



School Board of Brevard County Half-Cent Sales Surtax – Round 9 Internal Audit Report Fiscal Year 2019-20

February 28, 2020

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TRANSMITTAL LETTER

February 28, 2020

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

Pursuant to the School Board of Brevard County, Florida (“District”) approved audit plan for fiscal year (“FY”) 2019-20, we hereby present our internal audit of the Half-Cent Sales Surtax – Round 9. We will be presenting this report at the next scheduled Audit Committee meeting on March 12, 2020 and to the Independent Citizens Oversight Committee on April 15, 2020. Our report is organized in the following sections:

Executive Summary	This provides a summary of the observations noted in our internal audit.
Overview	This provides an overview of the Half-Cent Sales Surtax function.
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.
Appendices	This section includes information on the Facilities Needs Assessment, State Requirements and the Independent Citizens Oversight Committee.

The testing period for this report was fiscal months July 1, 2019 through November 30, 2019. In June 2019, the District’s total recognized collections surpassed the original estimated total of \$198M (recognized in June, collected in August). In the fall of 2018, Facilities presented optional allocation plans to the ICOC (in August 2018) and the School Board (in September 2018) for funds collected in excess of the original \$198M projection. A comprehensive facility assessment is currently in progress and a separate security assessment is scheduled to be presented to the School Board in April 2020. When the assessments are completed and presented to the Board, a final determination for allocation percentages will be presented to the ICOC for recommendation and to the Board for approval. Pending submission and approval of the final allocation plan, the ICOC is considering and recommending projects on a case-by-case basis. As applicable, we will incorporate testing to validate the approved allocation of the funds collected in excess of the original \$198M, as well as the impact of the new assessments.

We would like to thank the staff and all those involved in assisting the Internal Auditors in connection with the internal audit of the Half-Cent Sales Surtax.

Respectfully Submitted,



INTERNAL AUDITORS

EXECUTIVE SUMMARY

Background

On November 4, 2014 the citizens of Brevard County passed a Half-Cent Sales Surtax to address critical school infrastructure needs. The surtax is effective for a period of six (6) years beginning on January 1, 2015, continuing through December 31, 2020, and was originally projected to generate \$198 million to fund capital projects involving three groups: Facility Renewal, Educational Technology, and District School Security. Actual collections have been consistently higher than the original estimate. As of February 2020, the District’s revised estimate projects 37% more to be collected by the end of the sixth year of the program.

The District has 83 schools with an average District facility age of over 45 years. Without adequate capital revenue, only the highest priority capital needs, typically failures, were addressed before the Half-Cent Sales Surtax was passed by the citizens of Brevard County.

The District created a comprehensive Facilities Condition Assessment and Planned Use for revenue generated. Funding is based on the highest priority components in each of the three groups to address the most critical items. Prioritization was further refined by identifying the critical infrastructure systems where failure to renew either jeopardized mission delivery or significantly increased capital costs for future repair. There are seventeen (17) Facility Renewal, three (3) Educational Technology, and two (2) School Security categories funded.

The Independent Citizens Oversight Committee (“ICOC”) provides general oversight to the use of funds collected for school facilities. The ICOC was independently developed by volunteer citizens not affiliated with Brevard Public Schools. Initial members were selected based on their relevant expertise and reputations within Brevard County and they consist of a multitude of different backgrounds which include business, construction, design, education, financial, legal, and technology.

As of November 30, 2019 actual collections since program inception totaled \$217,637,688 and expenditures were \$140,407,574.

Objective, Approach and Results

The primary purpose of this audit of the Half-Cent Sales Surtax function is to test the appropriateness, existence, accuracy and valuation of the financial reporting from District Management to the ICOC, the School Board of Brevard County (“Board”), and the general public. This audit of the Half-Cent Sales Surtax is the ninth in a series of audit reports that will be issued to the Board, Audit Committee, and ICOC. At the request of the Audit Committee, we will perform this audit and provide a written report of the findings twice a year. These audit reports will be issued throughout the life of the sales surtax.

The audit period for this report is July 1, 2019 to November 30, 2019. For each testing period, RSM will perform select inquiry, review, and testing procedures as they relate to the following processes:

- Revenues
- Expenditures
- Procurement

Fieldwork was performed in February 2020, and a draft report was reviewed with management and senior leadership in the same month. At the conclusion of our audit, we summarized our findings into a written report.

We have assigned ratings of ✓, X, or N/A to each area within our detailed testing scope. We noted no material exceptions in our detailed testing.

Summary of Results

(See Objectives, Approach and Results section for expanded results)

Audit Period of July 1, 2019 – November 30, 2019

Revenues	Expenditures	Procurement
✓	✓	✓

We would like to thank all District team members who assisted us throughout this review.

