertilizer Education,
    - Storm-water Outfall Treatment,
    - Septic to Sewer Integration,
    - Septic Upgrades,
    - Muck Removal and Dredging,
    - Oysters and Restoring Living Shorelines and
    - Monitoring, Reporting and Adapting.

APPENDIX B: SOIRL COMMITTEE

The Oversight Committee

The Ordinance requires the creation of SOIRL COC, which consists of seven members and seven alternate members across seven different fields:

- Finance
- Science
- Tourism
- Real Estate
- Technology
- Education / Outreach
- Lagoon Advocacy

Additionally, the COC meetings typically include the following County staff at each meeting:

- Natural Resources Management ("NRM") Director
- Assistant County Attorney
- Executive Secretary
- SOIRL Program staff, as appropriate

SOIRL COC Role

The role of the SOIRL COC per the Bylaws adopted on February 17, 2017, is to review monitoring data on timeliness of project delivery, actual and updated project costs, and actual nutrient removal effectiveness; review new literature and local studies on the types of projects included in the plan and potential alternative project types; evaluate alternative project proposals received from the community; and recommend adjustments to the Project Plan to be approved by the Board of County Commissioners.

Meetings

Since December 16, 2016, the SOIRL COC is scheduled to meet monthly. Meetings are open to the public and include time for public comments. Meeting minutes and agenda are available at the website: http://www.brevardfl.gov/SaveOurLagoon.

2020 Citizen Oversight Committee

- John Windsor (2019 Vice Chair, 2020 Chair), Lagoon Advocacy Member
- Courtney Barker (2020 Vice Chair), Finance Member
- David Lane (2018 Vice Chair, 2019 Chair), Tourism Member
- Stephany Eley (2018 Chair), Education/Outreach Member
- Lorraine Koss (2017 Chair), Science Member
- Jay Moynahan, Real Estate Member
- John Luznar, Technology Member
- Charles Venuto, Science Alternate
- Terry Casto, Lagoon Advocacy Alternate
- Vinnie Taranto, Technology Alternate
- Dennis Basile, Real Estate Alternate
- Melissa Martin, Education Alternate
- Todd Swingle, Finance Alternate
- Laurilee Thompson, Tourism Alternate

APPENDIX C: PROJECT PLAN

The original Plan was developed in partnership with scientists, economists, environmentalists, and multiple government agencies. The first annual plan update was recommended by the COC in February and approved by the BOCC in March 2017. Local stakeholders are provided the opportunity to submit projects annually to the County for inclusion in the plan. These projects are reviewed by the COC and approved for inclusion by the BOCC.

The SOIRL tax was approved for ten (10) years. The plan projects have been prioritized and ordered to deliver improvements to the lagoon in the most beneficial spatial and temporal sequence with the ultimate goal of a healthy IRL system. If a future project is ready to move forward earlier than scheduled in the plan, if such advancement is consistent with temporal sequencing goals in the plan and is recommended by the COC, and if there are sufficient SOIRL trust fund dollars available, the County Manager (for budget changes less than $100,000) or BOCC have the authority to adjust the project schedule at any time to ensure that approved projects funded in the plan move forward as soon as feasible. The timing of the projects is shown in the figure below.

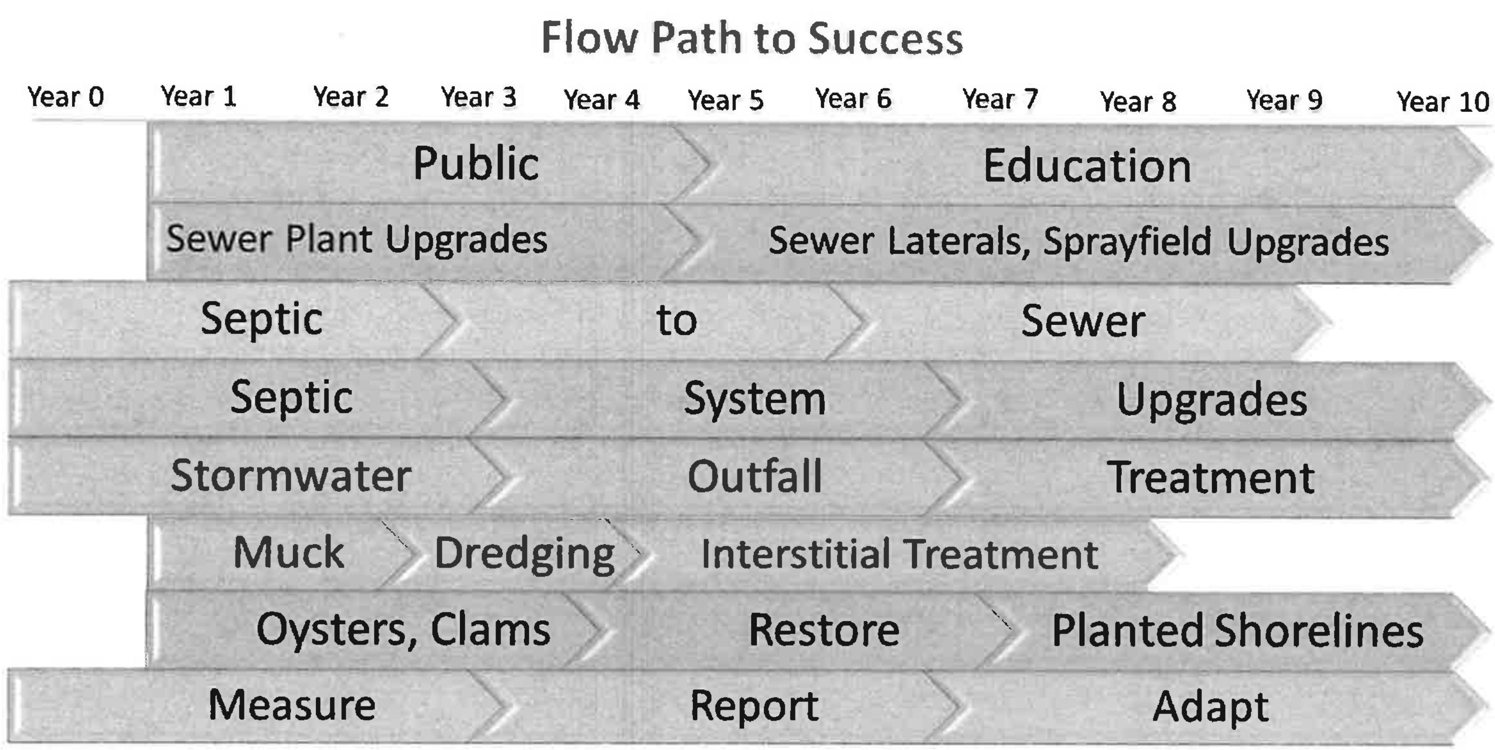
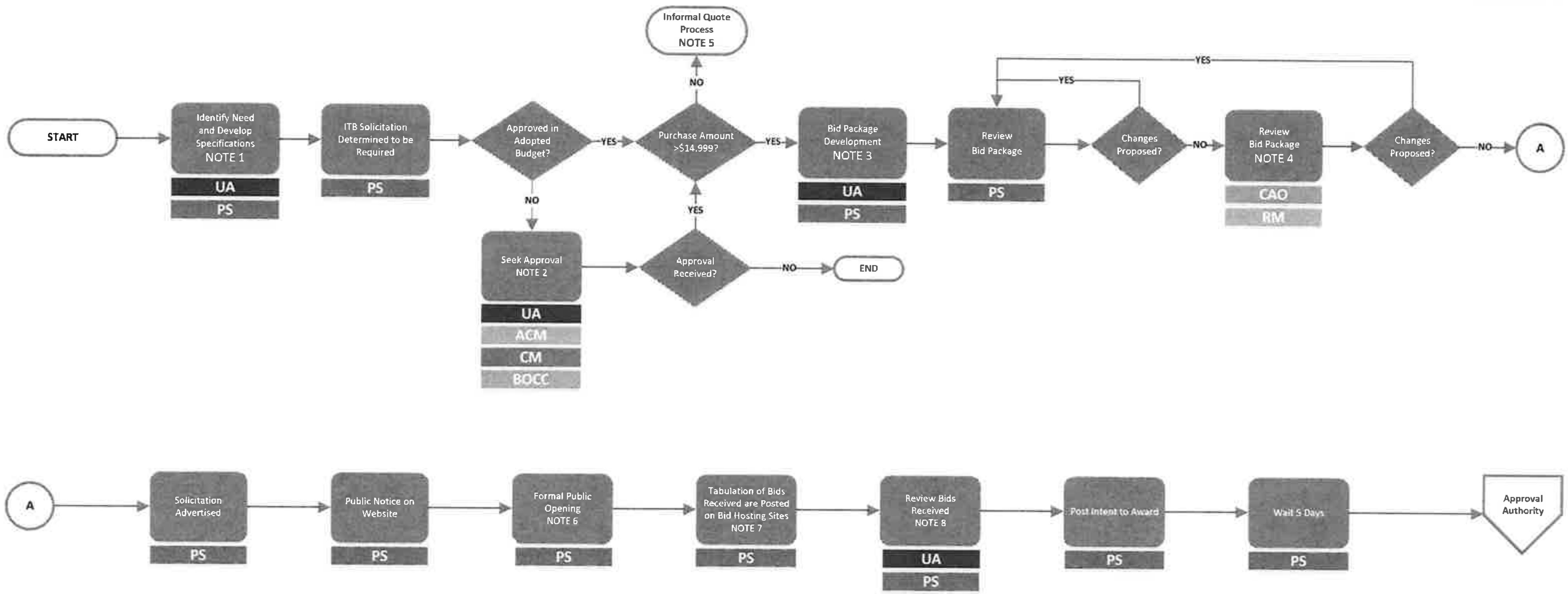


Figure ES-1: Save Our Indian River Lagoon Project Implementation Schedule

APPENDIX D: PROCUREMENT PROCESS MAP

Continued on next page.

Appendix D - Brevard County Invitation to Bid ("ITB") Solicitation and Evaluation Process

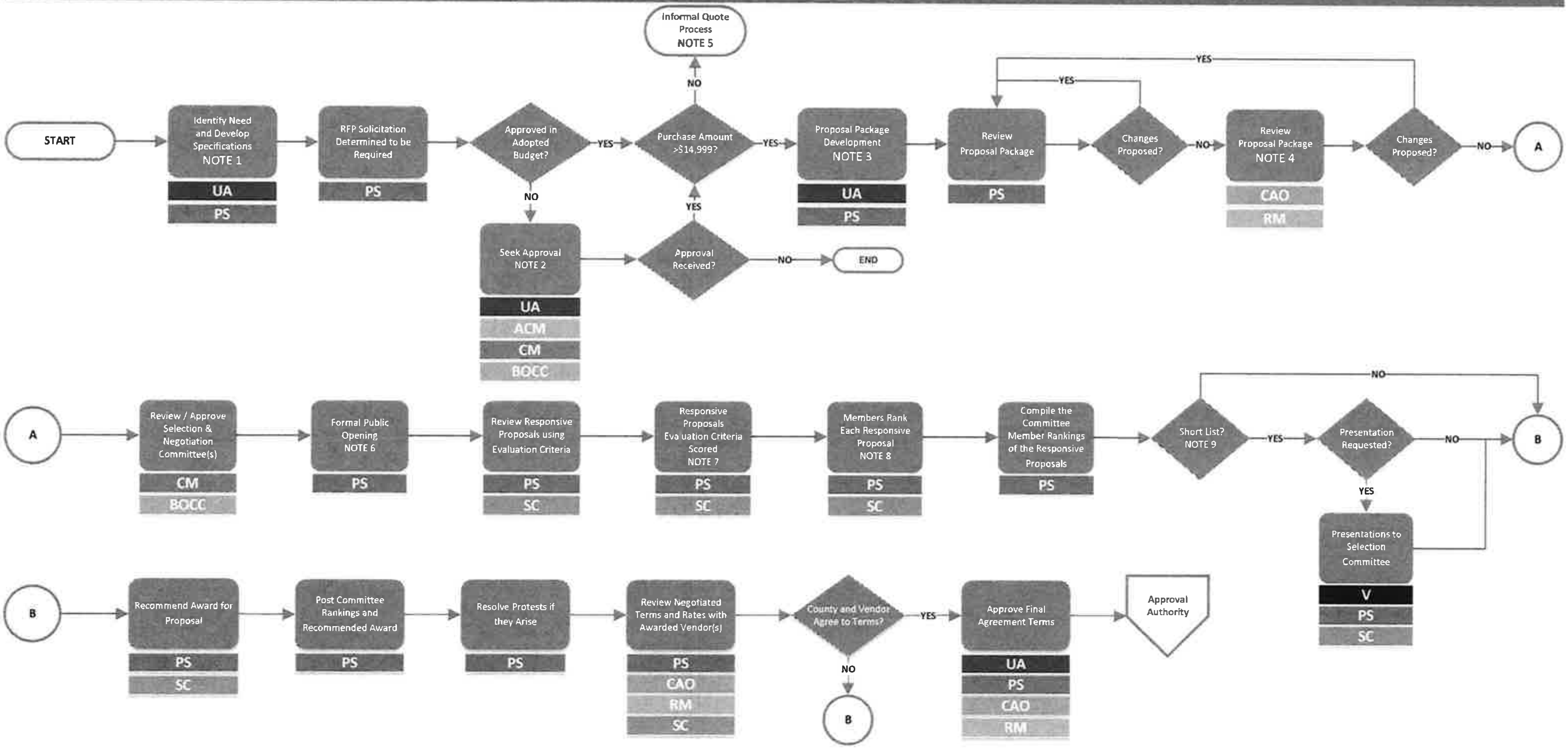


NOTES:

NOTE 1: The County's Purchasing Manual provides specifications that define the level of performance required rather than specific brand name. The User Agency is expected to show the estimated cost for the purchase, recommended sources, and an adequate scope of work. However, requisitions must not give specifications favoring one supplier to the exclusion of all others. Additionally, the scope of work is reviewed by Purchasing Services to verify accuracy and competitive requirements.
NOTE 2: Formal bid thresholds: $15,000-$24,999 requires Director approval; $25,000-$49,999 requires Assistant County Manager approval; $50,000-$99,999 requires County Manager approval; <$99,999 requires BOCC approval.
NOTE 3: The User Agency prepares and submits scope specifications for any formal sealed bid package to Purchasing Services.
NOTE 4: Solicitations that incorporate templates approved by CAO and RM will not require further review. However, any exceptions to the approved templates will require approval by CAO and RM.
NOTE 5: The County makes every effort to solicit at least three (3) responsive and qualified sources for quotes.
NOTE 6: Bids shall be opened in public at the date, time, and place stated in the public notices.
NOTE 7: Tabulations are posted on bid hosting sites, which are Demand Star and Vendor Link, no later than three (3) business days after a public opening. The County's purchasing website has links to these bid hosting sites.
NOTE 8: Purchasing Services verifies that the lowest responsive bidder is qualified. Purchasing Services may use experts to assist in this determination.

