

Date: May 16, 2017



## **CLERK OF THE CIRCUIT COURT – AGENDA ITEM Marion County Commission**

---

**SUBJECT: Present Internal Audit Report No. 2017-07 Regarding EDFIG  
Compliance Review of AnsaFone Contact Centers, LLC**

**INITIATOR: Sachiko H. Leon, Internal Auditor**

**DEPARTMENT: Clerk of Court**

**DESCRIPTION/BACKGROUND: AnsaFone Contact Centers, LLC submitted required 5<sup>th</sup> annual report. Internal Audit agreed with the County Administration's conclusion that AnsaFone Contact Centers, LLC was in compliance with the applicable sections of the grant agreement for the reporting period and due a payment of \$62,000.**

**BUDGET IMPACT: None**

**RECOMMENDED ACTION: None, for informational purposes only**



**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**  
*David R. Ellspermann*

**TO:** Board of County Commissioners, individually  
Mounir Bouyounes, County Administrator

**FROM:** David R. Ellspermann, Clerk of the Circuit Court and Comptroller  
Sachiko H. Leon, Internal Auditor

**DATE:** May 2, 2017

**RE:** Report No. 2017-07: Economic Development Financial Incentive Grant Compliance Review: **Ansafone Contact Centers, LLC**

**Purpose**

---

Internal Audit performed a compliance review of the performance measures for the Ansafone Contact Centers, LLC (Grantee) required fifth annual report pursuant to the Economic Development Financial Incentive Grant (EDFIG) Agreement (Agreement).

**Objective, Scope, and Approach**

---

The objective was to determine if the County Administration's assessment of the Grantee was reasonable and supported by sufficient documentation on the following criteria:

- the number of "new to Marion County" full-time equivalent employees (FTE)
- compliance with applicable sections of the grant agreement in calendar year 2016

The scope included verification of compliance with the applicable sections of the grant agreement and calculation of FTE for calendar year 2016, which included tests to verify the County analyses and documentation submitted.

We identified the total payroll in Marion County (County) using the following method:

- The Grantee provided an analysis using IRS Form 941 to determine payment amount due from County. IRS Form 941 is used to report employer's quarterly federal tax return. Internal Audit had determined in the previous review that IRS Form 941 submitted by the Grantee was a reliable source of information to assess the grant compliance.
- The IRS Form 941 included the nationwide total annual wages, but the Grantee supplemented the IRS Form with an annual wages and tax payroll report which included

---

*Marion County Clerk of the Circuit Court and Comptroller*

the individual state totals. The Grantee deducted the wages paid in out-of-states to calculate the Florida wages.

- Marion County is the only call center location in Florida; therefore, the wages paid in Florida represented the wages paid in the County.

**Results**

**Our opinion is that** the County Administration’s assessment was reasonable and supported by sufficient documentation. The Grantee was in compliance with the applicable sections of the grant agreement.

The Grantee timely submitted the annual report that covered calendar year 2016 and reported 310 FTE for that year.

We agreed that the Grantee employed **310 FTE** in calendar year 2016. Grantee had provided documentation that supported the creation of new full-time and part-time jobs that met the required average annual salaries. The Grantee is due a grant payment of **\$62,000**.

<b>Audit Analysis</b>	
<b>Calendar Year 2016</b>	<b>Gross Wages</b>
1 <sup>st</sup> Quarter	\$1,253,767.53
2 <sup>nd</sup> Quarter	\$1,690,664.99
3 <sup>rd</sup> Quarter	\$2,109,750.16
4 <sup>th</sup> Quarter	\$2,105,134.87
<i>Total Annual Gross Wages (Form 941)</i>	<b>\$7,159,317.55</b>
Less: California Wages	-\$58,333.36
Less: Minnesota Wages	-\$303,350.60
Less: Illinois Wages	-\$24,216.39
Less: Maryland Wages	-\$11,694.55
<i>Calculated Florida Wages</i>	<b>\$6,761,722.65</b>
Divided by Average Annual Wage per FTE	21,800.00
<b>Calculated FTEs</b>	<b>310</b>
Calculated FTEs	310
Allowable Payment per FTE/Year	\$200
<b>Grant Payment Due</b>	<b>\$62,000</b>

**Background**

The County awarded to the Grantee on July 17, 2012, an Economic Development Financial Incentive Grant in the total amount of \$300,000. The City of Ocala has a separate but related

grant agreement with the Grantee.

The Grantee intended to establish a customer service communications center within the County and occupy existing office space within the City of Ocala. The Grantee was required by the Agreement to provide within the first year of operation a minimum capital investment of \$500,000 in new equipment, furniture and other tangible personal property or cause a similar value of equipment to be relocated from locations beyond the County. This was accomplished.

The Grantee proposed to create up to 300 “new to Marion County” full and part-time jobs, for which it will receive a maximum of \$1,000 per job over a five-year period (\$200 per job per year) ending July 17, 2017. Such jobs will have a verifiable annual wage equal to or greater than \$21,800 and receive defined benefits. The Grantee is required throughout the agreement term to submit annual reports to the County with documentation to establish its compliance with the specified requirements. Reporting is required to be on a calendar year basis. The table below summarizes the conclusions of the previous annual report compliance reviews that determined the number of FTE and corresponding payments to the Grantee.

<b>Annual Reporting Period</b>	<b>FTE</b>	<b>Payment</b>
First Annual Report (October-December 2012)	70	\$14,000
Second Annual Report (January-December 2013)	119	\$23,800
Third Annual Report (January-December 2014)	172	\$34,400
Fourth Annual Report (January-December 2015)	221	\$44,200
Total Paid To Ansafone		\$116,400

**Acknowledgement**

---

We would like to thank the representatives of the County Administration and Ansafone Contact Centers, LLC for their cooperation during our review.

This review was conducted by Debra Edwards, Heather Lobsiger, and Sachiko Leon.

**Report Distribution List**

---

<b>Name</b>	<b>Position Title</b>
<b>Carl Zalak</b>	Chairman of the Marion County Board of County Commissioners
<b>Kathy Bryant</b>	Vice Chair of the Marion County Board of County Commissioners
<b>David Moore</b>	District 1 Commissioner
<b>Jeff Gold</b>	District 3 Commissioner
<b>Michelle Stone</b>	District 5 Commissioner
<b>Mounir Bouyounes</b>	County Administrator
<b>Jeannie Rickman</b>	Assistant County Administrator-Public Services
<b>Michael McCain</b>	Fiscal Manager
<b>John Garri</b>	Finance Director
<b>Meredith Gaitanis</b>	Controller, AnsaFone Contact Centers, LLC.