OVERVIEW

On November 4, 2014 the citizens of Brevard County passed a Half-Cent Sales Surtax to address critical school infrastructure needs. The surtax is effective for a period of six (6) years beginning on January 1, 2015, continuing through December 31, 2020, and was originally projected to generate \$198 million to fund capital projects involving Facility Renewal, Educational Technology, and District School Security.

The School Board of Brevard County, and all school districts in Florida, have faced a drastic decline of funding related to capital expenditures and fixed capital costs associated with the construction, renovation, and renewal of District sites, as well as school security access control and funding for technology needs, including infrastructure, refreshment, acquisition, and implementation of hardware and software. The District has 83 schools with an average District facility age of over 45 years. Without adequate capital revenue, only the highest priority capital needs, typically failures, were addressed before the Half-Cent Sales Surtax was passed by the citizens of Brevard County.

This audit of the Half Cent Sales Surtax is the ninth in a series of audit reports that will be issued to the School Board, Audit Committee, and Independent Citizens Oversight Committee (“ICOC”). The internal audit objective is to test the financial data reported by District Management to the ICOC. These audits will be issued throughout the six-year life of the sales surtax. These projects will also follow District procedures for closeout audits. For all the District’s projects with a total cost of \$1 million or more, an outside auditing firm is engaged to perform a construction closeout audit. A closeout audit consists of inspecting the books and records of a construction contractor, typically for the purpose of testing for contractor compliance with the terms of a cost-plus-fee of construction agreement. These procedures include obtaining source documents, check copies, invoices and other appropriate audit evidence directly from the contractor, in an effort to validate that billings to the District were for costs/expenses incurred and paid by the contractor in compliance with the terms of the agreement. For projects with a total cost of less than \$1 million, the District performs spot-checks and audits, with a general goal of auditing each vendor at least once.

Funding Snapshot

Further below are revenue and expenditure tables to provide an understanding of the funds received and the use of these funds as of November 30, 2019.

Actual collections since program inception total \$217,637,688 with expenditures of \$140,407,574 as of November 2019. There is a time lag between receipt of revenue and expenditure of funds for several reasons:

- The Half-Cent Surtax program is on a pay-as-you-go basis. Encumbrances and expenditures cannot outpace revenues.
- Generally, project planning occurs between September and March. Contracting (encumbrances) for the summer projects occurs between February and May. Construction expenditures peak between August and October each year.
- Project development time can be lengthy depending on the scope and complexity of the project. For some projects, the scope of work exceeds the time available in one summer and must be constructed over two summers.

OVERVIEW – CONTINUED

In May 2019, RSM met with Management as a follow-up meeting to discuss the District's Phase One initiative to provide enhanced public awareness and communication in regards to the achievements of the Surtax program as compared to what was promised. The meeting was held with a member of the Government & Community Relations Department. The public perception program's goal continues to be sustaining public trust and informing the public about how the revenue collected through the Surtax program has been spent. Facebook is used up to three times a week to target communities with information about specific projects that affect them. Each post is about an individual school and project. A typical post lists the school name and age, total Surtax investment amount, a list of improvements, pictures of improvements and a student, and a message to thank the community. An example is included below.

Your Half-Cent Tax Dollars at Work Fairglen Elementary School

Surtax Investment: \$2,904,048
Age of school: 53 years

Improvements:

- Facility renewal and upgrades to security, educational technology
- Upgrades to HVAC and roofing system
- Electrical upgrades
[#yourmoneyatworkbps](#)

Thank you for Investing in our Schools

Brevard Public Schools

In the February 19, 2020 ICOC meeting, the Assistant Superintendent of the Government & Community Relations Department presented the District's Phase Two initiative to enhance public awareness of the program. With the program entering its final year, the initiative aims to highlight the achievements of the surtax program and demonstrate how surtax dollars are being used. Phase Two consists of the following key elements:

- The District's social media campaign will continue from Phase One, with posts that showcase the dollars spent and improvements made at individual schools.
- The Legacy Club, a free program for Brevard residents 55 or older, will be engaged to serve as ambassadors for the program and host events with School Board members.
- Relationships with media outlets will be leveraged using digital advertisement, press releases, and newsletters, with stories tailored to the interests of voters living in specific areas. Local advertising will be used to target the specific communities impacted by local projects funded by surtax dollars.
- Lastly, speakers will be trained with a standard presentation format that can be used to inform the public about the accomplishments and potential future of the program.