County Manager ("CM")	Purchasing Services ("PS")	County Attorney Office ("CAO")	User Agency ("UA")	Budget Office ("BO")
Assistant County Manager ("ACM")	Risk Management ("RM")	Selection Committee ("SC")	Vendor ("V")	Board of County Commissioners ("BOCC")

Appendix D - Brevard County Request for Proposal ("RFP") Solicitation and Evaluation Process



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NOTE 3: The User Agency prepares and submits scope specifications and evaluation criteria to be used for any formal sealed proposal package to Purchasing Services.

NOTE 4: Solicitations that incorporate templates approved by CAO and RM will not require further review. However, any exceptions to the approved templates will require approval by CAO and RM.

NOTE 5: The County makes every effort to solicit at least three (3) responsive and qualified sources for quotes.

NOTE 6: Proposals shall be opened in public at the date, time, and place stated in the public notices.

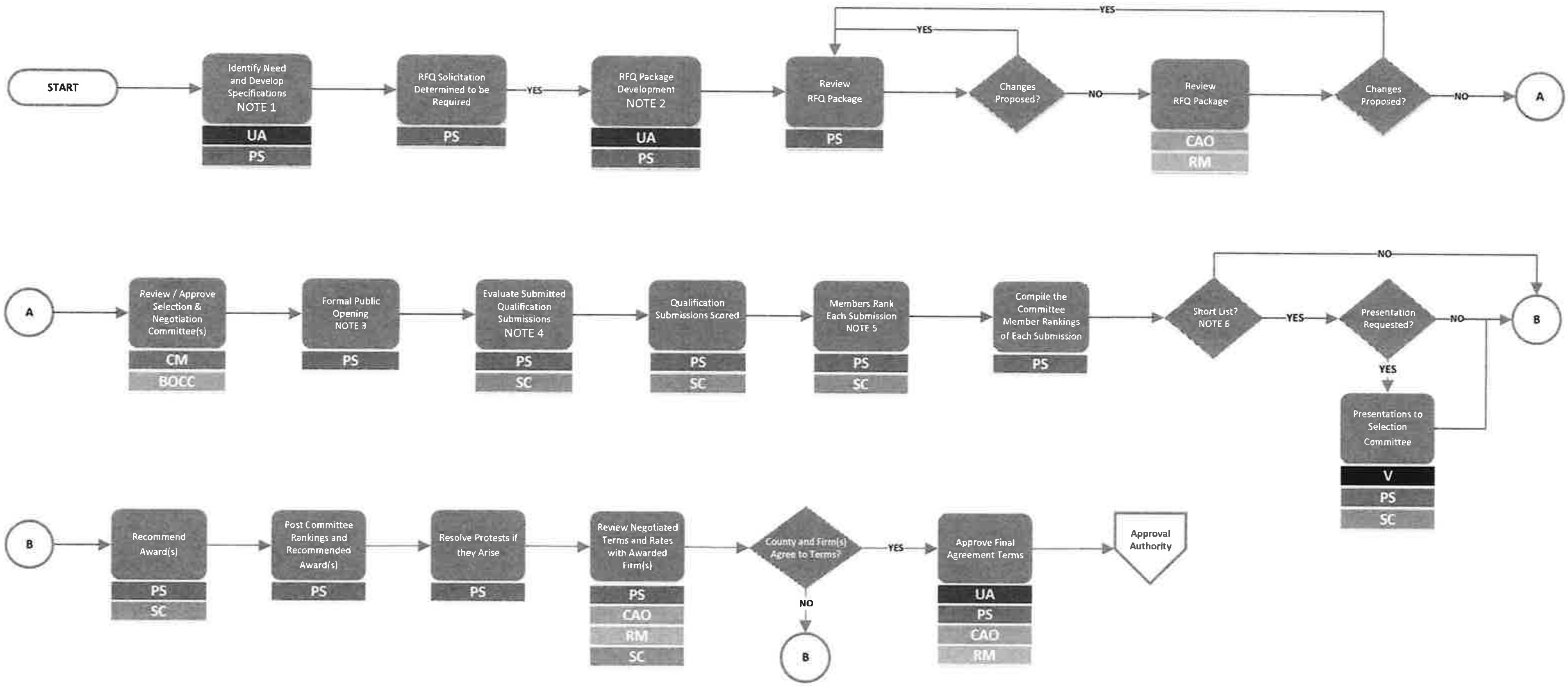
NOTE 7: For RFPs, price will be objectively scored, as shown, when applicable and where able to do so. Experience, capacity for additional work and references are some of the additional criteria evaluated when scoring proposals.

NOTE 8: Each committee member shall then rank each proposal's score, with the highest score given a number one (1) and so on, until all vendors have a ranked score. A scoring sheet shall be completed by each voting committee member. The rankings are then added for each vendor and the vendor(s) with the lowest sum of collective rankings is recommended for award.

NOTE 9: The short list includes the highest ranked proposal(s) that have met all solicitation requirements and are in final consideration for award.

County Manager ("CM")	Purchasing Services ("PS")	County Attorney Office ("CAO")	User Agency ("UA")	Budget Office ("BO")
Assistant County Manager ("ACM")	Risk Management ("RM")	Selection Committee ("SC")	Vendor ("V")	Board of County Commissioners ("BOCC")

Appendix D - Brevard County Request for Qualifications ("RFQ") Solicitation and Evaluation Process



NOTES:

NOTE 1: BCC-26 requires the details of recommended projects shall be submitted to the Board for consideration. If approved, the Board minutes shall reflect approval of the project, method of financing, and appointment of a selection committee.
NOTE 2: The User Agency prepares and submits scope of services for any RFQ package to Purchasing Services.
NOTE 3: Submissions shall be opened in public at the date, time, and place stated in the public notices.
NOTE 4: Submissions are evaluated by the best qualifications and capability to perform. See BCC-25 and BCC-26 for further qualifications and requirements.
NOTE 5: Based on criteria in BCC-25 and BCC-26, each committee member shall then rank each submission's score, with the highest score given a number one (1) and so on, until all submissions have a ranked score. A scoring sheet shall be completed by each voting committee member. The rankings are then added for each vendor and the vendor(s) with the lowest sum of collective rankings is recommended for award.
NOTE 6: The short list includes the highest ranked submission(s) that have met all solicitation requirements and are in final consideration for award.

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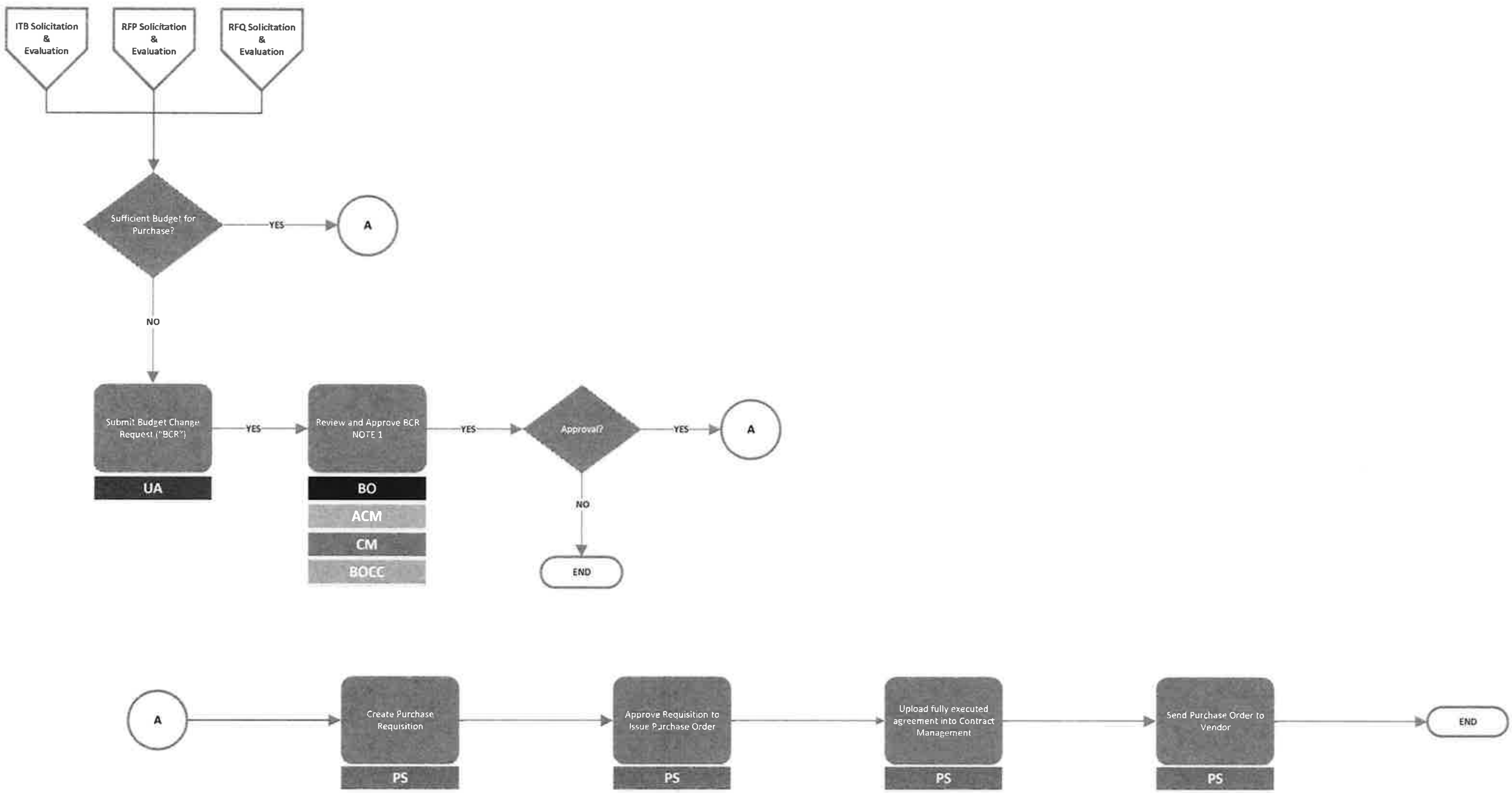
Appendix D - Brevard County Approval Authority for Purchase Orders and Task Orders



NOTE:

NOTE 1: Per BCC-21, the BCR approval thresholds are: $0-$25,000 requires Budget Office Director approval; $25,001-$50,000 requires Assistant County Manager approval; $50,001-$100,000 requires County Manager approval; <$100,000 requires BOCC approval.

County Manager ("CM")	Purchasing Services ("PS")	County Attorney Office ("CAO")	User Agency ("UA")	Budget Office ("BO")
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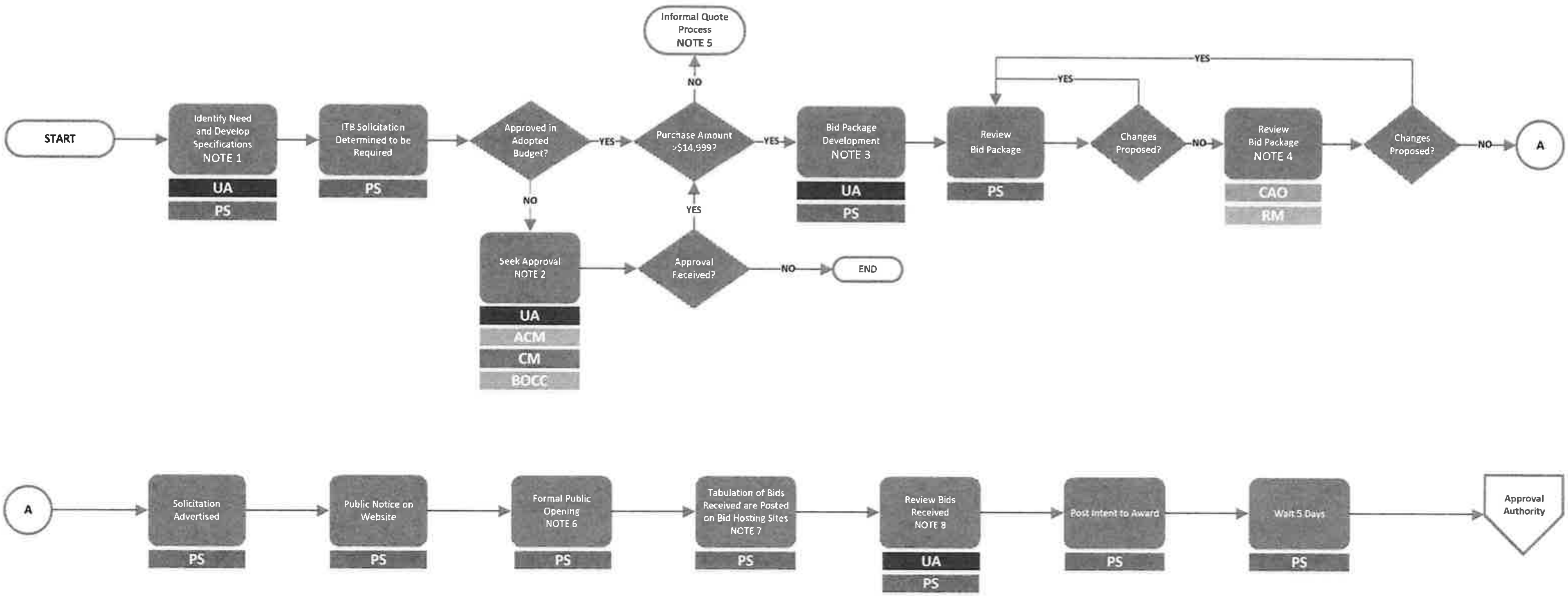
RSM US LLP
7351 Office Park Place
Melbourne, Florida 32940-8229
(321) 751-6200
www.rsmus.com

Appendix D - Brevard County Invitation to Bid ("ITB") Solicitation and Evaluation Process



