

**Department of Parks & Recreation
Oceanfront Parks Revenue Audit**

August 23, 2004

Report #598

**Department of Parks & Recreation
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Report # 598**

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EXECUTIVE SUMMARY

August 23, 2004

Report No. 598

Honorable Members of the City Council
City of Jacksonville

INTRODUCTION

Parks & Recreation's Oceanfront Parks consist of Kathryn Abby Hanna Park and Huguenot Memorial Park. Hanna Park, located on the Atlantic Beach, provides a wide range of activities for park patrons including oceanfront access with on-duty lifeguards during summer months, 293 camping sites with water/electric connections for RV and tent campers, four Cozy Cabins, 15 miles of trails for biking/hiking, a 60 acre freshwater lake for fishing, kayaking, paddle boating and canoeing, and a water park and playground for children. Hanna Park also provides three on-site restroom and shower facilities, a laundry facility and concessionaires for its patrons. Huguenot Park provides beach goers with direct vehicle access to the Fort George Inlet and is staffed by on-duty lifeguards during the summer months. In addition to oceanfront access, Huguenot Park provides 71 primitive sites for RV and tent camping, a bird observation deck and a playground for children. Huguenot Park also provides an on-site restroom and shower facility and concessionaires for its patrons.

Park revenues include admission fees, campground rental fees, facility rental fees, and vendor payments. For fiscal year 2002/03, Hanna Park realized a net operating income of \$156,277 whereas Huguenot Park realized a net operating loss of (\$465,775). As of June 2004, Hanna Park's available fund balance is \$536,214 and Huguenot Park's available fund balance is \$453,226.

STATEMENT OF OBJECTIVES

The objectives of the audit were as follows:

- 1) Determine if Hanna Park and Huguenot Park are maximizing revenues for the services provided in order to be self supporting.
- 2) Document Hanna Park and Huguenot Parks revenue sources and determine the adequacy of management controls established to insure the accurate and timely collection, recording, and depositing of these revenues.

AUDIT CONCLUSIONS

- 1) The Oceanfront Parks could potentially increase its revenues by adjusting their fees to be more comparable to other Florida parks. Revenues could also be increased by improving collection efforts on returned checks.

- 2) The Oceanfront Parks need to improve management controls to insure the accurate and timely collection, recording, and depositing of revenues.

SIGNIFICANT FINDINGS

- The admission fee charged by Huguenot Park and the camping and shelter fees charged by both Hanna and Huguenot Park are set by the Department and appear low based on the rates charged at various Florida parks.
- Several issues were noted during our review of the Early Bird Ticket Book Process, including:
 - Proper controls have not been established to safeguard unsold Early Bird Ticket Books against loss or theft.
 - We were unable to account for all of the Early Bird Ticket Books in our sample.
 - Early Bird Ticket sales information per the Early Bird Ticket Log did not agree to the daily cash register tape and the Admission/Miscellaneous Report.
- Several issues were noted during a review of Camping Credits, including:
 - We were unable to locate all of the Camping Credit Request forms.
 - The Office Supervisor did not approve or complete all of the Camping Credit Request forms.
 - Camping Credit Request forms were approved although no prior payment was made.
 - Information per the Credit Log Sheet did not agree to information per the Credit Request Form.
 - Available credits were not listed on the Credit Log Sheet and used credits remained available on the Credit Log Sheet.
- Several camping refunds did not appear reasonable based on the Park's internal policy.
- Dolphin Plaza refunds were not consistently supported by a written notification regarding the cancellation as required by the contract.
- Not all patrons entering Huguenot Park are required to pay the \$0.50 admission fee.
- Receipts are not consistently offered to patrons as required by the City's Cash Receipt Procedures.
- Neither Hanna Park nor Huguenot Park have established adequate internal controls to prevent the loss, theft, or misappropriation of City funds.
- The Department of Parks & Recreation does not verify that deposits are properly posted to the City's General Ledger System.
- The Camping Collections Report prepared by Hanna Park is overly complicated and appears to contain information that is used by neither Hanna Park nor the Parks and Recreation Business Office.

OFFICE OF THE COUNCIL AUDITOR
 Suite 200, St. James Building



August 23, 2004

Report No. 598

Honorable Members of the City Council
 City of Jacksonville

INTRODUCTION

Pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Jacksonville Municipal Code, we conducted an audit of the Department of Parks & Recreation's Oceanfront Parks revenue generating activities, cash handling procedures, and collection efforts and present this report thereon.