OVERVIEW – CONTINUED

Current Developments

Subsequent to the in-scope period covered under this audit we noted the following:

In August 2019, surtax revenues exceeded the original \$198M estimate. If revenue trends remain consistent with no further escalation, the District has projected to collect an additional \$72M over the original estimate of \$198M. As of January 31, 2020, revenue has exceeded the \$198M estimate by \$19,637,688. The District is still considering potential allocation percentages across District School Security, Educational Technology, and Facility Renewal for revenue collections that exceed the initial projection. At their August 10, 2018 meeting, the ICOC recommended a preliminary distribution of revenue in excess of the \$198M as shown in the table below:

Category	Proposed Allocation (%)	Original Allocation (%)
District School Security	50%	2.90%
Educational Technology	15%	12.81%
Facility Renewal	35%	79.28%
Contingency	-	5.01%

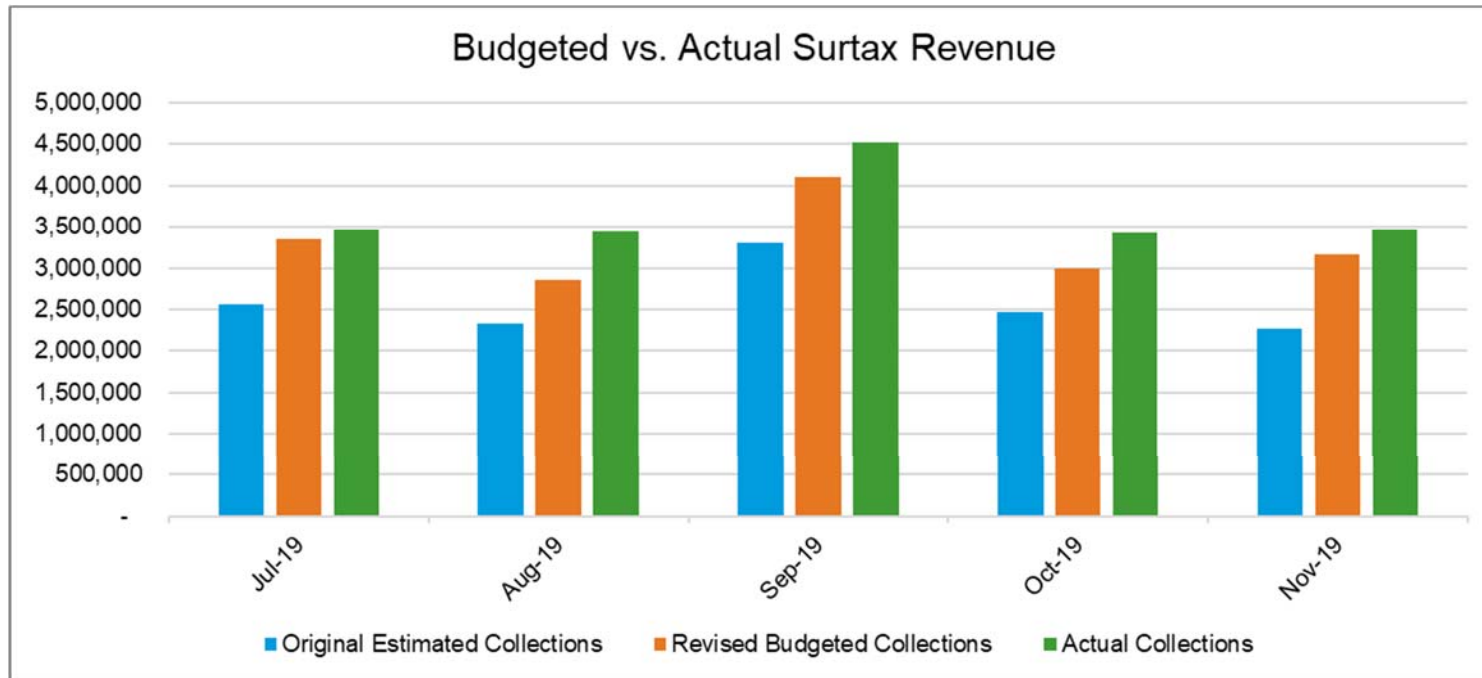
This recommendation was presented to the School Board on September 11, 2018, but no action was requested because categorical needs had not been fully assessed. As of the date of this report, there is no approved allocation for the funds exceeding the \$198M estimate. The School Board approved an RFP for a comprehensive security assessment on March 26, 2019 and granted the contract for assessment services on August 13, 2019. The assessment will be used to determine security needs, which will be considered when the Board approves future allocation percentages. The assessment is expected to be presented to the Board in April 2020.