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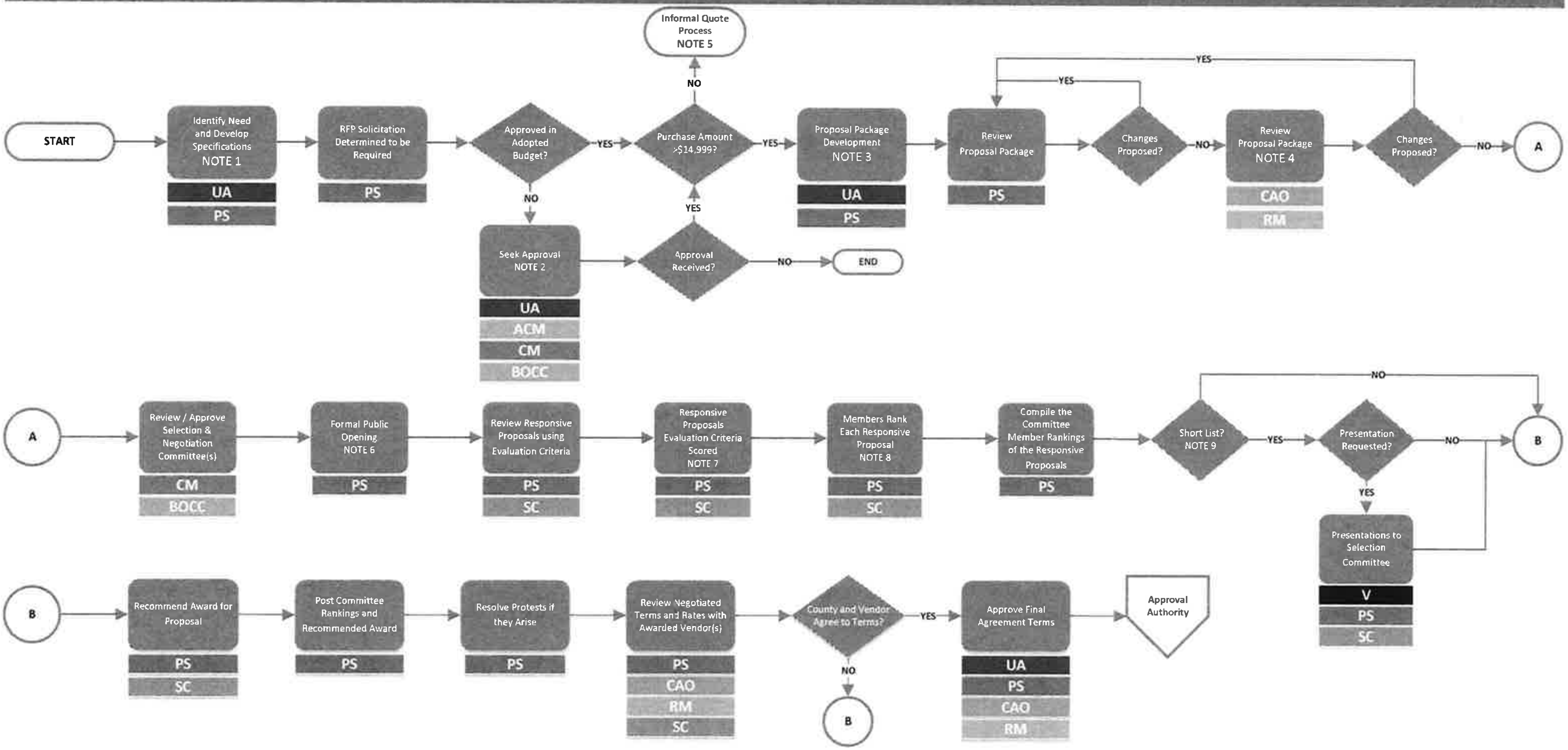

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NOTE 4: Solicitations that incorporate templates approved by CAO and RM will not require further review. However, any exceptions to the approved templates will require approval by CAO and RM.

NOTE 5: The County makes every effort to solicit at least three (3) responsive and qualified sources for quotes.

NOTE 6: Proposals shall be opened in public at the date, time, and place stated in the public notices.

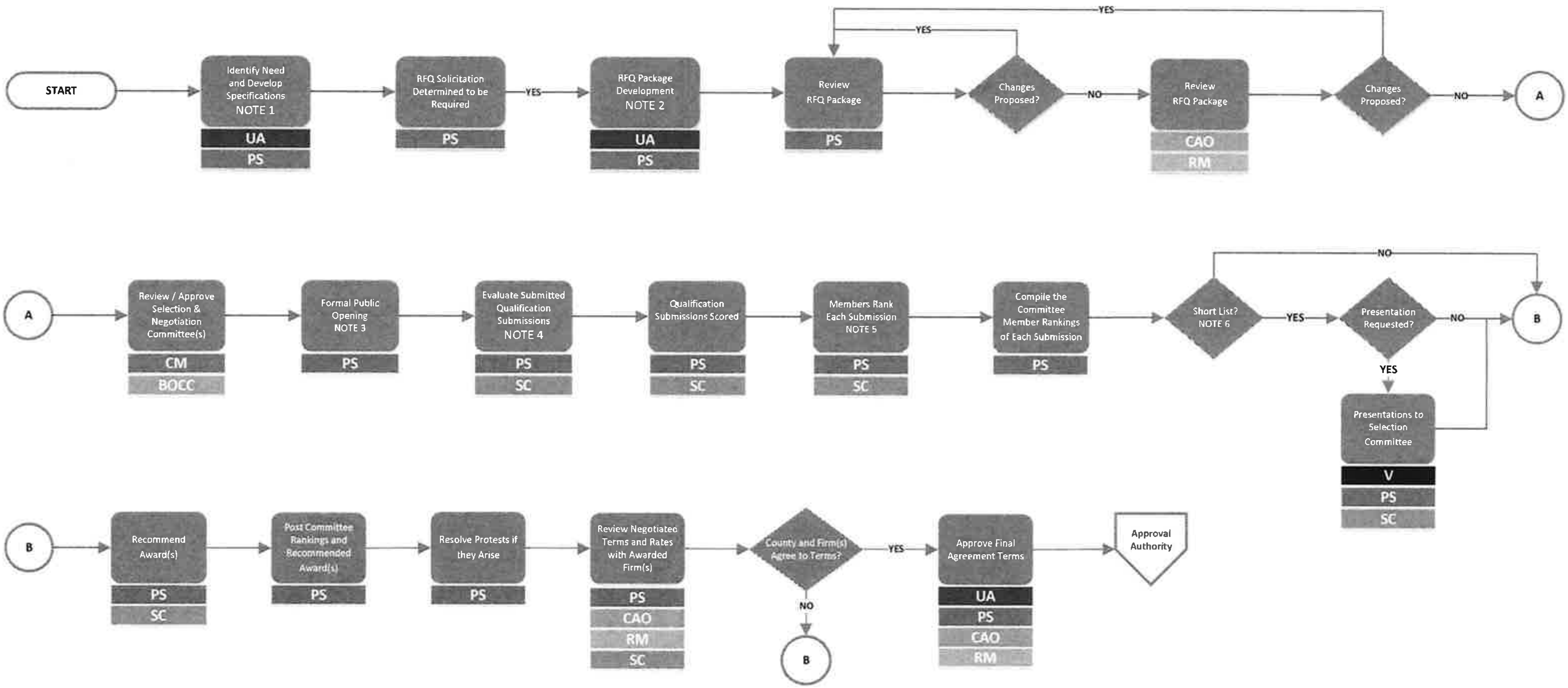
NOTE 7: For RFPs, price will be objectively scored, as shown, when applicable and where able to do so. Experience, capacity for additional work and references are some of the additional criteria evaluated when scoring proposals.

NOTE 8: Each committee member shall then rank each proposal's score, with the highest score given a number one (1) and so on, until all vendors have a ranked score. A scoring sheet shall be completed by each voting committee member. The rankings are then added for each vendor and the vendor(s) with the lowest sum of collective rankings is recommended for award.

NOTE 9: The short list includes the highest ranked proposal(s) that have met all solicitation requirements and are in final consideration for award.

County Manager ("CM")	Purchasing Services ("PS")	County Attorney Office ("CAO")	User Agency ("UA")	Budget Office ("BO")
Assistant County Manager ("ACM")	Risk Management ("RM")	Selection Committee ("SC")	Vendor ("V")	Board of County Commissioners ("BOCC")

Appendix D - Brevard County Request for Qualifications ("RFQ") Solicitation and Evaluation Process



NOTES:

NOTE 1: BCC-26 requires the details of recommended projects shall be submitted to the Board for consideration. If approved, the Board minutes shall reflect approval of the project, method of financing, and appointment of a selection committee.
NOTE 2: The User Agency prepares and submits scope of services for any RFQ package to Purchasing Services.
NOTE 3: Submissions shall be opened in public at the date, time, and place stated in the public notices.
NOTE 4: Submissions are evaluated by the best qualifications and capability to perform. See BCC-25 and BCC-26 for further qualifications and requirements.
NOTE 5: Based on criteria in BCC-25 and BCC-26, each committee member shall then rank each submission's score, with the highest score given a number one (1) and so on, until all submissions have a ranked score. A scoring sheet shall be completed by each voting committee member. The rankings are then added for each vendor and the vendor(s) with the lowest sum of collective rankings is recommended for award.
NOTE 6: The short list includes the highest ranked submission(s) that have met all solicitation requirements and are in final consideration for award.

County Manager ("CM")	Purchasing Services ("PS")	County Attorney Office ("CAO")	User Agency ("UA")	Budget Office ("BO")
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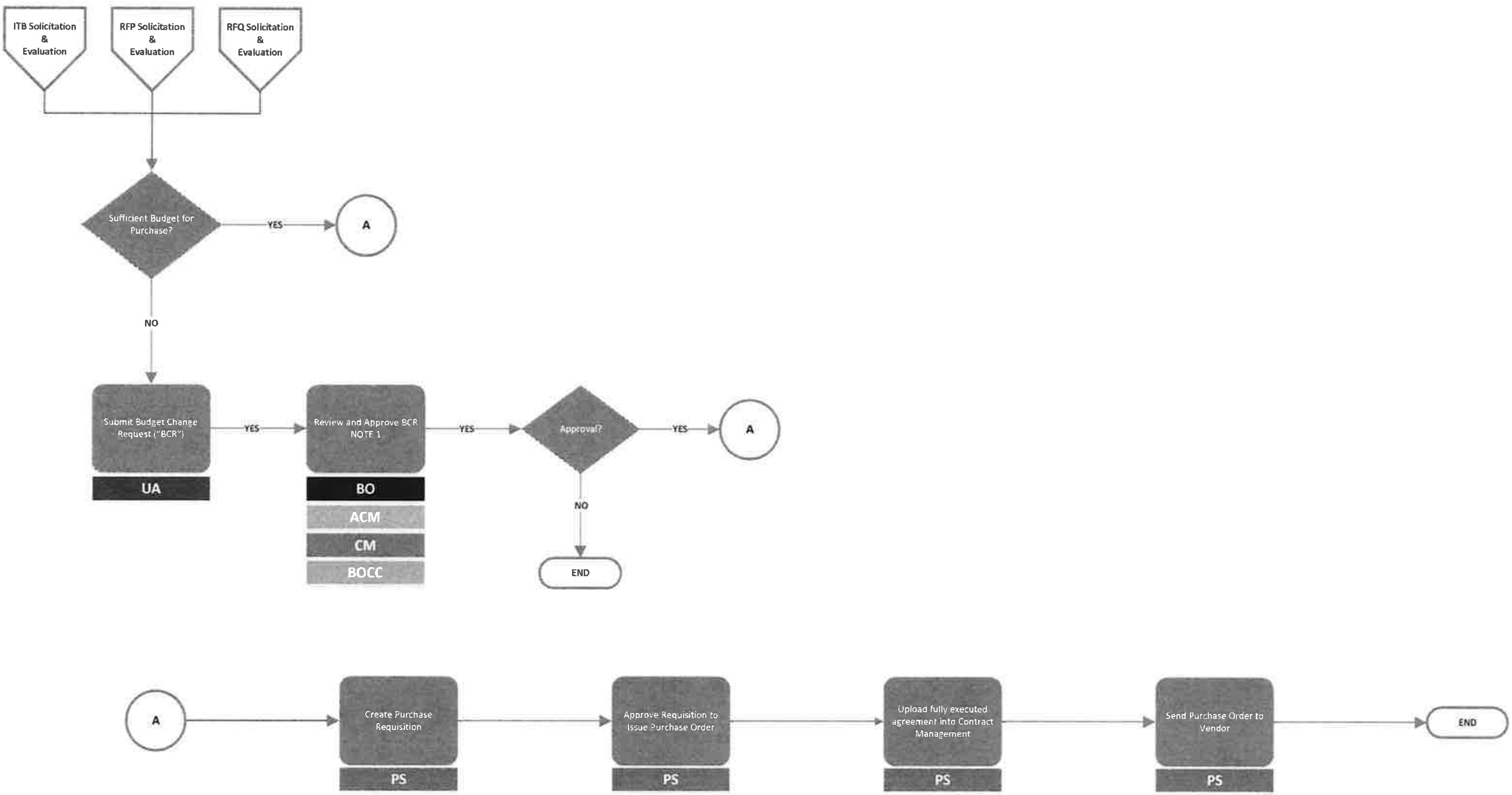
Appendix D - Brevard County Approval Authority for Purchase Orders and Task Orders



NOTE:

NOTE 1: Per BCC-21, the BCR approval thresholds are: $0-$25,000 requires Budget Office Director approval; $25,001-$50,000 requires Assistant County Manager approval; $50,001-$100,000 requires County Manager approval; <$100,000 requires BOCC approval.

County Manager ("CM")	Purchasing Services ("PS")	County Attorney Office ("CAO")	User Agency ("UA")	Budget Office ("BO")
Assistant County Manager ("ACM")	Risk Management ("RM")	Selection Committee ("SC")	Vendor ("V")	Board of County Commissioners ("BOCC")

Internal Audit Committee of
Brevard County, Florida

Internal Audit of
The Payroll Function

Prepared By:
Internal Auditors

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www.cricpa.com

Transmittal Letter

March 25, 2022

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to the approved 2021/2022 internal audit plan, we hereby submit our internal audit of the Payroll function. We will be presenting this report to the Audit Committee at the next scheduled meeting on April 20, 2022.

Our report is organized in the following sections:

Executive Summary	This provides a summary of the observations and testing results related to our internal audit of the Payroll function.
Background	This provides an overview of the Payroll function.
Objectives and Approach	The internal audit objectives and focus are expanded upon in this section as well as a review of our approach.
Observations Matrix	This section provides the results of our internal audit procedures, including our recommended actions and management's responses.

We would like to thank all those involved in assisting the Internal Auditors in connection with the internal audit of the Payroll function.

Respectfully Submitted,

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

INTERNAL AUDITORS

Executive Summary

Overview

Payroll administration is a recurring process with high financial impact. As a direct result of the payroll process, a significant portion of the County's budget is comprised of payroll costs and the related taxes and benefits.

Objective

The primary scope and objective of this audit was to assess the design and effectiveness of internal controls in place over the Payroll function and related processes, and to assess the County's compliance with certain laws, rules and applicable County policies and procedures.

Observations

Observation ratings are a subjective evaluation of the severity of the concern and the potential impact on the operations. An observation rating of "High" represents an issue of immediate concern and could cause significant operational issues if not addressed soon. A "Moderate" rating is an issue that may also cause operational issues and does not require immediate attention but should be addressed as soon as possible. Observations given a "Low" rating could escalate into operational issues but can be addressed through the normal course of conducting business.

The following is a summary of observations noted.

