

Date: June 19, 2018



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

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**SUBJECT: Present Report No. 2018-05: EDFIG Compliance Review of Ansafone Contact Centers, LLC**

**INITIATOR: Sachiko H. León, Internal Audit Director**

**DEPARTMENT: Clerk of Court**

**DESCRIPTION/BACKGROUND: Ansafone Contact Centers, LLC submitted required sixth and final annual report. Internal Audit agreed with the County Administration's conclusion that the grantee was in compliance with the grant agreement for the reporting period and is due a payment of \$56,400. This sixth and final payment to the grantee fulfills all obligations of both Marion County and the grantee.**

**BUDGET IMPACT: None**



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



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

**MEMORANDUM**

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

**FROM:** David R. Ellspermann, Clerk of the Circuit Court and Comptroller   
Sachiko H. León, Internal Audit Director 

**DATE:** June 5, 2018

**RE:** Report No. 2018-05: Economic Development Financial Incentive Grant Compliance  
Review: **Ansafone Contact Centers, LLC**

**Purpose and Objective**

Internal Audit performed a compliance review of the performance measures for the Ansafone Contact Centers, LLC (grantee) required sixth and final annual report pursuant to the Economic Development Financial Incentive Grant Agreement (agreement).

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 agreement in calendar year 2017

**Results**

**Our opinion is that** the County Administration's assessment was reasonable and supported by sufficient documentation. The grantee timely submitted the required annual report for calendar year 2017 and was in compliance with the applicable sections of the agreement.

We agree that the grantee employed **282 FTE** in the first two quarters of 2017. The grantee had provided documentation that supported the creation of new full-time and part-time jobs that met the required average annual salary. The grantee is due a grant payment of **\$56,400**. The following table provides a summary of our FTE calculation.

<b>Audit Analysis</b>	
<b>Calendar Year 2017</b>	<b>Gross Wages</b>
1 <sup>st</sup> Quarter	\$2,130,932.33
2 <sup>nd</sup> Quarter	\$2,014,511.40
<i>Total Annual Gross Wages (Form 941)</i>	<b>\$4,145,443.73</b>
Less: Minnesota Wages	-\$230,227.16
Less: Illinois Wages	-\$43,859.64
Less: Maryland Wages	-\$30,859.60
Calculated Florida Wages	<b>\$3,840,497.33</b>
Divided by Average Wage per FTE	\$21,800.00
Calculated FTE multiplied by 2 for annual amount	352
Less: 70 FTE *	-70
<b>Calculated FTE</b>	<b>282</b>
Calculated FTE	282
Multiply by Allowable Payment per FTE/Year	\$200
<b>Grant Payment Due</b>	<b>\$56,400</b>

\*Agreement section 2c limits the total grant payment to \$1,000 per new FTE over a 5-year period starting from 2012 at \$200 per year. The report used for our analysis included 70 FTE positions for which the County Administration has already paid out \$1,000. Internal Audit and the County Administration agreed to subtract the 70 FTE that had been reported over the 5-year period from the total FTE reported for 2017.

The table below is a comprehensive summary of the annual report compliance reviews.

<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
Fifth Annual Report (January – December 2016)	310	\$62,000
Sixth Annual Report (January – June 2017)	282	\$56,400
<b>Total</b>		<b>\$234,800</b>

Pursuant to section 12, this agreement ended on July 17, 2017. The sixth and final payment to the grantee fulfills all obligations of both Marion County and the grantee.

## **Scope and Approach**

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The scope included verifying the reported wages and calculated FTE for the first two quarters of calendar year 2017.

We performed analytical procedures to independently determine the number of FTE based on the documentation submitted by the grantee. We compared the results of our assessment to the results of the County Administration's assessment to determine its reasonableness.

## **Background**

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The Board of County Commissioners awarded to the grantee an Economic Development Financial Incentive Grant in the total amount of up to \$300,000 on July 17, 2012.

The grantee intended to establish a customer service communications center within Marion County and to occupy an 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 Marion County. This was accomplished.

The grantee proposed to create up to 300 FTE, for which it received a maximum of \$1,000 per job over a five-year period (\$200 per job per year) ending July 17, 2017. Such jobs had a verifiable annual wage equal to or greater than \$21,800 and received defined benefits. The grantee was required throughout the agreement term to submit annual reports to the County Administration, along with support documentation to establish its compliance with the specified requirements. Reporting was required to be on a calendar year basis.

## **Acknowledgement**

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

This review was conducted by Andrew Gibb and Sachiko H. León.

**Report Distribution List**

<b>Name</b>	<b>Position Title</b>
<b>Kathy Bryant</b>	Chairman of the Marion County Board of County Commissioners
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<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