Additionally, an assessment of facilities and software for facility asset management was approved by the School Board in October 2018. This followed an Invitation to Negotiate process conducted by the District, where five vendors responded, and three were invited to provide a demonstration to the District. Based on the demonstrations and comparison of several cost categories between firms, the District provided a ranking of firms and recommendation for award. This assessment and software will help create a new District-wide facility assessment to determine the short and long term capital needs on an ongoing basis. The new system integrates various functions of the Half-Cent program to allow the District Staff to better manage the process and determine new needs within the School District. Facilities conducted a pilot training assessment in March 2019 at Endeavour Elementary School; based on the results of the pilot training, it was determined that the firm who conducted the pilot project would continue to assist the District in future assessments. The selected firm was awarded a \$1.5M contract to conduct the remaining 11.5 million square feet of assessments, alongside the District's contracted design builders. The District utilized a piggyback procurement method, which was determined to be the most efficient and cost-effective solution. The contract was approved by the Board at the May 28, 2019 meeting. As of January 2020, the facilities assessment is approximately 30% complete and projected to be completed by Summer 2020.

When both the security and facilities assessments are completed, a final determination for allocation percentages will be presented to the ICOC for recommendation and the Board for approval. Until then, Facilities is recommending high priority projects to the ICOC and School Board on an individual basis.

OVERVIEW – CONTINUED

The District, upon recommendation from the Department of Revenue, modeled its estimate of incoming surtax revenues off of a neighboring local government. The District has noted that the original estimated collections were conservative in relation to actual collections. After monitoring the sales tax collection trends for more than a year, the District created a revised budgeted estimate in September 2016 to allow the District to more accurately anticipate revenues. The original estimated collections, District revised budgeted estimate, and actual collections for fiscal year 2019-20 are illustrated below.



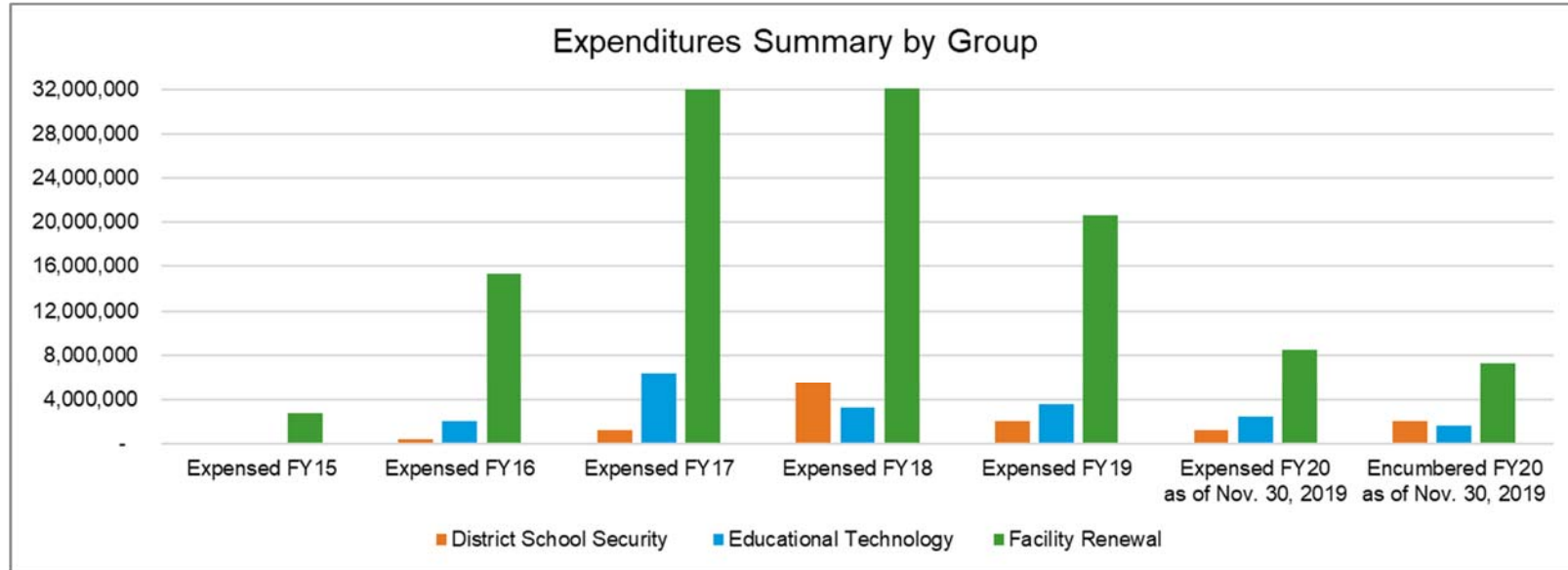
Fiscal Year	Original Estimated Collections	Collections Budget Revision	Actual Collections
FY 2014-15 ^A	16,136,363	16,136,362	19,510,990
FY 2015-16	33,000,195	33,216,502	41,670,592
FY 2016-17	33,000,195	43,269,086	44,914,836
FY 2017-18	33,000,195	43,269,086	45,767,672
FY 2018-19	33,000,195	43,269,086	47,429,872
FY 2019-20 ^B	12,924,887	16,477,218	18,343,726
Total	161,062,030	195,637,340	217,637,688

^A FY 2014-15 figures represent January 2015 through June 2015.