Observation	Risk Rating
1. ***Termination/Separation Payout*** - For 11 out of 40 terminated/separated employees tested, no screen shot of the balance in SAP was retained as support for the amount used to calculate the leave payout amount. For 1 out of 40 terminated/separated employees tested, there was no evidence that the payout calculation was reviewed by someone other than the preparer.	**Moderate**
2. ***Benefit Deductions*** - During our testing of payroll, we noted that for 4 out of 40 employees selected, the supporting forms were not provided and/or included in the employee personnel file as authorization for deductions from the respective employee's payroll check.	**Moderate**
3. ***Pay Rate Changes*** – During our review of the November 2021 (FY2022) "Valbasis" (Other Pay) report, we observed that there was an error related to hazard pay for Facilities. Hazard pay is an additional $1.00/hr. and only applies to Facilities personnel; however, we observed that for one Facilities employee the hazard pay was $8.00/hr.	**Moderate**
4. ***Personnel Records*** - Based on inquiry and observation, we noted that personnel files are stored securely in a vault in the Records section of the Office of Human Resources (HR). Further, the room has a self-closing door which locks each time it closes. Besides the Records Supervisor, the Records Supervisor indicated that other HR office staff in both Records and Personnel sections have keys as well. However, there is no sign out log for the keys and no list of employees that currently have custody of the keys.	**Low**

Background

Overview

A formal risk assessment was performed by the Internal Auditors to assist in the determination of the scope of the audit. It was noted that the payroll function was subject to 3 major risk factors – financial, compliance, and public reputation.

Payroll administration is a recurring process with high financial impact. As a direct result of the payroll process, a significant portion of the County's budget is comprised of payroll costs and the related taxes and benefits. Inherent risks to the payroll administration process may include: Payroll may not be processed completely, accurately, timely, or in accordance with department/agency procedures and management's authorization. Changes to payroll may not be appropriately approved and supported. Premium pay may not be properly supported, approved, and accurately calculated. Terminations may not be processed accurately and timely or in accordance with department/agency procedures and management's authorization.

The following processes/areas were identified during the risk assessment and our initial interviews as key areas related to the payroll function:

- Processing of payroll and related taxes and benefits
- Maintenance of personnel files, including the security of such files
- Premium pay authorization and accuracy
- Compensatory time authorization and tracking
- Changes to payroll data and personnel files (Personnel Action System – PAS)
- Processing of terminated employees
- General Compliance – with County policies, Statutes, local ordinances, administrative orders, etc.

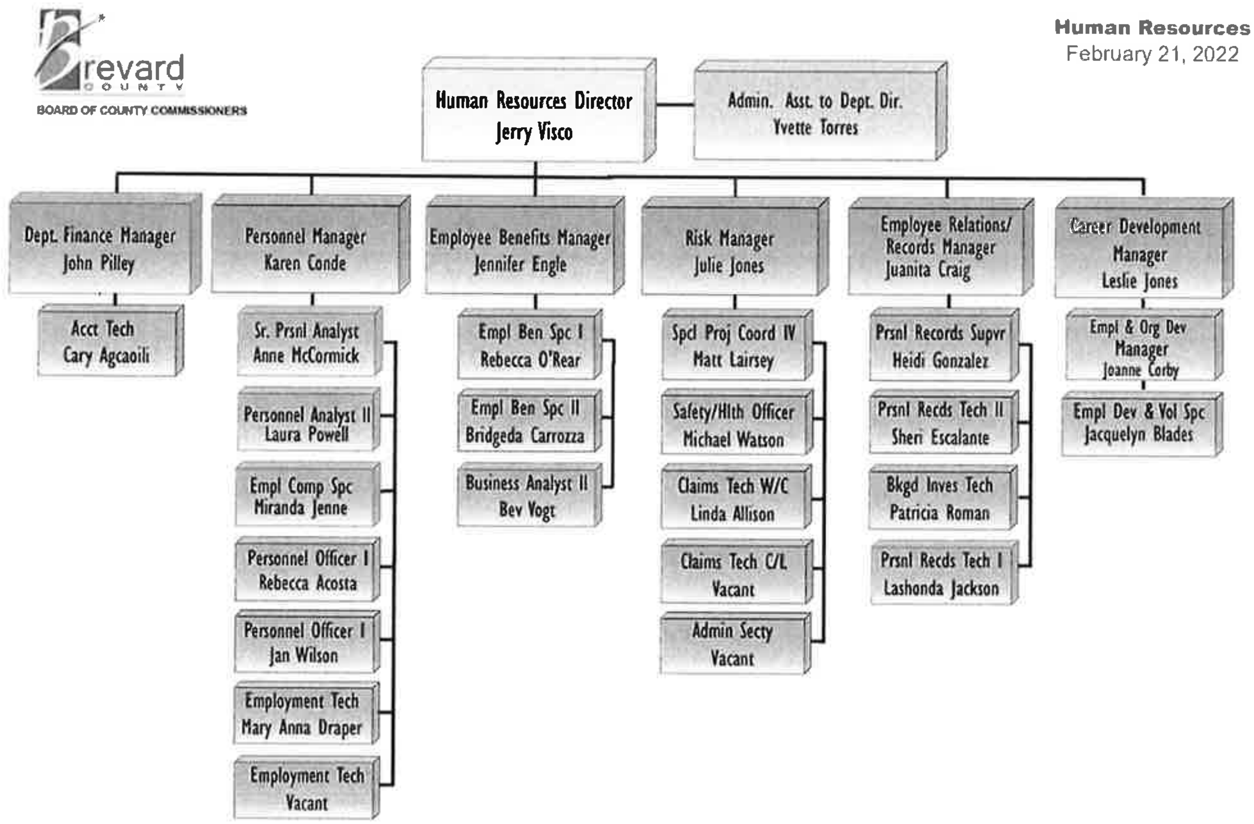
Staffing

Key personnel from the Office of Human Resources (HR) and County Finance that were involved in our internal audit of the payroll function include:

Office of Human Resources
Title
Director
Personnel Manager
Records Supervisor
Employee Benefits Manager
Employee Benefits Specialists I and II

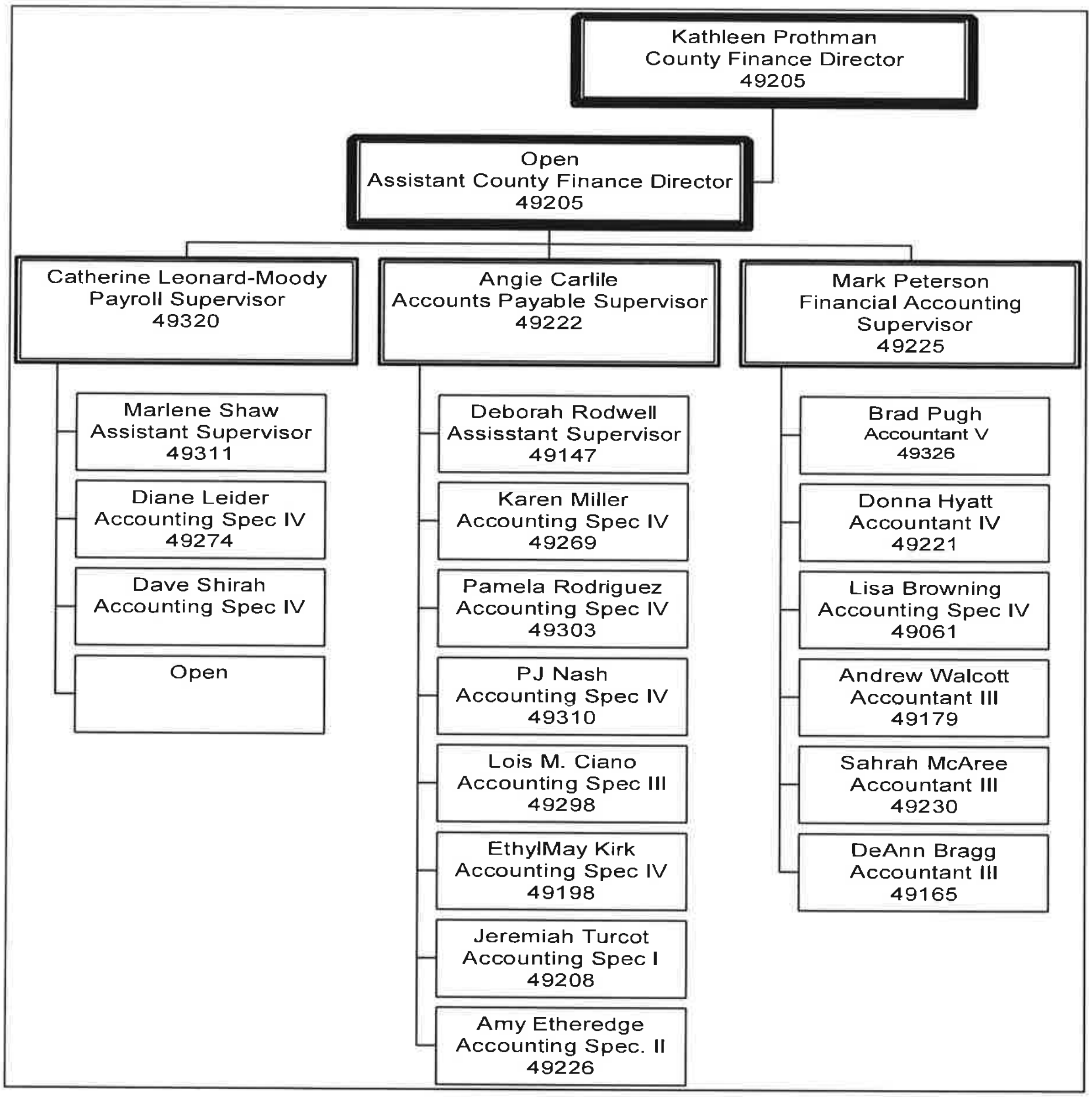
County Finance
Title
Finance Director
Payroll Supervisor

Background - continued



Background - continued

County Finance



Background - continued

The Office of Human Resources effectively carries out its programs and services in four primary areas:

- Personnel Technical Services – Recruitment and referral of applications; processing and orientation of new employees; compiling, updating, archiving, retrieving personnel records; job class / pay review and administration of pay and class plans; configuration and maintenance of the SAP HR/Admin Module and the SAP Timekeeping Module; and collective bargaining/labor agreement administration.

- Employee Relations – Process/adjudicate employee grievances and appeals; conflict intervention; employee development, supervisor, customer service and continuous improvement training; assure equal employment opportunities afforded to all; and match volunteers / interns to service needs.

- Employee Benefits – Administer insurance benefits; health & wellness; coordinate employee retirements (separations) from employment; provide appropriate HIPPA and COBRA notices.

- Risk Management - Administration of workers' compensation, auto liability, auto physical damage, general liability, property, and loss control/safety plans; and contract review.

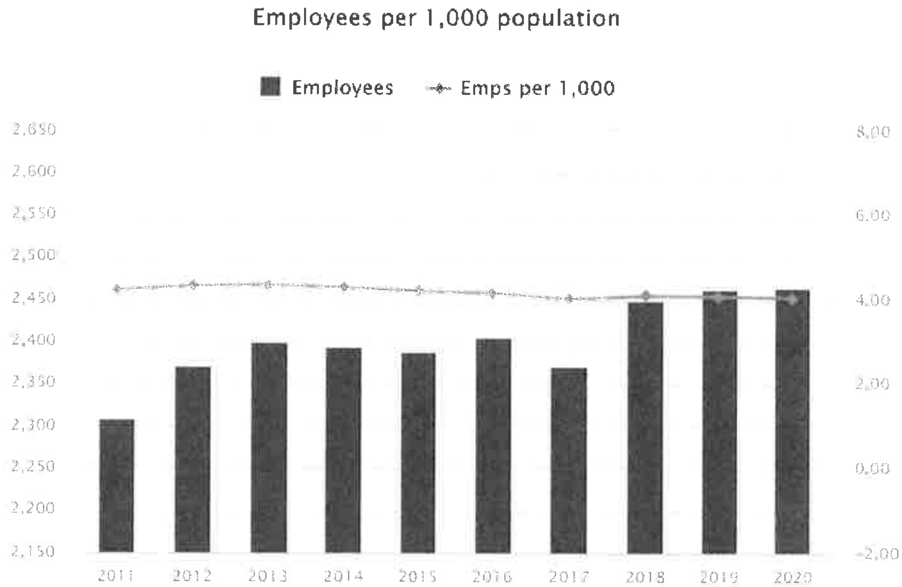
The Finance Department (County Finance) reporting structure, roles and responsibilities are described below:

- As the Chief Financial Officer of the Board of County Commissioners, the Clerk of the Circuit Court is the custodian of County funds and is responsible for the collection, safe depositing, investing, expenditure and distribution of these funds in accordance with law and administrative regulation. As an independently elected official, the Clerk's office audits each requested Board payment to ensure all tax dollars are used for a public purpose.

- The Finance Department (County Finance) provides budgetary, accounting and financial reporting services for the Board of County Commissioners and the Office of the Clerk. The Department's duties include: processing payroll; disbursing payments on contracts and purchases made within budgetary guidelines; investing surplus County funds; and overseeing the preparation and presentation of the Annual Financial Report of Brevard County, the Financial Statements of the Board of County Commissioners and the Clerk of the Circuit Court and various other state reports.

Background - continued – Select Statistics

Budget and Financial Policies



Employees	2,309.00	2,373.00	2,401.75	2,396.00	2,389.50	2,407.00	2,372.25	2,451.00	2,464.50	2,465.50
Emps per 1,000	4.24	4.34	4.36	4.30	4.22	4.17	4.03	4.11	4.09	4.06

Description:

Personnel costs are a major portion of the County's operating budget. Tracking the changes in the number of Brevard County Board of County Commissioners employees to population is a good way to track changes in expenditures. An increase in Employees per capita might indicate that expenditures are rising faster than revenues, that the County is becoming more labor intensive or that productivity is declining.

Warning Trend:

Increasing number of Brevard County Board of County Commissioner employees per capita

Formula:

Number of County employees as of October 1/Population

Source:

Brevard County Adopted Budget

United States Census Bureau

Analysis:

Since 2010 operational efficiencies have been implemented, employee productivity has increased, and number of positions have been reduced. Furthermore, the number of Brevard County Board of County Commissioners employees per capita has decreased by 4.24% since 2010 despite increasing population.