Parks & Recreation's Oceanfront Parks consist of Kathryn Abby Hanna Park and Huguenot Memorial Park. Hanna Park, located on the Atlantic Beach, provides a wide range of activities for park patrons including oceanfront access with on-duty lifeguards during summer months, 293 camping sites with water/electric connections for RV and tent campers, four Cozy Cabins, 15 miles of trails for biking/hiking, a 60 acre freshwater lake for fishing, kayaking, paddle boating and canoeing, and a water park and playground for children. Hanna Park also provides three on-site restroom and shower facilities, a laundry facility and concessionaires for its patrons. Huguenot Park provides beach goers with direct vehicle access to the Fort George Inlet and is staffed by on-duty lifeguards during the summer months. In addition to oceanfront access, Huguenot Park provides 71 primitive sites for RV and tent camping, a bird observation deck and a playground for children. Huguenot Park also provides an on-site restroom and shower facility and concessionaries for its patrons.

Park revenues include admission fees, campground rental fees, facility rental fees, and vendor payments. The following table depicts the various fees charged by each of the Oceanfront Parks:

Fee Type	Hanna Park (tax included)	Huguenot Park (tax included)
Admission Fee (per person)	\$1.00	\$0.50
Campground Fee – Tent (per night)	\$13.56	\$5.65
Campground Fee – RV (per night)	\$18.08	\$7.91
Cozy Cabin Rental Fee (per night)	\$33.90	N/A
Picnic Shelter Rental Fee (daily)	\$21.40	\$21.40
Dolphin Plaza Rental (4 hrs)	\$321.00	N/A
Employee Fee (4 hrs)	\$55.76	
Cleaning fee	\$50.00	
Each additional hour	\$13.94	

For fiscal year 2002/03, Hanna Park realized a net operating income of \$156,277 whereas Huguenot Park realized a net operating loss of (\$465,775). The following table provides additional detail related to Hanna and Huguenot Parks 2002/03 revenues and expenditures.

FY 2002/03 Revenues & Expenditures:

	Hanna Park (1D2)		Huguenot Park (1D1)	
	Actual	Operating	Actual	Operating
Admission Revenues	\$ 250,052	\$ 250,052	\$ 182,888	\$ 182,888
Camping Revenues	674,994	674,994	60,659	60,659
Misc. Revenues	123,073	123,073	26,058	26,058
Transfer In from Fund Balance	678,219	-	370,565	-
Transfer In from General Fund	-	-	63,147	-
Transfer In from Hanna Park	-	-	50,826	-
TOTAL REVENUES	\$ 1,726,338	\$ 1,048,119	\$ 754,143	\$ 269,605
Personnel Expenditures	\$ 441,453	\$ 441,453	\$ 203,189	\$ 203,189
Operating Expenditures	421,000	421,000	148,896	148,896
Capital Expenditures	29,389	29,389	331,340	331,340
Indirect Expenditures	-	-	51,955	51,955
Transfer Out to Huguenot	50,826	-	-	-
TOTAL EXPENDITURES	\$ 942,668	\$ 891,842	\$ 735,380	\$ 735,380
NET INCOME/(LOSS)		\$ 156,277		(\$ 465,775)

As of June 2004, Hanna Park's available fund balance is \$536,214 and Huguenot Park's available fund balance is \$453,226.

STATEMENT OF OBJECTIVES

The objectives of the audit were as follows:

- 1) Determine if Hanna Park and Huguenot Park are maximizing revenues for the services provided in order to be self supporting.
- 2) Document Hanna Park and Huguenot Parks revenue sources and determine the adequacy of management controls established to insure the accurate and timely collection, recording, and depositing of these revenues.

STATEMENT OF SCOPE

The audit period for detailed testing of revenue collections, refunds, and credits was October 1, 2003 through May 21, 2004. The scope of the audit included all revenues collected, credits granted and refunds provided by each of the Oceanfront Parks during the audit period. Our audit did not include a review of vendor payments, which are a flat fee established by contract. Park vendors include concessionaires and recreational rentals such as canoes, kayaks, and paddle boat rentals.

STATEMENT OF METHODOLOGY

We reviewed the Oceanfront Parks revenue generating activities and performed analysis as necessary, as well as determined compliance with applicable laws and/or policies and procedures.