^B FY 2019-20 figures represent July 2019 through November 2019.

OVERVIEW – CONTINUED

The following chart represents the expenses incurred by group through the current fiscal year, as of November 2019.



Fiscal Year	District School Security	Educational Technology	Facility Renewal
FY 2014-15	22,374	2,638	2,734,970
FY 2015-16	376,462	2,054,017	15,273,990
FY 2016-17	1,212,583	6,403,021	31,914,163
FY 2017-18	5,434,911	3,200,725	33,313,414
FY 2018-19	2,051,145	3,555,622	20,629,022
FY 2019-20*	3,317,183	4,048,742	15,828,460
Total	12,414,658	19,264,765	119,694,019

* FY 2019-20 figures represent Expensed and Encumbered funds as of November 2019.

OBJECTIVES, APPROACH AND RESULTS

Objective

The primary purpose of the audit of the Half-Cent Sales Surtax function is to test the appropriateness, existence, accuracy and valuation of the financial reporting from District Management to the ICOC, the School Board, and the general public. At the request of the Audit Committee, we will perform this audit and provide a written report of the findings twice a year.

Objectives of this engagement include the following:

- To audit the accuracy, existence, appropriateness and valuation for a sample of the revenues and expenditures of the Half-Cent Sales Surtax from July 1, 2019 to November 30, 2019 as reported to the ICOC;
- To gain an understanding of and test the labor allocation review processes performed by the District when recording expenses to a Half-Cent Surtax project;
- To vouch the expenses listed on the pay applications to supporting documentation;
- To gain an understanding of, and to review the results of, the District's process to effect equitable distribution of contracts among qualified firms in accordance with Florida Statute 287.055(4)(b);
- To attend the bi-monthly meeting agendas of the ICOC and to observe that the ICOC is functioning as outlined in the ICOC Charter; and
- To make any recommendations or process improvement suggestions noted during our procedures.

Approach

Our audit approach consisted of the following phases:

Understanding and Documentation of the Process

We held an entrance conference with those members of District senior management who were involved in the execution and have an understanding of the Half-Cent Sales Surtax function to discuss the scope and objectives of the audit work, obtain preliminary data, and establish working arrangements. We reviewed the ICOC committee meeting minutes held during our in scope period in order to obtain a greater understanding of their involvement with the Half-Cent Sales Surtax. We had a meeting with District personnel who are involved with the day to day Half-Cent Sales Surtax process and discussed our audit plan and provided the initial request list.

Testing and Reporting

This audit of the Half Cent Sales Surtax is the ninth in a series of audit reports that will be issued to the School Board, Audit Committee, and ICOC. These audit reports will be issued throughout the life of the sales surtax. For each testing period, RSM will perform select inquiry, review, and testing procedures as they relate to the following processes:

- Revenues
- Expenditures
- Procurement

OBJECTIVES, APPROACH AND RESULTS – CONTINUED

Approach - Continued

Our testing is performed as construction projects are in progress so as to provide the District with real-time audit results that can be addressed by management quickly, if applicable. There are inherent limitations when performing auditing procedures on construction projects midway through completion, as many times the project contingencies and any overruns are calculated and applied at the end of a project and therefore will not be applicable until near completion. We will continue to monitor and assess risk related to the Half-Cent Sales Surtax program, and will continue to discuss our internal audit objectives and scope with District leadership, the Audit Committee and School Board as appropriate.

Results

We discussed results of our audit with appropriate members of management and conducted an exit conference with the District Leadership. We will report to the Audit Committee at the March 12, 2020 meeting, and to the Independent Citizen's Oversight Committee in their April 15, 2020 meeting.

We concluded our procedures and have summarized the results herein. There were no material exceptions noted in our detailed testing of Revenue, Expenditures, or Procurement.

OBJECTIVES, APPROACH AND RESULTS – CONTINUED

Revenue

The District reported \$18,343,726 in revenue to the ICOC for the fiscal period of July 1, 2019 through November 30, 2019. We tested a sample of the collections as reported in the ICOC meeting agenda packet. Our procedures included the following:

- 1) Verify that the collections received were allocated among the 4 groups (School Security, Educational Technology, Facility Renewal, and Contingency) in accordance with School Board Policy 6350.02.
- 2) Recalculate the collections report and related supporting documentation for mathematical accuracy.
- 3) Trace items on the ICOC agenda packet report to the general ledger and to the bank statements.
- 4) Confirm the revenues were recognized and reported to the ICOC in the proper period.