Source: BREVARD COUNTY | Annual Operating and Capital Budget Adopted FY 2021-2022

Background - continued – Select Statistics

Top County Employers

Employer	# of Employees
Brevard County School Board	9,520
Health First	7,800
Harris Corporation	5,890
Board of County Commissioners	2,380
US Department of Defense	2,170
NASA	2,067
Eastern Florida State College	1,590
Rockwell Collins, Inc.	1,410
Northrop Grumman Corporation	1,345
Florida Institute of Technology	1,280

Top County Taxpayers

Taxpayer	Taxes
Florida Power & Light	$23,798,689
Harris Corporation	$3,880,300
Walmart Stores, Inc.	$3,179,999
City of Melbourne Airport Authority	$2,682,802
Oleander Power Project, Ltd.	$1,918,702
Steward LLC	$1,867,789
Health First Physicians Real & Estate LLC	$1,844,076
Brighthouse Networks LLC	$1,375,231
AT&T Florida	$1,334,882
Publix Super Markets, Inc.	$1,276,664

Source: Florida Metro Economic Forecast UCF Institute for Economic Forecasting July 2020 & Brevard County Comprehensive Annual Financial Report 2020

Source: Annual Operating and Capital Budget – Adopted FY 2021-2022

Terminations – October 1, 2020 – September 30, 2021

Part-Time	75
Full-Time	303
Temp	113
Total	491

Active employees as of September 30, 2021:

Part-Time	263
Full-Time	1,988
Temp	90
Total	2,341

Source: Office of Human Resources

Objectives and Approach

Objectives

- Assess the effectiveness of internal controls and compliance with policies and procedures in the processing of payroll and related taxes and benefits including proper segregation of duties.
- Evaluate the accuracy of adjustments to employee records and to payroll data. Assess the controls related to this process and whether such adjustments were authorized and accurately recorded.
- Evaluate the effectiveness of controls related to the proper authorization and tracking of compensatory time/pay.
- Determine that employees are being paid in accordance with pay rates authorized by management and supported by documentation included in the employees' personnel files and/or COLA tables.
- Assess whether access to employee personnel files is adequately restricted, e.g. physical files were secured and incompatible duties (add, delete, modify) were appropriately segregated.

Approach

Our internal audit approach consisted of three phases:

Understanding and Documentation of the Process

During the first phase, we held an entrance conference with key personnel involved with the payroll function to discuss the scope and objectives of the internal audit work, obtain preliminary data, and establish working arrangements. We reviewed Florida Statutes, administrative orders, County policies/procedures and other relevant resources. We gained an understanding and documented the overall payroll function and related processes. We conducted interviews with management and staff and documented their respective roles in the processes. We updated our understanding of the processes and relevant controls.

Detailed Testing

Our detailed procedures included inquiry, walkthrough and testing of individual transactions for the significant areas listed below (period tested: October 1, 2020 – September 30, 2021).

- Processing of payroll and related taxes and benefits
- Maintenance of personnel files, including the security of such files
- Premium pay authorization and accuracy
- Compensatory time authorization and tracking
- Changes to payroll data and personnel file (Personnel Action System – PAS)
- Processing of terminated/separated employees
- General Compliance – with County policies, Statutes, local ordinances, administrative orders

Reporting

At the conclusion of our procedures, we documented our understanding of the payroll function and summarized our observations related to this function. We conducted an exit conference with management and have incorporated management's responses into our report. We prepared our report and related observations and provided copies to appropriate County personnel.

Rating	Observation	Recommended Action	Management Response
Moderate	**1. *Termination/Separation Payout***		
	We noted the following related to our testing of 40 employee terminations/separations payout calculations: • The Payroll Supervisor indicated that the payroll staff are to utilize the leave payout balance in SAP as of the termination/separation date to calculate the leave payout amount. However, the Payroll Supervisor also indicated that screen shots of the leave balance were not consistently retained as support for the leave payout calculation. For 11 out of 40 employees, no screen shot of the balance in SAP was retained as support for the amount used to calculate the leave payout amount. As such, we were not able to determine whether or not the leave balance used to calculate the payout amount agreed to the balance in SAP as of the date of the employee's termination/separation. Further, based on discussions with the Payroll Supervisor, the "Absence Quotas" (pay-period leave) reports were recently discovered to be inaccurate such that not all leave types were included periodically throughout the FY2021 testing period. These reports are retained to provide the transactional data for "entitlement", "used" and "total remaining" for each employee. If a terminated/separated employee disputed the transactional data that supports the original leave entitlement, leave used, or the total remaining balance that was paid out, there would be no documented historical data to respond to the dispute. • For 1 out of 40 employees, there was no evidence that the payout calculation was reviewed by someone other than the preparer.	We recommend County Finance management perform the following: a. Require payroll staff to print and retain a screen shot of the leave balance in SAP as of the termination / separation date as support for the leave amount paid to the terminated /separated employee. b. Correct the "Absence Quota" report to include all leave types. c. Provide guidance / additional training to payroll staff to help ensure that evidence of review is provided via the reviewer's name or initials and date reviewed.	**Response:** a. County Finance Payroll procedures have been updated to require staff to print and retain SAP screen shots of the leave balances as support for the leave amount paid to terminated/separated employees. b. The "Absence Quota" report has been corrected to include all leave types and the variant has been locked to ensure that inadvertent changes are not made to the report in the future. c. County payroll staff have been provided guidance and additional training to ensure that evidence of review is provided via the reviewer's name or initials and date reviewed. **Responsible party:** Finance Director and Payroll Supervisor, County Finance **Estimated completion date:** March 2022

Rating	Observation	Recommended Action	Management Response
Moderate	***2. Benefit Deductions***		
	During our testing of payroll, we noted that for 4 out of 40 employees selected, the supporting forms were not provided and/or included in the employee personnel file as authorization for deductions from the respective employee's payroll check.	We recommend that management obtain and retain the applicable supporting forms in the personnel files as evidence of employee authorized deductions to reduce the risk of inaccurate/unauthorized deductions.	**Response:** There is a program in place for placement of these deduction forms in the applicable files. A request has been made to the vendor to pull these forms from Archives for placement in the applicable personnel files. **Responsible party:** Benefits Manager, Office of Human Resources **Estimated completion date:** May 2022

Rating	Observation	Recommended Action	Management Response
Moderate	***3. Pay Rate Changes***		
	During our payroll testing of 40 employees, no exceptions were noted related to pay rate changes. During our discussions with the County Finance Director and the County Payroll Supervisor, the County Payroll Supervisor produced the "Valbasis" (Other Pay) report exported from SAP for November 2021 (FY2022). This report includes hazard pay, out of class, and Fire Rescue rate changes. We observed that there was one error related to hazard pay for Facilities personnel for the current fiscal period (FY2022). Hazard pay is an additional \$1.00/hr. and only applies to Facilities personnel; however, we observed that for one Facilities employee the hazard pay was \$8.00/hr. Based on further discussions with the County Finance Director and the County Finance Payroll Supervisor, they indicated that although this report was produced on a biweekly basis, it was not being reviewed by County Finance Payroll. Consequently, we performed additional procedures related to hazard pay. We obtained the "Valbasis" report for the period of testing (10/1/20 – 9/30/21) noting any hazard pay identified for Facilities employees was \$1.00/hr. No exceptions were noted.	We recommend that County Finance Payroll review the "Valbasis" report biweekly for reasonableness to reduce the risk of inaccurate pay rate changes going undetected. Evidence of the review should be documented via signature/initials and date performed.	**Response:** County Finance Payroll procedures have been updated to require staff to review the "Valbasis" report biweekly for reasonableness, verify entries with appropriate County management and document this review with initials and date performed. Payroll staff began reviewing this report beginning with the first payroll after it was brought to their attention during the audit. **Responsible party:** Finance Director and Payroll Supervisor, County Finance **Estimated completion date:** March 2022

Rating	Observation	Recommended Action	Management Response
Low	***4. Personnel Records***		
	Based on inquiry and observation, we noted that personnel files are stored securely in a vault in the Records section of the Office of Human Resources (HR). Further, the room has a self-closing door which locks each time it closes. Based on discussions with the Records Supervisor, Record's staff closely monitor anyone who accesses the file area since their desks are located next to the access point. We observed that access to the general workplace area is monitored by the two employees located at the desk in the lobby area which is accessed by the main door from the building common area. Besides the Records Supervisor, the Records Supervisor indicated that other HR office staff in both Records and Personnel sections have keys as well. However, there is no sign out log for the keys and no list of employees that currently have custody of the keys.	We recommend that management perform the following: a. Account for the keys issued or change the locks and issue new keys to those authorized by the Office of Human Resources who require regular access to the personnel files. b. Create and maintain a sign-out log for those who have custody of keys.	**Response:** a. Human Resources has accounted for all the keys capable of opening the room where the personnel files are stored. b. Human Resources will create and maintain a sign-out log for those who have custody of keys. **Responsible party:** Employee Relations Manager/Records Supervisor Office of Human Resources **Estimated completion date:** April 2022

Brevard
COUNTY

Brevard County, Florida

Internal Audit Report -
USSSA Contract Compliance

February 15, 2022

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TRANSMITTAL LETTER

March 25, 2022

RSM

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Melbourne, Florida 32940
O: 321 751 6200
www.rsmus.com

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to the approved Brevard County ("County") Fiscal Year ("FY") 2020/2021 and 2021/2022 internal audit plans, we hereby present our contract compliance report of the Stadium Complex Lease Agreement ("Agreement") between Brevard County ("County") and United States Specialty Sports Association (USSSA). The scope period for this report included contract year 2019/20 (April 1, 2019, through March 31, 2020) and contract year 2020/21 (April 1, 2020, through March 31, 2021). We previously audited USSSA's compliance with this agreement for contract year 2018/19 (April 1, 2018, through March 31, 2019) and submitted our report dated May 26, 2020. We will be presenting this report at the next scheduled Audit Committee meeting on April 20, 2022.

Background

The Brevard County's Space Coast Stadium Complex is a state of the art complex complete with 15 AstroTurf fields and many other recreational amenities. On August 3, 2015, the complex was leased for 20 years to USSSA. USSSA is responsible for the management and operation of the complex, including ticket sales and concessions, applicable taxes, maintenance, and capital improvements of the facilities. The Lease Agreement establishes a baseline requirement for annual expenditures by USSSA of $250,000 in eligible capital improvement or maintenance projects. Brevard County contributes to the cost and management of the capital improvements by reimbursing expenses in excess of the $250,000 required annual expenditure by USSSA from the Asset Renewal, Replacement, Capital Improvement and Capital Repair (ARR) Fund. USSSA does not remit lease payments to the County, but instead guarantees a number of "room nights" per year of operation, with the understanding that visitors to the complex generate economic stimulus to the County.

The Second Amendment to the Stadium Complex Lease states that the Tenant will guarantee that events scheduled, sponsored, booked, or arranged by the Stadium Complex by the Tenant, whether directly or indirectly will generate at least 75,000 room nights for contract year 2019/20. For each year thereafter until March 31, 2036, using the April 1st to March 31st contract year, the Tenant guarantees 100,000 total room nights each year in Brevard County, Florida hotels.

A Third Amendment to the Agreement, signed December 22, 2020, requires a minimum annual room night guarantee of 75,000 room nights in contract year 2019/20. For each subsequent year, the guarantee will increase to 100,000 for the duration of the contract. Prior to the Third Amendment to the Agreement, the County Tourism Development Office (TDO) staff invested significant labor hours to verify room nights by validating hotel reservations created for each USSSA hosted event. To simplify the room night verification process, the Third Amendment restructured the verification process by utilizing the formula to the right to calculate room nights based on data captured and regularly reported by USSSA.

Room Night Calculation

$$\frac{\text{(Number of Event Nights)} \times \text{(Participants living > 75 miles from Stadium Complex)}}{1.7}$$

TRANSMITTAL LETTER - CONTINUED

The room nights are reported to TDO as the designated contract administrator for the Agreement with USSSA. In the event an audited sample of claimed room nights cannot be verified by the County, the calculated room nights are reduced by the percentage of the sample that could not be verified. Per the Agreement, additional capital expenditures may be required by USSSA if the Tenant does not generate the required room nights. The Third Amendment requires the participant information listed on the right to be collected and reported to the County by USSSA.

Required Participant Information to be Collected

1) The name of the participant/player/coach/umpire/scout/official.

2) The city where the participant/player/coach/umpire/ scout or officials' team is located or, if there is no team, the city where the player or participant lives.

3) Email and phone number of the team coach, or if there is no team, the participant, or for minor participants or players without teams or coaches, the email and phone number of the parent or guardian.

4) The team affiliation of the participant or player.

5) Number of event nights.

TRANSMITTAL LETTER – CONTINUED

We initially held our kickoff meeting with the County and USSSA on February 26, 2021. Upon review of this initial participant room night dataset provided by USSSA on March 19, 2021, we noted certain information required to verify the eligibility of event nights was omitted from this first updated dataset. The data points omitted from the initial data provided included the event start and end times, Team Manager email, and Team Manager phone number. These omissions were communicated to USSSA who provided an updated dataset on May 19, 2021. After requesting supporting documentation, we were able to reperform our analysis to calculate eligible room nights provided in the dataset and communicated our results to both the County and USSSA on September 7, 2021. USSSA subsequently performed their own analysis and room night calculation, and provided their results to RSM on September 23, 2021, at which time we found that duplicate participants existed, and additional events had been included in USSSA's analysis. We worked with the County and USSSA to obtain the contract year 20/21 dataset and capital expenditures between September 2021 and December 2021. On December 23, 2021, the updated draft report was provided to the County, inclusive of both contract year 19/20 and 20/21. On January 11, 2022, the County requested RSM to re-perform the room night analysis using "driving distance" to determine participant distance from the Stadium Complex. On January 26, 2022, RSM provided the County with an updated draft report reflecting the re-calculation using "driving distance".

On February 2, 2022, USSSA provided an analysis proposing additional third-party events and direct bookings that were not included in their datasets. We requested the participant data necessary to support any potential additional room nights but have not received any new documentation to support additional room nights. It is understood that USSSA hosts annual "Third Party Events", in which the USSSA venue is utilized, but the event is not managed by USSSA. Because USSSA does not actively manage and coordinate these events outside of providing the venue, the required player, team, official, and coach data outlined by the Agreement is not captured by USSSA. As such, while these events attract participants and may have generated room nights, data as outlined in terms of the Third Amendment to the Agreement with the County was not provided to us, and therefore cannot be accurately calculated and verified to contribute towards the room night totals reported by USSSA.