STATEMENT OF AUDITING STANDARDS

We conducted our audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgements and conclusions regarding the organization, program, activity, or function under audit. This audit also included an assessment of applicable management controls and compliance with requirements of laws and regulations when necessary to satisfy audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

AUDIT CONCLUSIONS

- 1) The Oceanfront Parks could potentially increase its revenues by adjusting their fees to be more comparable to other Florida parks. Revenues could also be increased by improving collection efforts on returned checks.
- 2) The Oceanfront Parks need to improve management controls to insure the accurate and timely collection, recording, and depositing of revenues.

The Department of Parks and Recreation's responses to our finding and recommendations have been inserted into the body of the report.

AUDIT OBJECTIVE #1

In order to determine if the Oceanfront Parks are maximizing revenues for the services provided, we reviewed Hanna and Huguenot Park's various revenue sources and the costs associated with the services provided and compared the various fees charged with other comparable parks. In addition, we reviewed the returned check process.

Finding #1-1: Admission Fees (EXHIBIT A)

Huguenot Park's admission fee (\$0.50 per person) is set by the Department and appears low based on a comparison with other parks. During our review of park admission fees, we noted that there is a mix between parks that charge a per person fee and a per vehicle fee. Of the parks reviewed with a per person admission fee, the average admission fee is \$1.21 per person.

Note: During a review of Huguenot Park's operating revenues and expenditures, it was noted that the Park is operating at a net operating loss. Increasing admission fees to better reflect market rates could help the Park to sustain itself rather than requiring it to be subsidized by the General Fund and/or Hanna Park or could provide additional funding for necessary improvements to better serve the public. For instance, in 2002/03 Huguenot Park's operating loss was (\$465,775). Increasing Huguenot Park's admission fee from \$0.50 to \$1.00 (the same as Hanna Park) would have increased Park revenues by approximately \$183,000.

Recommendation to Finding #1-1

We recommend that the Administration review the admission fee charged by Huguenot Park and that any increase be segregated into a separate trust fund for future capital projects. During this review, we recommend that the Administration consider other fee options such as per vehicle fees and/or annual pass fees.

Auditee's Response to Finding and Recommendation #1-1:

The Department agrees that the fee structure of Huguenot Park is low compared to other similar parks. We will present a revised fee structure that includes the sale of annual vehicle passes to the Oceanfront Parks. The additional revenue generated could be used for capital projects which are currently unfunded.

Finding #1-2: Camping Fees (EXHIBIT B)

Camping fees charged by both Hanna and Huguenot Park are set by the Department and appear low based on the rates charged at various Florida parks. Furthermore, camping fees have not been adjusted in several years. Hanna Park admission and camping fees were increased in 1998. The Department was unable to determine the last time Huguenot Park fees were adjusted. Based on a review of the camping fees charged by various parks throughout Florida, it was determined that:

- The average camping fee is \$19.02 for sites that include water and electric connections. This rate applies to both RV and tent sites. Hanna Park's camping fees are \$12.00 for a tent site and \$16.00 for a RV site.
- The average camping fee for primitive tent sites (those with no water or electric connections) is \$9.57. Huguenot Park's camping fees are \$5.00 per site. Note: Most parks reviewed charged a per person fee for primitive camping – we assumed there were two (2) people per site when calculating average cost.

A \$2.00 increase in camping fees could result in additional camping revenues of approximately \$100,000 at Hanna Park and \$20,000 at Huguenot Park.

Recommendation to Finding #1-2

In order to provide additional funding for capital enhancements to meet the needs of users, we recommend that the Administration review the camping fees charged by both Hanna Park and Huguenot Park and that any rate increase be segregated into a separate trust fund for future capital projects.

Auditee's Response to Finding and Recommendation #1-2:

The Department agrees that the fee structure for camping and shelter rentals at both Hanna and Huguenot are low compared to other similar facilities. We will present a revised fee structure which includes competitive camping and shelter fees at both parks. The additional revenue generated could be used for capital projects which are currently unfunded.

Finding #1-3: Shelter Fees (EXHIBIT C)

Both Hanna Park and Huguenot Park have picnic shelters available for rent, each containing six (6) picnic tables. There are currently eight (8) shelters available for rent at Hanna Park and three (3) shelters available for rent at Huguenot Park. Based on a comparison of shelter rental fees with various Florida parks, it was determined that the fees set by the Department and charged by both of the Oceanfront Parks appear low. The following was noted:

- A comparison of shelters with relatively the same amount of space indicated an average daily rental fee of \$35.26. Hanna and Huguenot Park's daily rental fee is \$20.00.
- The average shelter fee for all parks reviewed is \$49.00.