Revenue	Period Audited		
	November 30, 2018	June 30, 2019	November 30, 2019
1. Verify appropriate allocation	✓	✓	N/A ¹
2. Mathematical accuracy / valuation	✓	✓	✓
3. Confirm existence and occurrence	✓	✓	✓
4. Confirm proper period recognition	✓	✓	✓

Note 1: As surtax revenue exceeded the original budgeted estimate of \$198M in August 2019 (recognized in June, collected in August), the revenue collected in excess of the original \$198M estimate is temporarily unallocated until new allocations are approved by the Board. Revenues received are currently collected into a contingency account, then distributed to Facilities Renewal, Educational Technology, and District Security as new projects are approved on a case-by-case basis. We will continue to monitor how surtax revenue is collected and allocated on an ongoing basis.

In October 2015, the ICOC recommended the District draft policies to allow the temporary transfer among sales surtax categories to accelerate high priority projects such as security. The School Board approved the policies recommended by the ICOC in January 2016. Subsequently, the School Board approved temporary transfers (loans) from Facilities Renewal to District School Security. The intent of the loans was to accelerate availability of total anticipated School Security revenues prior to year 6, to allow for the expedited construction of security projects. In addition, there is a loan portion over and above what was originally budgeted for security. To date, the School Board approved temporary transfers from Facilities Renewal to District School Security on June 13, 2017 June 12, 2018, and September 11, 2018. The increased investment of sales surtax is consistent with the allowable uses of the sales surtax. Schools and ancillary facilities that were not scheduled for security sales surtax are funded through capital. The transfers have since been repaid from School Security to Facilities Renewal, as of November 30, 2019. The following table summarizes the approved transfers from Facilities Renewal to District School Security and the amount repaid to Facilities Renewal through November 30, 2019.

Total Transfers (As of November 30, 2019)	Total Repaid (As of November 30, 2019)	Balance (As of November 30, 2019)
\$12,362,215.61	\$12,362,215.61	--

OBJECTIVES, APPROACH AND RESULTS – CONTINUED

Expenditures

The District reported \$12,228,516 in expenditures to the ICOC for the period of July 1, 2019 through November 30, 2019. We tested a sample of the expenditures as reported in the ICOC meeting agenda packet. Our procedures included the following:

- 1) Recalculate the expenditure supporting documentation for mathematical accuracy.
- 2) Confirm that the expenditure existed and occurred by vouching the expenditure to supporting documentation.
- 3) Confirm that the expenditures were recognized and reported to the ICOC in the proper period.
- 4) Review the nature of the expenditure and determine if the expenditure is reported appropriately and allowable per the Florida Statutes and project scope requirements.
- 5) Recalculate allocation of internal labor in accordance with District procedure.

Expenditures	Period Audited		
	November 30, 2018	June 30, 2019	November 30, 2019
1. Mathematical accuracy / valuation	✓	✓	✓
2. Confirm existence and occurrence	✓	✓	✓
3. Confirm proper period recognition	✓	✓	✓
4. Confirm appropriateness and allowability	✓	✓	✓
5. Recalculate internal labor allocation	✓	✓	N/A ¹

Note 1: Labor allocations were not applied to project expenditures for our scope period of July 1, 2019 through November 30, 2019. Labor allocations make up a small percentage of project expenditures and do not materially impact the reported figures. Per discussion with Facilities Services and Accounting Services, labor allocations were not received until January 2020, therefore no labor allocations appeared in the sampled expenditure reports. We will continue, on an ongoing basis, to monitor the labor allocation as the costs are applied to projects.

OBJECTIVES, APPROACH AND RESULTS - CONTINUED

Procurement

We obtained a listing of all surtax projects and their various stages and methods of procurement. Of the currently active contracts utilized on surtax projects, we selected a sample of the solicitations for testing compliance with applicable Florida Statutes.

Our testing procedures were based upon the requirements of Florida Statute 287 and Florida Statute 255, and include the following as applicable:

- 1) Verify that competitive solicitations were requested from 3 or more sources for contracts over the threshold required by Statute.
- 2) Verify the RFP announcement contains a statement describing the commodities or services sought, relative importance of price and other evaluation criteria, and a statement on if the agency is contemplating renewal. Verify that the RFP/RFQ was published in a manner as required by the Statutes, which is determined by type of solicitation.
- 3) Verify "short list" of firms contains at least 3 contractors
- 4) Verify vendor packages were received by the published due date.
- 5) Verify documentation of proper negotiations as per Statute.
- 6) Recalculate scoresheets for mathematical accuracy.
- 7) Verify final executed contract is maintained on file.