Communication Description	Date(s)
USSSA Contract Compliance Kick-Off meeting	2/26/2021
USSSA Provides initial 2019/20 dataset	3/19/2021
County speaks with USSSA regarding missing and inaccurate data fields	3/31/2021
USSSA re-submits updated 2019/20 dataset	5/19/2021
RSM requests sample support from USSSA	7/8/2021
USSSA uploads partial supporting documentation	7/26/2021
RSM requests additional capital expenditure support	7/26/2021
RSM reviews exceptions/observations with County	8/12/2021
RSM reviews results in meeting with County	8/27/2021

TRANSMITTAL LETTER – CONTINUED

Communication Description	Date(s)
RSM provides County with Draft Report	8/31/2021
RSM reviewed 2019/20 results with the County and USSSA	9/7/2021
RSM recommunicates capital expense exceptions to USSSA for response	9/8/2021
County provides 2020/21 dataset to RSM	9/20/2021
USSSA provides room night analysis for 2019/2020 dataset	9/23/2021
RSM communicates concerns with analysis (ex. duplicate participants, new events added)	9/29/2021
RSM communicates to County that no response received from USSSA regarding 2019/20 analysis	11/1/2021
RSM reviews the updated Draft Report with the County	12/14/2021
County provides 2020/21 capital expenditures population to RSM	12/14/2021
RSM communicates capital expense exceptions identified to USSSA for response	12/16/2021
USSSA provides partial documentation for 2020/21 capital expenditure exceptions	12/21/2021
RSM provides updated draft report to the County (inclusive of both contract years 19/20 & 20/21)	12/22/2021
USSSA provides partial documentation for 2020/21 capital expenditure exceptions	1/3/2022
RSM recommunicates remaining 2020/21 capital expenditure exceptions	1/4/2022
RSM provides updated draft report to the County (reflects County edits and additional support received from USSSA)	1/10/2022
County requests RSM to re-perform room night analysis using "driving distance" to determine participant distance from Stadium Complex	1/11/2022
RSM provides updated draft report to the County (reflects re-calculation)	1/26/2022
USSSA provides partial documentation for 2020/21 capital expenditure exceptions	2/3/2022
USSSA provides room night analysis to include direct booking and 3rd party events analysis	2/3/2022
RSM meets with the County to discuss the additional room night support suggested by USSSA	2/15/2022
RSM requests USSSA data to support points outlined in USSSA's room night analysis	2/16/2022
RSM received the original information provided by USSSA but no new information needed to support additional room nights	2/25/2022

TRANSMITTAL LETTER - CONTINUED

Objective and Approach

The primary objective of this audit was to assess USSSA compliance of the Agreement with Brevard County. The audit period covered under this report is contract years 2019/20 and 2020/21. Our approach included, but was not limited to, the following procedures:

- Reviewed the Agreement and applicable amendments between Brevard County and USSSA;
- Conducted interviews with key personnel from both the County and USSSA to understand reporting requirements and processes;
- Obtained and reviewed the dataset, including Room Night Analysis and listing of capital expenditures, for contract years 2019/20 and 2020/21, provided to the County by USSSA; and
- Analyzed the data provided for completeness and accuracy and excluded participants and events from the room night calculation if determined to be incomplete or inaccurate.

From the eligible population of events and participants identified for each period, we performed the following testing procedures:

- Selected a sample of five (5) events and verified that they met the eligibility requirements outlined in the Agreement for producing event nights;
- Selected a sample of sixty (60) participants and agreed the Team City reported by USSSA to the Team Roster submitted by each Team Manager;
- Calculated room nights based upon eligible event nights and participants as per the calculation in the Third Amendment, including any penalty for not meeting the room night guaranteed minimum;
- Tested 100% of capital expenditures reported by USSSA for compliance with agreement requirements, verifying eligibility and proof of payment; and
- Calculated any additional capital expenditure reimbursement or investment required to/from USSSA as a result of the results from our testing.

TRANSMITTAL LETTER - CONTINUED

The table below summarizes our results.

Summary of Results
1. Data Completeness and Accuracy
During review of the datasets for the 2019/20 and 2010/21 contract years provided by USSSA, we identified multiple data fields that contained missing or inaccurate information.
2. Room Nights Calculation
Based on the results of our testing and the room night calculation, USSSA did not meet the 2019/20 Room Night Guarantee of 75,000 room nights. We calculated 66,278 (88.4% of the guarantee) room nights based upon USSSA's dataset and our verification procedures. Based on the results of our testing and the room night calculation, USSSA did not meet the 2020/21 Room Night Guarantee of 100,000 room nights. We calculated 66,646 (66.6% of the guarantee) room nights based upon USSSA's dataset and our verification procedures.
3. Capital Expenditure and Required Investment
Based on our testing of expenses for contract year 2019/20, we identified expenses submitted for reimbursement that did not qualify based on the eligibility requirements specified in the contract. However, the minimum capital expenditure threshold was met and exceeded, thus USSSA qualifies for additional reimbursement of approximately $145,100. Based on our testing of expenses for contract year 2020/21, we identified expenses submitted for reimbursement that did not qualify based on the eligibility requirements specified in the contract. However, the minimum capital expenditure threshold was met and exceeded, thus USSSA qualifies for additional reimbursement of approximately $212,531.
4. Timeliness of Reporting
We identified issues with the timeliness of reporting required to be submitted by USSSA to the County.

We reviewed our results with USSSA, TDO and County leadership, the County Attorney's office, and the County Manager. We requested clarification from USSSA regarding these datasets and asked additional questions regarding USSSA's supplemental analysis, had all requested information been provided by USSSA, results may have differed.

We would like to thank the staff and all those involved in assisting our firm with this compliance audit.

Respectfully Submitted,

RSM US LLP
RSM US LLP

RESULTS

1. Data Completeness and Accuracy

We reviewed two (2) datasets provided by USSSA for contract years 2019/20 and 2020/21. During review of the datasets provided by USSSA, we noted that multiple data fields contained missing or inaccurate information. The Third Amendment requires specific participant information to be collected and reported by USSSA. This information is used by the County to determine eligibility of event producing room nights. Missing and inaccurate data impacts the room night calculation.

Data Completeness

Following our review of the datasets provided, we noted that not all required Manager and Participant data fields were provided by USSSA. Through discussions with USSSA regarding their data collection process, we noted that when registering for an event the Team Manager submits the Team Name, City, State, County and Roster. However, other information such as Player City and Player Zip Code are optional data fields when creating a player profile and are updated at the discretion of the participant. Thus, not all data points required by the Agreement are obtained by USSSA during registration, resulting in data gaps.

Furthermore, during review of the updated dataset we noted that the Team Manager phone, Team Manager email, and the event start and end times were not provided for all participants included in the dataset. The Third Amendment requires each of these data fields to be captured. The details of this missing data are illustrated in the table to the right.

Data Field	19/20 Missing Data Fields*	20/21 Missing Data Fields**
Team Manager Phone	424	757
Team Manager Email	598	830
Player City	14,338	16,822
Player Zip Code	14,118	16,818
Event Start & End Times	203	279

* Based on total individual event participant data reported by USSSA (33,310 total participants)
** Based on total individual event participant data reported by USSSA (44,021 total participants)

Data Accuracy

Additionally, through discussions with USSSA and review of the updated datasets, we noted inaccurate information provided in the datasets. The table to the right highlights the number of inaccurate data fields identified by contract year dataset.

The inaccuracies include, but may not be limited to, the following:

- Instances of individuals listed more than once for the same event.
- Instances where the Team City data field was not populated with a City name and thus deemed inaccurate. Examples included "USA", "All American", "Southeastern", "Treasure Coast", "West Coast", "South Florida", etc.
- Instances where the Team State field was populated with "USA".
- Instances where the Team Zip Code information was partially inaccurate, as many entries were blank, contained single digit zip codes, or contained letters of the alphabet in the zip codes. Thus, we did not rely upon the Zip Code data provided by USSSA for our procedures, and instead relied on City data, as per guidance from the County and County Attorney.

Data Field	19/20 Inaccurate Data Fields*	20/21 Inaccurate Data Fields**
Duplicate Data Entries	1,078	0
Team Manager Phone	4,515	2,215
Team Manager Email	2,787	2,215
Team City	2,975	1,646
Team State	2,964	2,215
Player City	27	24
Player Zip Code	36	76

* Based on total individual event participant data reported by USSSA (33,310 total participants)
** Based on total individual event participant data reported by USSSA (44,021 total participants)

RESULTS – CONTINUED

2. Room Nights Calculation

The County utilizes USSSA's dataset to perform the calculation in accordance with the Agreement. The room night calculation is based on two criteria: (1) the number of participants in attendance who reside more than 75 miles away from the Space Coast Stadium Complex, and (2) the number of qualified event nights.

Participant Distance from Stadium Complex

While attempting to validate the accuracy of participant location data provided in each dataset, we noted that no external supporting documentation was available from USSSA to validate the accuracy of the Player Zip Code and Player City information provided in the data set **(See Results #1)**. Per guidance provided by the County Attorney, the Team Roster was determined sufficient support to verify the accuracy of the Team City reported. Thus, we selected a sample of 60 participants from each dataset and agreed the Team City reported in the dataset to the Team Roster. Additionally, we verified that each participant was listed on the Team Roster submitted by each Team Manager for each participant event sampled, without exception.

As a result of the aforementioned data completeness and accuracy concerns **(See Results #1)**, we utilized three (3) primary data points to calculate the participant driving distance from the Stadium Complex and determine the eligibility of each participant: Player Zip Code, Player City and Team City. If one data field was determined to be incomplete or inaccurate, the next data field would be leveraged to identify whether the participant resides at least 75 driving miles away from the Stadium Complex. At the direction of the County, participant distance from the Stadium Complex was calculated using a driving radius of 75 miles. To determine the listing of cities/zip codes that reside within a 75 mile driving radius of the Space Coast Stadium Complex, we used the Oalley Map Tool **(See Appendix C)**.

During our review of the updated 2019/20 dataset, we identified that of the 33,310 participants, 1,078 were duplicated under a single event **(See Results #1)** which were removed from the dataset for the purpose of performing the room night calculation. Of the remaining 32,232 individuals, 3,302 individuals were identified as located within 75 driving miles of the Stadium complex and thus were excluded. Furthermore, 111 participants were excluded as the participants' location (Player Zip, Player City, and Team City) was omitted from the dataset **(See Results #1)**. As a result of these exclusions, the total eligible participants for the 2019/20 dataset were determined to be 28,819.

During review of the 20/21 dataset, we identified that of the 44,021 participants, 11,400 individuals were identified as located within 75 driving miles of the Stadium complex and thus were excluded. Furthermore, 132 participants were excluded as the participants' location (Player Zip, Player City, and Team City) was omitted from the dataset **(See Results #1)**. As a result of these exclusions, the total eligible participants for the 2020/21 dataset were determined to be 32,489.

Qualified Event Nights

Per the Agreement, an event night is defined as a night during the event when a participant is located 75 driving miles away or more. To be counted as a qualifying event night, the event must be scheduled to exceed more than 4 hours in a single day. The County has determined that the tournament bracket maintained and updated by USSSA is sufficient supporting documentation to demonstrate existence and accuracy of the event start and end times. We selected a total sample of ten (10) events, five (5) events from each contract year dataset, to verify that the tournament start and end times included in each dataset agreed to the tournament bracket maintained and updated by USSSA. We agreed the event dates to the supporting documentation for all ten (10) events sampled, without exception.

RESULTS – CONTINUED

2. Room Nights Calculation

As aforementioned, the total eligible participants located greater than 75 driving miles from the Stadium Complex for the 2019/20 dataset was determined to be 28,819. Of the 28,819 eligible participants, 208 participated in non-qualifying events and thus were also excluded. Furthermore, 143 participants were excluded as the event start and end times were omitted from the dataset **(See Results #1)**. As a result of these exclusions, the total eligible participants who participated in qualifying events for the 2019/20 contract year were determined to be 28,468.

As aforementioned, the total eligible participants located greater than 75 driving miles from the Stadium Complex for the 2020/21 dataset was determined to be 32,489. Of the 32,489 eligible participants, 254 eligible participants were excluded as the event start and end times were omitted from the dataset. Without event start and end times we were unable to verify that the event participated in was greater than 4hrs in a single day **(See Results #1)**. As a result of these exclusions, the total eligible participants who participated in qualifying events for the 2020/21 contract year were determined to be 32,235.

Room Night Calculation

After identifying the eligible participants who participated in qualifying events within each dataset, we performed the room night calculation by event. The total qualifying room nights generated by each event were subtotaled using the formula noted in the Agreement and rounded to the nearest whole number. We then summed all event night subtotals **(See Appendix A)**. Per guidance provided by the Executive Director of the Space Coast Office of Tourism and Development, we analyzed several permutations of participant data to determine the methodology that would yield the greatest room night calculation using all the provided participant location data, including Player Zip Code, Player City, and Team City.

	Contract Year 19-20 Dataset	Contract Year 20-21 Dataset
Total Events	43	61
Average Qualifying Event Nights	3.2	3.1
Total Participants Reported by USSSA	33,310	44,021
Excluding Duplicate Participants	(1,078)	-
Excluding Participants within 75 miles	(3,302)	(11,400)
Excluding Participants without any location *(i.e Player Zip, Player City, or Team City)*	(111)	(132)
Total Eligible Participants	28,819	32,489
Excluding Eligible Participants with incomplete Event Start & End Times *(See Results #1)*	(143)	(254)
Excluding Participants in Non-Qualifying Events *(>4hrs)*	(208)	-
Total Eligible Participants in Qualifying Events	28,468	32,235
Internal Audit Calculated Room Nights*	66,278	66,646
Room Night Guarantee	75,000	100,000
Variance	(8,722)	(33,354)
Room Night - Percentage Shortfall	11.6%	33.4%

* The hierarchy that yielded the yield the greatest room night calculation for both datasets was Player Zip to Player City to Team City

RESULTS – CONTINUED

2. Room Night Calculation – Continued

In our room night analysis, if one location data field could not be determined, the next would be leveraged to identify whether the participant should be eligible. For example, if the Player Zip Code was determined inaccurate or incomplete, the Player City data field was used to calculate the driving distance from the Stadium Complex. If the Player City field was determined inaccurate or incomplete, the Team City data field would be leveraged. The hierarchy that yielded the greatest room night calculation for both datasets was Player Zip to Player City to Team City.

The table above represents the best-case room night calculation using the permutation of participant data that yielded the greatest room night calculation. As a result of our procedures, we determined the total number of room rental nights generated for the 2019/20 and 2020/21 contract years to be 66,278 and 66,646, respectively.

When analyzing the 2020/21 contract year dataset, we noted that USSSA reported an increase in the number of participants and events compared to the prior 2019/20 contract year yet generated nearly the same number room nights according to our calculation. When analyzing the dataset further, RSM found that there was a substantial increase in number of participants living within 75 driving miles of the Stadium Complex. This trend was identified in all 3 geographical categories used to generate the calculation, as shown below.