Recommendation to Finding #1-3

In order to provide additional funding for capital enhancements to meet the needs of users, we recommend that the Administration review the shelter fees charged by both Hanna Park and Huguenot Park and that any rate increase be segregated into a separate trust fund for future capital projects.

Auditee's Response to Finding and Recommendation #1-3:

The Department agrees that the fee structure for camping and shelter rentals at both Hanna and Huguenot are low compared to other similar facilities. We will present a revised fee structure which includes competitive camping and shelter fees at both parks. The additional revenue generated could be used for capital projects which are currently unfunded.

Finding #1-4: Returned Checks

Parks & Recreation Business Office does not send uncollected returned checks to the State Attorney's Office for prosecution. We were specifically looking at the returned check process for Hanna & Huguenot Park; however, noted that this is the policy for all returned checks handled by the Parks & Recreation Business Office. The City's Cash Receipt Procedures state, "*The writer of the check has seven (7) days from receipt of the above referenced notice within which to pay restitution in full including a service charge. Criminal charges may be filed with the State Attorney's Office if restitution has not been paid within the seven-day period. Charges may be filed immediately when a check is dishonored due to a closed account.*"

From October 1, 2003 through July 29, 2004, the Business Office has received 19 returned checks that remain unpaid, totaling \$1,629.65.

Recommendation to Finding #1-4

After exhausting its collection efforts, we recommend that Parks & Recreation forward all unsatisfied returned checks to the State Attorney's Office, as provided in the City's Cash Receipt Procedures. In order to initiate this process, Parks & Recreation, with the assistance of the State Attorney's Office, should determine what documentation is required to process these checks in the future. In addition, these parties should determine if collection efforts can be pursued on current outstanding/unsatisfied returned checks.

Auditee's Response to Finding and Recommendation #1-4:

The Department will immediately implement the City's policy for collection of returned checks. Additionally, the Department will investigate with the State Attorney's Office if collection efforts can be pursued on current outstanding returned checks.

AUDIT OBJECTIVE #2

Document Hanna and Huguenot Park's revenue sources and management controls established to insure the accurate and timely collection, recording, and depositing of Park revenues. Testing under this objective included obtaining an understanding of the Park's revenue sources and reviewing their internal controls and cash handling procedures. We selected a sample of days and traced the daily collections to the deposit. In addition, we reviewed a sample of credits granted by each of the Park's and all refunds provided during the audit period.

Finding #2-1 Early Bird Ticket Books

As part of our audit, we reviewed the Early Bird Ticket process. Early Bird Ticket Books are available for purchase at each of the Oceanfront Parks. An Early Bird Ticket Book sells for \$10.00 at Hanna Park and \$5.00 at Huguenot Park. Each ticket book includes ten (10) Early Bird Tickets to the respective park and allows the patron early access to the park. During our review of the Early Bird Ticket Books the following issues were noted:

- Proper controls have not been established to safeguard unsold Early Bird Ticket Books against loss or theft.
 - Hanna Park stores unsold ticket books in an unlocked closet and desk drawer.
 - Huguenot Park stores unsold ticket books under the cash register and in an unlocked file cabinet.
- We were unable to account for all of the Early Bird Ticket Books in our sample.
 - Hanna Park: 123 out of 827 Early Bird Ticket Books (14.9%) could not be accounted for. Each ticket book is worth \$10.00. The ticket books unaccounted for total \$1,230.
 - Huguenot Park: 48 of 520 Early Bird Ticket Books (9.2%) could not be accounted for. Each ticket book is worth \$5.00. The ticket books unaccounted for total \$240.
- Early Bird Ticket sales information per the Early Bird Ticket Log did not agree to the daily cash register tape and the Admission/Miscellaneous Report.
 - Hanna Park: In five (5) instances out of 23 (21.7%), information per the Early Bird Ticket Book Log did not agree to the daily cash register tape and the Admission/Miscellaneous Report.
 - Huguenot Park: In seven (7) instances out of 23 (30.4%) information per the Early Bird Ticket Book Log did not agree to the daily cash register tape and the Admission/Miscellaneous Report.

Recommendation to Finding #2-1

Early Bird Ticket Books represent a revenue source to the City. Proper controls should be established to ensure that all Early Bird Ticket Books (on hand and sold) are accounted for. Therefore, we recommend that Parks & Recreation establish adequate controls over the maintenance and sale of Early Bird Ticket Books. Proper safeguards should include:

- Unsold Early Bird Ticket Books should be maintained in a secure, locked location at all times.
- Early Bird Ticket Books should be issued in consecutive order.

