



**GREGORY C. HARRELL**  
CLERK OF COURT AND COMPTROLLER – MARION COUNTY, FLORIDA

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**To:** The Board of County Commissioners, individually  
Mounir Bouyounes, County Administrator

**FROM:** Gregory C. Harrell, Clerk of Court and Comptroller  
Sachiko Horikawa, Internal Audit Director

**DATE:** June 22, 2021

**RE:** Report No. 2021-05: Economic Development Financial Incentive Grant  
Compliance Review: **Cardinal LG Company**

### **Purpose**

Internal Audit performed a compliance review of the performance measures for the Cardinal LG Company (grantee) required annual report, pursuant to the Economic Development Financial Incentive Grant Agreement (agreement).

### **Objective**

The objective was to determine if the County Administration's assessment of the grantee for the following requirements was reasonable and supported by sufficient documentation:

- Maintain at least 475 Full Time Equivalent Employees (FTE) at an average annual wage of \$51,000.
- Meet the March 1, 2021 reporting due date for reporting year 2020.

### **Results**

**Our opinion is that** the County Administration's assessment was reasonable and supported by sufficient documentation. We agree that the grantee timely submitted the required reports and exceeded the minimum FTE requirements for reporting year 2020.

### **Scope and Approach**

The scope included verification of compliance with the agreement's applicable requirements for reporting year 2020.

We reviewed the submitted documentation and performed analytical procedures to independently determine the number of FTE. We compared our results with the County Administration's assessment to determine if it was reasonable and supported by sufficient documentation.

## **Background**

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The Board of County Commissioners awarded the grantee an Economic Development Financial Incentive Grant in the total amount of up to \$70,000.00 effective September 19, 2017. The grant was paid to the grantee to cover the expense of transportation impact fees incurred in connection with the construction of the new facility and was payable at the time of issuance of certificate of occupancy.

The grantee is required to:

1. Occupy the new and existing facility for a period of five years following the substantial completion date and utilize both facilities commencing with the January 1 that immediately follows the achievement date.
2. Submit an initial report by March 1 after the substantial completion date for County Administration to assess compliance with the capital improvement requirements.
3. Provide capital improvements as follows:
  - a. Construct a facility as a cost of at least \$18 million.
  - b. Equip the facility with machinery and equipment at a cost of at least \$5 million by December 31, 2019.
4. Employ and maintain at least 50 FTE at the new facility at an average annual salary of \$51,000.00 in addition to the 425 FTE currently employed at the existing facility no later than 3 years after the substantial completion date.
  - a. The date the required FTE count is reached determines the achievement date.
  - b. The grantee is required to maintain 475 total FTE at the Marion County facility locations. The number of FTE should be calculated annually at the anniversary of the achievement date for a period of two years.
5. Submit annual reports to assess compliance with the FTE requirement.
  - a. The reports are due March 1 after the first anniversary of the substantial completion date and continuing the same day of each year thereafter.
  - b. Annual reports should include four quarters of gross wages for the previous calendar year.
6. In the event that the grantee defaults, there is a prorated (with interest) repayment calculation defined in the agreement.

## **Acknowledgement**

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We would like to thank the representatives of the County Administration and Cardinal LG Company their cooperation during our review.

This review was conducted by Sarah Conti and Heather Ewing.

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**Report Distribution List**


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