Data Field	Location Eligibility	19/20	20/21	%Change
Team City	Eligible	25,199	29,511	17%
Team City	**Ineligible (within 75 miles)**	**4,058**	**12,864**	**217%**
Team City	Cannot Determine	2,975	1,646	-45%
Player City	Eligible	15,680	20,517	31%
Player City	**Ineligible (within 75 miles)**	**2,187**	**6,657**	**204%**
Player City	Cannot Determine	14,365	16,847	17%
Player Zip Code	Eligible	16,860	20,646	22%
Player Zip Code	**Ineligible (within 75 miles)**	**1,218**	**6,481**	**432%**
Player Zip Code	Cannot Determine	14,154	16,894	19%

RESULTS – CONTINUED

3. Capital Expenditure and Required Investment

Per Section 2 of the agreement, USSSA is required to expend the base amount of $250,000 on capital improvements or capital maintenance projects each year. Section 4 of the Third Amendment identifies the following as eligible expenditures: major repairs to elevators, scoreboards, plumbing, electrical, air conditioning, or other such systems; painting of entire buildings or major sections of the stadium; major repair of sections of the astro-turf fields; repair to other parts of the fields such as netting and field walls; other major repairs to buildings including replacing doors, windows, alarm systems, etc.; repaving parking lots; repair/replacement of lighting structures, poles, etc. (not light bulb replacement) and major batting cage repairs and upgrades. Per Section 4 of the Third Amendment, eligible expenses submitted for reimbursement must qualify as one of the descriptions above and be supported by both an invoice and a cancelled check to serve as proof of payment.

For the contract years 2019/20 and 2020/21, USSSA submitted $438,695.82 and $594,378.84, respectively, of capital expenditures to the County. We reviewed all submitted expenses and supporting documentation provided to us by USSSA. During review of these expenses, we identified the following exceptions:

- *Duplicate Expenses:* Items were included more than once in USSSA's request for expense reimbursement;
- *Insufficient Expense Support:* Documentation provided did not include one or more of the following: invoice, proof of payment, detailed check listing, adequate invoice description to determine eligibility, invoice did not reconcile to payment support;
- *Recurring Expense:* Items are routine maintenance that are not categorized as a major expense; and
- *Ineligible Capital Expenses:* Items were minor repairs that we were unable to validate as eligible.

Per Exhibit D of the Contract Agreement, additional capital expenditures may be required by USSSA if the Tenant does not generate the required room nights. If the guarantee is not met, the base amount of $250,000 payable by the Tenant each calendar year shall increase by a percentage equal to the shortfall of the number of room nights divided by the guaranteed number of room nights.

Based on the results of room night calculation, USSSA did not meet the 2019/20 contract year nor the 2020/21 contract year room night guarantee of 75,000 and 100,000 room nights, respectively. As a result, additional capital investment is required by USSSA amounting to $29,075 ($250,000 * 11.6%) for the 2019/20 contract year and $83,385 ($250,000 * 33.4%) for the 2020/21 contract year.

Additional Capital Investment Required	Contract Year 19-20 Dataset	Contract Year 20-21 Dataset
Capital Expenditure Base Amount	$250,000	$250,000
Room Night - Percentage Shortfall	11.6%	33.4%
Additional Capital Investment Required	$29,075	$83,385

RESULTS – CONTINUED

3. Capital Expenditure and Required Investment

Based on the requirements of Section 6 of the Agreement, we determined the total eligible capital expenditures for 2019/20 and 2020/21 contract years to be $424,174 and $545,916, respectively. As a result of the aforementioned exceptions, combined with the impact of not achieving the room night guarantee, USSSA would be eligible for additional capital expenditure reimbursement of $145,100 for the 2019/20 contract year and $212,531 for the 2020/21 contract year. The table below summarizes the calculation used to determine the eligible USSSA reimbursement.

Capital Expenditures	19-20 Expenditures*	20-21 Expenditures**
Total Capital Expenditures Submitted	**$438,696**	**$594,379**
Less: Duplicate Expenses	($7,333)	($429)
Less: Insufficient Expense Support Provided	($5,854)	($591)
Less: Recurring Maintenance Costs	-	($35,981)
Less: Ineligible Expenses Costs	($1,335)	($11,462)
Total Eligible Capital Expenditures	**$424,174**	**$545,916**
Less: Capital Expense Requirement	($250,000)	($250,000)
Less: Room Night Penalty***	($29,075)	($83,385)
USSSA Eligible Reimbursement	**$145,100**	**$212,531**

* Based on expense listing submitted by USSSA for the period of April 1, 2019 – March 31, 2020.

** Based on expense listing submitted by USSSA for the period of April 1, 2020 – March 31, 2021.

*** Additional capital investment required if room night guarantee not met

RESULTS – CONTINUED

4. Timeliness of Reporting

During our review of the initial 2019/20 dataset provided by USSSA in March 2021, we identified required data fields that were omitted from the dataset. These omissions were communicated to USSSA and an updated dataset was provided in May 2021. Upon review of the updated dataset, we identified the issues concerning the completeness and accuracy of the data reported to the County. Additionally, we identified similar issues during review of the 2020/21 dataset provided by USSSA **(See Results #1)**.

Per the Schedule 1 of the Third Amendment to the Agreement, USSSA is required to submit both quarterly and annual reports summarizing total room nights.

- Quarterly, reports compiling a total of all room nights per event held in the quarter, a listing of all participants living 75 miles or more away from the Space Coast Stadium Complex, plus a running total of room nights generated year-to-date are due to TDO July 31st for the April to June quarter; October 31st for the July to September quarter; January 31st for the October to December quarter and April 30th for the January to March quarter.
- Annually, the room night report is required to be submitted by USSSA to TDO by the 30th of April each year summarizing room nights generated by USSSA events, sub-totaled by quarter.

The following reporting was not provided on time by USSSA:

Report Frequency	Report Description	Due Date	Date Provided
Annually	Room Night Dataset (April 1, 2019 – March 31, 2020)	4/30/20	3/19/21
Annually	Room Night Dataset (April 1, 2020 – March 31, 2021)	4/30/21	9/16/21
Quarterly	Room Night Dataset (January 2021 – March 2021)	4/30/21	5/19/21
Quarterly	Room Night Dataset (April 2021 – June 2021)	7/31/21	N/A
Quarterly	Room Night Dataset (July 2021 – September 2021)	10/31/21	N/A

Without accurate and timely reporting, the County is unable to determine whether lease agreement requirements are being upheld by USSSA.

APPENDIX A

2019/20 Room Night Calculation

The hierarchy of Player Zip Code to Player City to Team City was used to calculate the highest grossing total room nights. The room night calculation used to determine the total room nights is summarized by each event below.

					Player Zip to Player City to Team City	
Event ID	Event Name	Event Start Date	Event End Date	Total Qualifying Event Nights	Total Eligible Participants	Room Night Calculation
321349	Super Dual @ The Coast	4/6/2019	4/7/2019	2	694	816
317475	Hall of Fame Classic Dual powered by Worth/Miken	4/11/2019	4/14/2019	4	556	1,308
319581	PARTY in Viera (PFQ)	5/4/2019	5/5/2019	2	268	315
322561	Stars and Stripes East Coast State Championship	5/25/2019	5/26/2019	2	799	940
323995	GSL State Tournament	6/1/2019	6/2/2019	2	656	772
322133	Space Coast Summer Slam	6/15/2019	6/16/2019	2	213	251
313271	World Fastpitch Championships	6/23/2019	6/29/2019	7	1,366	5,625
314983	Space Coast World Series	7/2/2019	7/6/2019	5	1,068	3,141
314631	Wilson DeMarini Elite World Series	7/8/2019	7/13/2019	6	583	2,058
314633	Wilson DeMarini Elite World Series	7/14/2019	7/21/2019	8	1,633	7,685
324804	USSSA All American Games	7/22/2019	7/27/2019	6	1,114	3,932
314634	All American Games	7/28/2019	8/3/2019	7	1,212	4,991
326822	Florida USSSA State Tournament	8/3/2019	8/4/2019	2	749	881
321318	Space Coast Classic	8/3/2019	8/4/2019	2	88	104
314635	S30 Championships	8/4/2019	8/10/2019	7	403	1,659
327864	USSSA Mix State Tournament	8/10/2019	8/10/2019	1	243	143
327936	MIx40 @ Viera	8/10/2019	8/10/2019	1	3	2
321399	USSSA Military Worlds - Over 40, Over 50, Mixed	8/14/2019	8/14/2019	1	188	111
321395	USSSA Military Worlds	8/16/2019	8/18/2019	3	1,366	2,411
321239	USSSA Mens "A" World Tournament	8/30/2019	9/1/2019	3	389	686
321237	Conference USSSA Championships powered by Dudley	8/30/2019	9/1/2019	3	173	305

APPENDIX A – CONTINUED

					Player Zip to Player City to Team City	
Event ID	Event Name	Event Start Date	Event End Date	Total Qualifying Event Nights	Total Eligible Participants	Room Night Calculation
321586	Womens AA and Womens A World Tournaments	9/9/2019	9/12/2019	4	200	471
321585	Mens C and Womens C World Tournaments	9/12/2019	9/15/2019	4	1,703	4,007
321241	Major World Series by Easton	9/13/2019	9/15/2019	3	219	386
321589	Mens AA World Tournament	9/14/2019	9/15/2019	2	179	211
321240	Major World Series powered by Dudley	9/18/2019	9/21/2019	4	322	758
321588	Mens B & Womens B & D World Tournaments	9/19/2019	9/22/2019	4	1,588	3,736
321591	Men E World Tournament	9/26/2019	9/29/2019	4	1,473	3,466
321592	Mens D World Tournament	10/3/2019	10/6/2019	4	1,953	4,595
325144	USSSA FALL NATIONALS (500 Points)	10/12/2019	10/13/2019	2	780	918
321593	Mixed World Tournament	10/18/2019	10/20/2019	3	972	1,715
321594	Mixed E World Tournament	11/1/2019	11/3/2019	3	613	1,082
324524	Wilson Fastpitch Championship Series	11/15/2019	11/17/2019	3	525	926
325871	THANKSGIVING SELECT30 SUPER NIT	11/29/2019	12/1/2019	3	797	1,406
334842	USSSA Sponsorship Tournament	1/4/2020	1/4/2020	1	20	12
329340	US Games	1/18/2020	1/20/2020	3	132	233
324102	USSSA Challenge Cup	1/24/2020	1/26/2020	3	984	1,736
336399	USSSA Winter Nationals	2/1/2020	2/1/2020	1	265	156
336810	USSSA Winter Nationals	2/1/2020	2/1/2020	1	4	2
328501	President's Day Select30 Super NIT	2/15/2020	2/16/2020	2	662	779
334027	Space Coast Classic Conference NIT	2/21/2020	2/23/2020	3	4	7
336400	USSSA Winter Nationals	2/22/2020	2/23/2020	2	907	1,067
335554	Space Coast Gold Glove Championship	3/7/2020	3/8/2020	2	402	473
			Total	137	28,468	66,278

APPENDIX B

2020/21 Room Night Calculation

The hierarchy of Player Zip Code to Player City to Team City was used to calculate the highest grossing total room nights. The room night calculation used to determine the total room nights is summarized by each event.

Event ID	Event Name	Event Start Date	Event End Date	Total Qualifying Event Nights	Player Zip to Player City to Team City: Total Eligible Participants	Player Zip to Player City to Team City: Room Night Calculation
332559	Florida USSSA State Tournament	5/23/2020	5/24/2020	2	585	688
334144	CF Straight Outta Quarantine (Viera)	5/30/2020	5/31/2020	2	378	445
333652	Hall of Fame Classic Dual powered by Worth/Miken	6/4/2020	6/7/2020	4	1,481	3,485
334151	CF PRO-Active (now in Viera)	6/6/2020	6/7/2020	2	163	192
340054	Space Coast Summer Showcase	6/8/2020	6/10/2020	3	317	559
331669	USSSA Battle at the Beach	6/13/2020	6/14/2020	2	439	516
334157	CF State Warm-Up	6/13/2020	6/14/2020	2	164	193
338401	12U Summer Nationals	6/14/2020	6/19/2020	6	184	649
340100	Florida Elite Summer Showcase	6/15/2020	6/19/2020	5	543	1,597
334158	CF State Championships (now in Viera)	6/20/2020	6/21/2020	2	739	869
328464	World Fastpitch Championships	6/22/2020	6/27/2020	6	617	2,178
338948	USA Elite Select 14U Summer Nationals	6/25/2020	6/28/2020	4	99	233
328465	Space Coast World Series	6/29/2020	7/4/2020	6	474	1,673
330920	Wilson DeMarini Elite World Series	7/5/2020	7/11/2020	7	400	1,647
340981	12U Space Coast Summer Shootout	7/11/2020	7/12/2020	2	92	108
330921	Wilson DeMarini Elite World Series	7/12/2020	7/19/2020	8	1,466	6,899
337680	USSSA All American Games	7/19/2020	7/25/2020	7	454	1,869
332770	All American Games	7/26/2020	8/1/2020	7	800	3,294
341035	USSSA State Tournament	8/1/2020	8/2/2020	2	1,213	1,427
341280	USSSA Mix State Tournament	8/8/2020	8/8/2020	1	393	231
339590	Mustangs Southeast Elite National Qualifier	8/14/2020	8/16/2020	3	709	1,251

APPENDIX B – CONTINUED

Event ID	Event Name	Event Start Date	Event End Date	Total Qualifying Event Nights	Player Zip to Player City to Team City	
					Total Eligible Participants	Room Night Calculation
341281	GSL State Tournament	8/29/2020	8/30/2020	2	877	1,032
343997	Mixing it up @ Spacecoast	8/30/2020	8/30/2020	1	45	26
339797	CF Battle at the Park (Viera)	9/5/2020	9/6/2020	2	120	141
334037	USSSA Senior World Series	9/11/2020	9/13/2020	3	36	64
339798	CF BELIEVE It. ACHIEVE It (Viera)	9/12/2020	9/13/2020	2	181	213
339799	CF Determination	9/19/2020	9/20/2020	2	157	185
343186	ELITE Southeast Ntl Dual Qualifier (14u/16u/18u)	9/26/2020	9/27/2020	2	613	721
335392	Womens A & B World Tournament	9/30/2020	10/1/2020	2	468	551
335393	Women's Major World Series by Easton	10/1/2020	10/4/2020	4	283	666
335390	USSSA Men's A & B World Tournaments	10/1/2020	10/4/2020	4	931	2,191
339095	Women's GSL A/B World Tournament	10/2/2020	10/4/2020	3	197	348
339218	GSL A/B World Tournament	10/4/2020	10/5/2020	2	352	414
335395	Men's AA World Tournament	10/4/2020	10/5/2020	2	212	249
335394	Major World Series powered by Dudley	10/7/2020	10/11/2020	5	353	1,038
335397	Men's C & Womens C, D & E World Tournaments	10/8/2020	10/11/2020	4	1,433	3,372
335396	Men's D & E World Tournament	10/15/2020	10/18/2020	4	2,359	5,551
341617	Florida Fall State Championship	10/17/2020	10/18/2020	2	909	1,069
342419	CF East Coast Challenge	10/17/2020	10/18/2020	2	93	109
342741	Florida Fall Nationals	10/24/2020	10/25/2020	2	564	664
344702	Space Coast Halloween Smash	10/31/2020	11/1/2020	2	317	373
335399	Mixed World Tournament	11/6/2020	11/8/2020	3	1,022	1,804
343274	USA Elite Select Championship Series	11/13/2020	11/15/2020	3	207	365