In accordance with Florida Statute, School Board Policy and District procedures, work is distributed to vendors in several ways. The District tracks the awards for 10 categories, or pools, of continuing contractors which have been prequalified through a formal Request for Qualification ("RFQ") process. Among the categories of continuing contractors are Construction Manager firms, Design-Build Service firms, Architectural/Engineering firms and various trade contractors. Awarded work is monitored for equitable distribution at the District-wide level and does not segregate between Half-Cent Surtax funded awards and non-Surtax awards. As of our fieldwork for the current round of testing, the District had recently awarded four new Request for Proposals ("RFP") for Design Services, Construction Management, and Design Build. Although there were no continuing contracts awarded during the scope period of July 1, 2019 to November 30, 2019, we performed walkthroughs with process owners to discuss the tracking mechanism for reporting equitable distribution. Since the prior report, the process for tracking equitable distribution has been re-assigned and is now being updated on a continuous basis as purchase orders are received. We will continue, on an ongoing basis, to monitor the District's award of work under continuing contracts for equitable distribution.

Procurement	Period Audited		
	November 30, 2018	June 30, 2019	November 30, 2019
1. Proper competitive solicitation	✓	✓	✓
2. Verify proper advertisement	✓	✓	✓
3. Verify short list	✓	✓	✓
4. Verify vendor packages are received / stamped by due date	✓	✓	✓
5. Verify negotiations	✓	✓	✓
6. Scoresheets	✓	✓	✓
7. Executed contract	✓	✓	✓

Contracts Awarded July 1, 2019 – November 30, 2019	Awarded	Tested
Design Services for Challenger 7 & Christa McAuliffe Elementary School	1	1
Construction Management for Columbia, Challenger 7 & Christa McAuliffe Elementary School	1	1
Design Build for Viera High School	1	1
Design Build for Suntree Elementary School	1	-

APPENDIX

Facilities Need Assessment

In accordance with the requirements set forth in the Florida Statutes noted above, the District began planning for the 2014 Half-Cent Sales Surtax referendum. They made a commitment to the community to create a comprehensive Facilities Condition Assessment and Planned Use for revenue generated. Two teams of Facilities Services employees, in collaboration with various school representatives, performed an assessment of the District's facilities from March 2014 through May 2014. Systems were rated on a condition code scale of 1-5, with a Condition Code 1 indicating an extremely worn and damaged status with replacement in two years and a Condition Code 5 indicating a new or like-new status with replacement in eight to ten years. Generalized construction costs were estimated using historical data and input from the District's design and construction vendors.

The Facility Assessment focused on critical systems and building/site components on each school campus. The three groups of this assessment were Facility Renewal, School Security, and Educational Technology. Within these groups are 33 Facility Renewal, 2 School Security, and 3 Educational Technology categories. The categories *not* included in the Facility Assessment were as follows: additional classroom space, new facility requirements for academic programs, furniture and equipment renewal, food service equipment renewal, new playground, new middle school gym air conditioning, new physical education pavilions, equity projects, and landscaping.

The following is the original projected amounts needed and funded based on the District's facility assessment completed prior to the passing of the Half-Cent Sales Surtax. The District, upon recommendation from the Department of Revenue, modeled their estimate of incoming surtax revenues off of a neighboring local government. As a result of the estimated proceeds during its six-year life span, \$197,485,384, or 26%, of the below identified needs will be addressed.

Group	Needed	Funded
Facility Renewal	\$721,750,379	\$156,969,949
Educational Technology	\$27,193,246	\$25,364,827
School Security	\$8,505,377	\$5,746,542
Contingency*		\$9,404,066
Total	\$757,449,002	\$197,485,384

*The contingency was established to fund unexpected failures or where unfunded Condition Code 1 or 2 elements become critical safety factors or negatively impact the education mission

APPENDIX – CONTINUED

Facilities Need Assessment - CONTINUED

As a result, in the District's 2014 Facilities Needs Assessment, only partial funding was allocated for each category below, as shown by **Funded** and **Not Funded**. This funding is based on the highest priority components in each of the three groups to address the most critical items. Prioritization was further refined by identifying the critical infrastructure systems where failure to renew either jeopardized mission delivery or significantly increased capital costs for future repair. There are seventeen (17) Facility Renewal, three (3) Educational Technology, and (2) two School Security categories funded.

Facility Renewal

Cost estimates were developed with regional engineering and construction firms to identify the expenditures required to bring the facility systems and building components back to a condition code rating of 5.

