

Date: July 19, 2016



CLERK OF THE CIRCUIT COURT – AGENDA ITEM Marion County Commission

SUBJECT: Present Report No. 2016-07 Regarding EDFIG Compliance Review of Ansafone Contact Centers, LLC.

INITIATOR: Sachiko H. Leon, Internal Auditor

DEPARTMENT: Clerk of Court

DESCRIPTION/BACKGROUND: Ansafone submitted fourth annual report. Internal Audit reviewed for grant compliance and concluded Ansafone was in compliance with the applicable sections of the grant agreement for calendar year 2015. Ansafone is now due a payment of \$44,200 and required to report annually for the remainder of the terms of the agreement.

BUDGET IMPACT: None



RECOMMENDED ACTION: None, for informational purposes only



CLERK OF THE CIRCUIT COURT AND COMPTROLLER
David R. Ellspermann

MEMORANDUM

TO: Mounir Bouyounes, County Administrator

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

DATE: July 1, 2016

RE: AUDIT REPORT NO. 2016-07: ECONOMIC DEVELOPMENT FINANCIAL INCENTIVE GRANT COMPLIANCE REVIEW: ANSAFONE CONTACT CENTERS, LLC

Executive Summary

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

Our objective was to determine the number of “new to Marion County” full-time equivalent employees (FTE) and compliance with applicable sections of the grant agreement in calendar year 2015.

We concluded that Ansafone Contact Centers, LLC, is in current compliance with the applicable sections of the grant agreement. We agreed with Ansafone’s determination that they employed **221 FTE** in calendar year 2015. Ansafone has provided documentation that supports its creation of new full-time and part-time jobs that meets the required average annual salaries. Ansafone is now due a grant payment of **\$44,200**.

Heather Lobsiger was the Auditor-in-Charge, directed and supervised by the Internal Auditor, Sachiko Leon.

We thank the representatives of Ansafone for their cooperation during our review.

Background

Marion County (County) awarded to Ansafone Contact Centers, LLC 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 Ansafone.

Ansafone intended to establish a customer service communications center within Marion County and occupy existing office space within Ocala. Ansafone 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.

Ansafone 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. Ansafone 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 FTE and corresponding payments to Ansafone.

Annual Reporting Period	FTE	Payment
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
Total Paid To Ansafone	361	\$72,200

Objective and Conclusion

Our objective was to determine the number of “new to Marion County” FTE and compliance with applicable sections of the grant agreement. Audit Scope was assessment of calendar year 2015.

We concluded that Ansafone is in current compliance with the applicable sections of the grant agreement. We agree with Ansafone’s determination that they employed **221 FTE** in calendar year 2015. Ansafone has provided documentation that supports its creation of new full-time and part-time jobs that meets the required average annual salaries. Ansafone is now due a grant payment of **\$44,200**.

Audit Methodology and Activities

Ansafone timely submitted its fourth annual report that covered calendar year 2015 and reported 221 FTE for that year.

We identified the total payroll in Marion County using the following method. Ansafone 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. This form included the nationwide total

annual wages, but Ansafone supplemented the IRS Form with an annual wages and tax payroll report which included the individual state totals. Ansafone 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 Marion County.

We also obtained quarterly Reemployment Tax Reports (RT-6) for calendar year 2015 as required by the agreement to confirm reliability of Form 941 and determined it sufficient to enable our review and conclusion.

Audit Analysis	
Calendar Year 2015	Gross Wages
1 st Quarter	\$1,188,495.98
2 nd Quarter	\$1,214,450.29
3 rd Quarter	\$1,330,927.26
4 th Quarter	\$1,441,825.51
<i>Total Annual Gross Wages (Form 941)</i>	\$5,175,699.04
Less: California Wages	-\$173,541.64
Less: Minnesota Wages	-\$184,175.02
<i>Calculated Florida Wages</i>	\$4,817,982.38
Divided By Average Annual Wage Per FTE	21,800.00
Calculated FTEs	221
Calculated FTEs	221
Allowable Payment Per FTE/year	\$200
Grant Payment Due	\$44,200

Analysis Conclusion: We determined that Ansafone employed **221 FTE** in calendar year 2015. Ansafone is now due a grant payment of **\$44,200**.

- c: Jeannie Rickman, Assistant County Administrator of Public Services
- John Garri, Finance Director
- Meredith Gaitanis, Controller, Ansafone Contact Centers