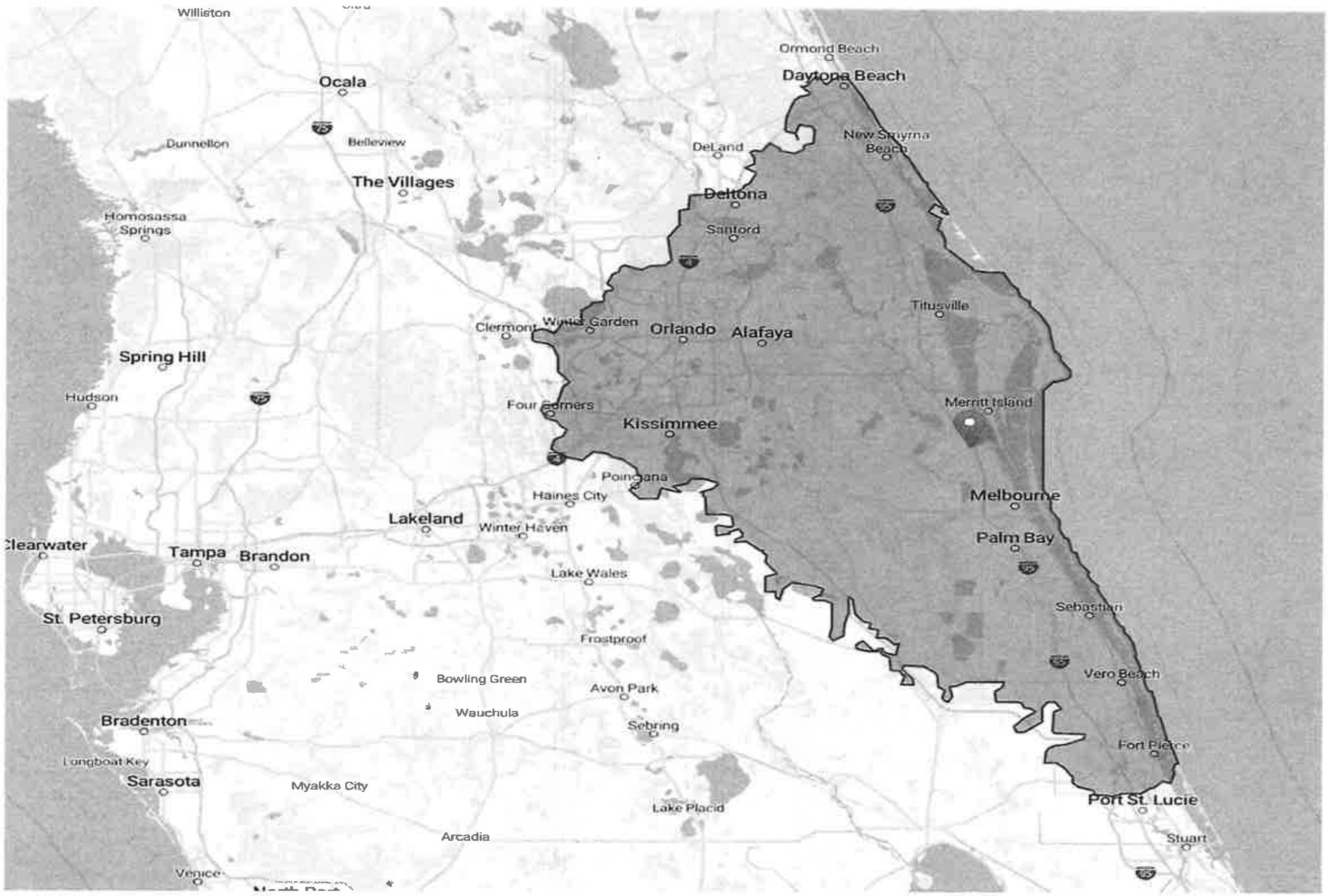
APPENDIX B – CONTINUED

Event ID	Event Name	Event Start Date	Event End Date	Total Qualifying Event Nights	Player Zip to Player City to Team City Total Eligible Participants	 Room Night Calculation
342429	CF Confidence (12U/14U)	11/21/2020	11/22/2020	2	156	184
347644	Mix Fest	11/22/2020	11/22/2020	1	8	5
342219	THANKSGIVING SPACE COAST SUPER NIT	11/27/2020	11/29/2020	3	688	1,214
341618	Boombah Toys 4 Tots	12/5/2020	12/6/2020	2	443	521
344660	34th USSSA Toys for Tots	12/11/2020	12/13/2020	3	177	312
344017	Winter All American Games	12/27/2020	12/31/2020	5	241	709
344018	Winter All American Games	12/27/2020	12/31/2020	5	468	1,376
343337	USSSA New Year's Eve Baseball Classic	12/28/2020	1/1/2021	5	131	385
346237	John Kings Classic	1/2/2021	1/3/2021	2	305	359
342151	USSSA Challenge Cup	1/21/2021	1/24/2021	4	2,228	5,242
346239	USSSA Winter Nationals	1/30/2021	1/31/2021	2	812	955
347977	PRESIDENT'S DAY SELECT SUPER NIT	2/13/2021	2/15/2021	3	1,219	2,151
348945	GSL Winter Nationals	2/20/2021	2/21/2021	2	995	1,171
346127	CF PaRtY in Viera	2/27/2021	2/28/2021	2	176	207
352177	Bash for Cash	3/6/2021	3/6/2021	1	38	22
349200	Space Coast Gold Glove Championship	3/6/2021	3/7/2021	2	449	528
352344	USSSA Mix Winter Nationals	3/13/2021	3/13/2021	1	142	84
352604	March Madness	3/27/2021	3/27/2021	1	120	71
			Total	187	32,235	66,646

APPENDIX C

Driving Radius

The map below highlights the geographic area within in a 75-mile driving radius from the USSSA Stadium Complex.



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Internal Auditor Follow-Up Report
Summary of Audit Corrective Actions

BREVARD COUNTY INTERNAL AUDIT

Audit Report/Subject	Management Comments	Auditor Status Update	Report Issue Date	Corrective Actions		
				Total	Open	Closed
Educational Facilities Impact Fees: County Responsibility	March 2022	March 2022	December 2, 2013	8	1	7
HR - Recruiting & Onboarding	Jan 2022	Jan 2022	May 20, 2020	4	-	4
Library Services Turnover Audit	March 2022	March 2022	May 27, 2021	3	-	3

Audit Report Closed during current Follow Up testing cycle

Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT | **Report Issue Date: December 2, 2013**

FUNCTION: Educational Facilities Impact Fees

Risk	Issue C2	Management Comments as of March 2022	Auditor Comments as of March 2022	Status
High	(a) The County provided copies of interlocal agreements entered into with four (4) local municipalities. From the agreements provided, we noted that Section 4.2.3 of the agreements was not updated to reflect the change in the administrative fee collected from no more than 2.5% to 8.0%. *REVISED: Subsequent to the issuance of the original internal audit report, a change to Florida Statutes limits administrative charges for the collection of impact fees to actual costs. References to administrative fees in the interlocal agreements is superceded by the revised legislation.* (b) Section 3.5 of the four (4) interlocal agreements required the municipality to remit monthly or annual reports to the County identifying the "address and date of all residential building permits, mobile or manufactured home setup permits, residential certificates of occupancy and certificates of completion for mobile or manufactured home setups for the preceding" reporting period. To date, none of the local municipalities have remitted any reports to the County in compliance with their interlocal agreements or in compliance with Section 62-926(e) of Ordinance 04-34, as amended, in the absence of an interlocal agreement.	(a) Florida Statute 163.31801(4)(c) limits administrative charges for the collection of impacts fee to actual cost. The Planning & Development Department has updated policies and procedures to utilize actual cost in establishing charges for the Educational Impact Fee administration. (b) As of February 2022, all of the 15 municipalities are providing monthly reports.	(a) Closed May 2020. (b) We will test this audit item after sufficient time has passed for all municipalities to have remitted the required reports for at least four to six consecutive months since February 2022.	Open
	Auditor Recommendation	**ECD:**	**Testing Date:**	
	(a) We recommend the County execute updated interlocal agreements with all local municipalities that reflect all changes to date of the original ordinance. *REVISED: We recommend the County implement policies and procedures to identify the actual costs of administration of impact fees to determine the amount to be assessed as administrative charges to the participating municipalities.* (b) We further recommend the County develop and implement policies and procedures to collect required reports from the local municipalities in order for the County to ensure fees are being appropriately collected. Through discussions with County personnel, we noted the County's Solid Waste department is already receiving reports from five (5) municipalities listing certificates of occupancy issued during the reporting period. The Planning & Development Department may wish to coordinate such required reporting with reports already remitted by local jurisdictions to the County's Solid Waste department to minimize duplication; however, if the Planning & Development Department wishes to utilize these existing reports, a modification to the language in Section 3.5 of the interlocal agreements would be necessary.	(a) Closed (b) O: October 31, 2014 R: December 31, 2015 R: December 31, 2016 R: December 31, 2020 R: June 30, 2021 R: Completed February, 2022	(a) Closed (b) July 2022	

Risk	Issue C8	Management Comments as of March 2022	Auditor Comments as of March 2022	Status
Low	Section 62-926(c) of Ordinance 04-34, as amended, requires a municipality, in the absence of an Interlocal agreement that states otherwise, to require a proof of payment receipt from the County be presented prior to the issuance of an impact-fee-eligible residential building permit. This section is inconsistent with Section 62-928 of the ordinance which allows a municipality to require a proof of payment receipt at any point prior to issuance of the certificate of occupancy or certificate of completion. *REVISED: Subsequent to the issuance of the original internal audit report, a change to Florida Statutes specifies that the collection of impact fees may not be required prior to the issuance of the building permit.*	Based on Fla. Stat. Sec. 163.31801(4)(e), "collection of the impact fee may not be required to occur earlier than the date of issuance of the building permit..." This requirement, initially acopted in 2019, has been implemented. Management is in the process of finalizing proposed code amendments to reflect this change and other statutory changes, and should have them completed by May 2022 and able to start the public hearing process in July 2022 which includes Building & Construction Advisory Committee, Local Planning Agency, and Board of County Commissioners.	The inconsistencies with the original issue are moot since the legistation change now dictates the timing of the collection of impact fees. This audit item is considered closed.	Open
	Auditor Recommendation	**ECD:**	**Testing Date:**	
	We recommend the County review sections 62-926(c) and 62-928 of Ordinance 04-34, as amended, to resolve any conflicting language.	Closed	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

BREVARD COUNTY INTERNAL AUDIT

FUNCTION: Human Resources - Recruiting and Onboarding

Report Issue Date: May 20, 2020

Risk	Observation #3: Probationary Performance Evaluations	Management Comments as of January 2022	Auditor Comments as of January 2022	Status
Moderate	For 20 employees tested, we noted various instances of a lack of compliance with Merit System Policy XI which states: Employees serving an original probationary period shall receive at least one (1) performance evaluation each four (4) months during their probationary period (II. A.) For the sampled employees hired in the period tested from February 2019 to February 2020, we noted the following: • For 19 of the 20 new hires employed for four (4) months, a performance evaluation was not provided related to the first 4 months of their employment • For the new hires that had been employed for nine (9) months or more [the original probationary period], 1 out of 9 did not have any performance evaluations and 8 out of 9 had one performance evaluation in their personnel file.	a. Closed. b. The Records Supervisor sent out monthly emails to Supervisors advising them of those employees that had not received the required performance evaluations.	a. Closed. b. We selected a risk-based sample of 15 employees hired from November 1, 2020 to October 20, 2021 to test the performance of employee evaluations; no exceptions were noted. This audit item is considered closed.	Closed
	Auditor Recommendation	**ECD:**	**Testing Date:**	
	We recommend that management perform the following: The Office of Human Resources should circulate an email to the Human Resource contact at each department/office and recommend that they create an outlook calendar reminder for performance evaluation completion to comply with the requirements of Merit System Policy XI.	a. Closed. b. Closed.	a. Closed. b. 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

BREVARD COUNTY INTERNAL AUDIT

FUNCTION: Library Services Turnover Audit

Report Issue Date: May 27, 2021

Risk	Observation #1: Documentation of Segregation of Duties around Cash	Management Comments as of January 2022	Auditor Comments as of January 2022	Status
Moderate	During our observation, inquiry and detailed testing of the cash receipts process for the period of March 1, 2020 through February 28, 2021, we did not identify any instances of a lack of segregation of duties. However, we did note that there was no consistent, uniform documented procedures in place for each library.	A staff training on Cash Handling Procedures was presented on June 28, 2021. The training was then uploaded to the Library Sharepoint page so it is available for reference. The new procedures were implemented after this training was held.	We obtained and inspected a copy of the Cash Handling Procedures training deck dated June 28, 2021. We also obtained and inspected a sample of cash receipts package for each library location noting that the new cash handling procedures and count sheet were utilized for each one without exception. This audit item is considered closed.	Closed
	Auditor Recommendation	**ECD:**	**Testing Date:**	
	We recommend that management put in place a uniform, documented cash receipts process that includes: dual counting, depositing, recording and reconciling of cash for each location.	Closed.	Closed.	

Risk	Observation #2: Onboarding / Training	Management Comments as of March 2022	Auditor Comments as of March 2022	Status
Moderate	There is no formal, documented process for the onboarding/training of new employees for their particular roles and responsibilities at the libraries except for one location. This one location uses a detailed, step by step "New Hire Checklist." The new hire is to review, check off the steps as completed, sign, date and return to the secretary/administrator.	An Onboarding Checklist was developed and distributed to the libraries on 10/27/21. A meeting to review the document with Library Directors was held on 10/28/21. This form has become required by the Library Services Director for all new hires.	We performed sample testing of new hires noting that the Onboarding Checklist was utilized as evidence that each new hire sampled received the proper onboarding/training for their respective positions in a timely manner. This audit item is considered closed.	Closed
	Auditor Recommendation	**ECD:**	**Testing Date:**	
	We recommend that management utilize the "New Hire checklist" (modifying as needed) for all of the libraries to document new employee onboarding/ training as evidence that each new hire receives the proper onboarding /training required for their respective positions in a timely manner.	Closed.	Closed.	

Risk	Observation #3: Department Procedures	Management Comments as of March 2022	Auditor Comments as of March 2022	Status
Low	There are various Department procedures that are past their review dates and others that have been updated, but have not been signed by the Library Services Director.	The applicable Department procedures have been reviewed and approved by the Library Services Director.	We obtained and inspected the Department updated procedures noting that they were properly dated and approved by the Library Services Director as evidenced by her signature. This audit item is considered closed.	Closed
	Auditor Recommendation	**ECD:**	**Testing Date:**	
	We recommend that Library Services management review and update the Department procedures as applicable. Then, the Library Services Director should date and sign the procedures accordingly.	Closed.	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)