Funded	Not Funded
Safety and Building Code Deficiency Corrections	Site Improvements Renewal
ADA Code Deficiency Correction	Site Facilities Renewal
Fire Alarm System Renewal	Restroom Fixtures Renewal
Central Mechanical Plant Renewal	Plumbing Systems General
Cooling and Heating Control System Renewal	Interior Door Assembly Renewal
Air Conditioning and Air Distribution Equipment Renewal	Restroom Finishes and Accessories Renewal
Roofing System Renewal	Building Cabinetry Renewal
Exterior Building Wall Finish System Renewal	Interior Specialties Renewal
Exterior Door/Window/Louver System Renewal	Interior Wall Finishes Renewal
Building Water and Sanitary Piping System Renewal	Interior Ceiling Renewal
Water Heating System Renewal	Flooring System Renewal
Electrical Supply System Renewal	Interior Signage Renewal
Electrical Distribution System Renewal	Interior Stair System Renewal
Electrical Components Renewal	Indoor/Outdoor Pool Renewal
Interior and Exterior Lighting Equipment Renewal	Building Foundation System Renewal
Air Supply and Exhaust System Renewal	Building Structural System Renewal
Site Utility Systems Renewal	

APPENDIX – CONTINUED

Facilities Need Assessment - CONTINUED

Educational Technology

The Educational Technology staff identified needs for completing the technology building cabling system for all campuses, classroom technology infrastructure, and technology equipment renewal.

Funded	Not Funded
Technology Building Cabling Technology Equipment Renewal Classroom Technology Infrastructure	21 st Century Classroom Equipment Renewal

District School Security

The facility services staff used a fencing survey to identify the existing fencing at each campus and developed a preliminary layout to limit access to a single point of entry located at each school building's administration office. Additionally, evaluations were completed with District Security and Educational Technology to identify methods of access control and the use of security cameras at each campus.

Funded	Not Funded
Fencing Access Control	Cameras

APPENDIX – CONTINUED

State Requirements

Section 212.055(6)(c) of the Florida Statutes states that a “resolution providing for the imposition of the surtax shall set forth a plan for use of the surtax proceeds for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of 5 or more years, and any land acquisition, land improvement, design, and engineering costs related thereto. Additionally, the plan shall include the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the school district. Surtax revenues may be used for the purpose of servicing bond indebtedness to finance projects authorized by this subsection, and any interest accrued thereto may be held in trust to finance such projects. Neither the proceeds of the surtax nor any interest accrued thereto shall be used for operational expenses.”

Independent Citizens Oversight Committee

In previous years, the District included the Half-Cent Sales Surtax on the ballot to address the decline in capital revenue but did not receive the required number of votes to pass. To increase transparency, an addition to the November 4, 2014 ballot was the creation of the Independent Citizens Oversight Committee (ICOC).

The ICOC process started October 2014 where applications were submitted through the United Way of Brevard. An independent ICOC Selection Committee, which included representatives from the four Brevard County Chambers of Commerce, a representative from the Capital Outlay Committee, and three parents met on December 11, 2014 to review ICOC applications and make a recommendation to the School Board. The School Board appointed ten (10) Brevard resident volunteers as members of the ICOC on February 10, 2015. The ICOC members were selected based on their relevant expertise and reputations within Brevard County and they consist of a multitude of different backgrounds which include business, construction, design, education, financial, legal, and technology.

The ICOC began meeting bi-monthly on February 25, 2015 to provide oversight to the use of funds collected from the sales surtax. Annual reporting of the projects utilizing these funds are required to be presented to the School Board and School Board Audit Committee and are available for public review.

The ICOC Charter was independently developed by volunteer citizens not affiliated with Brevard Public Schools and the ICOC is not terminated until all funds collected during the six-year period of the Half Cent Sales Surtax have been expended as approved by the School Board at their October 14, 2014 meeting. The Charter's Purpose states that:

“ICOC shall provide general oversight of the expenditures made through funds generated by the one- half cent surtax on sales for school facilities approved by the citizens of Brevard County on November 4, 2014. The key focus of ICOC is to assure that School Board’s capital expenditures for mission critical Facility Renewal, Educational Technology and School Security items are made in accordance with the School Board’s published site-based priority list, sequenced by highest severity of need and category ranking priority to best maintain a safe and appropriate educational environment. Additionally, ICOC will evaluate the appropriateness of capital expenditures that are substituted for previously published items due to newly recognized needs deemed to be at a higher severity of need and category ranking priority than the previously published item or items replaced.”



RSM US LLP
7351 Office Park Place
Melbourne, Florida 32940-8229
(321) 751-6200
www.rsmus.com

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