- The current stack of Early Bird Ticket Books which sales are being made from should be:
 - Logged out from inventory to the cash register.
 - Maintained in the cash register until the point of sale.
 - Placed in the safe with the cash bank nightly.
- All sales should be logged into the Early Bird Ticket Log Sheet, which should include the ticket book number, the date of the sale and the clerk's initials.
- At closing, the current stack of Early Bird Ticket Books which sales are being made from should be inventoried and agreed to the Early Bird Ticket Log Sheet and daily cash register tape to ensure that collection is being made on all ticket book sales.
- All ticket books (sold and on hand) should be inventoried on a frequent basis.

Auditee's Response to Finding and Recommendation #2-1:

Hanna and Huguenot management will immediately implement the recommendation that all unsold Early Bird Ticket Books at each location remain locked in the safe or file cabinet at all times, with the exception of a small stack of books which may be placed on a daily basis in the cash register until sale and returned each night to the safe. Early Bird Ticket Books will be issued in consecutive order. The parks will maintain an accurate log of books to include ticket book number, date of sale, and clerk's initials. At daily closing, all books must be inventoried and agree to the log sheet and daily cash register tape to ensure that collection is being made on all ticket book sales. The parks will inventory all ticket books (sold and on hand) on a weekly basis and forward said inventory to the Department's Business Office for review.

Finding #2-2: Early Bird Ticket Process – Hanna Park

At Hanna Park, Early Bird Ticket Books are purchased at the admissions booth. The patron is provided with a receipt and instructed to stop by the office and pick up the actual ticket book. The receipt is not voided after receiving the ticket book which could result in the receipt being used multiple times to obtain multiple Early Bird Ticket Books.

Recommendation to Finding #2-2

In order to make the process more user friendly, we recommend that the Early Bird Ticket Books be sold and disbursed at the same time.

Auditee's Response to Recommendation #2-2:

With the completion of the new Reservation Center at Hanna Park, Early Bird Ticket Books are now sold and disbursed at the same time. Compliance with auditor's recommendation has been met.

Finding #2-3: Camping Credit Process

The Oceanfront Parks have established an internal policy that provides for the issuance of a camping credit to patrons who are unable to fulfill their paid camping reservations. The camping credit process is a manual process that is tracked by logging available credits into a notebook and crossing the credits out as they are used or expire. The following issues were noted during a review of a sample of camping credits:

- We were unable to locate all of the Camping Credit Request forms.
 - Hanna Park: Two (2) out of 34 Camping Credit Request forms could not be located (5.9%).
 - Huguenot Park: One (1) out of 35 Camping Credit Request forms could not be located (2.9%).
- The Office Supervisor did not approve or complete all of the Camping Credit Request forms.
 - Hanna Park: Two (2) out of 32 available Camping Credit Request forms were not approved or completed (6.3%).
 - Huguenot Park: Three (3) out of 34 available Camping Credit Requests were not approved (8.8%).
- Camping Credit Request forms were approved although no prior payment was made.
 - Hanna Park: In one (1) instance, an individual received four (4) free nights credit when only one night was available.
 - Huguenot Park: In one (1) instance, a credit was provided although no prior payment was made.
- Information per the Credit Log Sheet did not agree to information per the Credit Request Form.
- Available credits were not listed on the Credit Log Sheet.
- Used credits remained available on the Credit Log Sheet.

Recommendation to #2-3

Due to the complexity of the current credit process, we recommend that the Parks adopt a more standard credit/refund policy, such as the loss of one nights payment if the cancellation is not made within a specified time or a standard cancellation fee.

Auditee's Response to Recommendation #2-3:

The Department agrees that the current camper credit system is cumbersome and prone to errors. Our Department will investigate how refunds are handled at other venues and develop a new standard camper refund policy which will include terminating the current camper credit system.

Finding #2-4: Refunds

Of the 56 refunds granted during the audit period, 11 refunds (19.6%) representing a value of \$646.81, did not appear reasonable based on the Park's internal policy. Examples of refunds that were considered inappropriate include patrons evicted for alcohol and disorderly conduct, and "RV broke down". The total value of the 56 refunds provided during our audit period is \$8,080.

The Oceanfront Park's internal Camping Refund Policy states, "*Although both Hanna and Huguenot Park maintain a NO REFUND POLICY, individuals may request an exception by completing a Refund Request Form . . . Refunds are usually not given for things such as bad weather or not catching fish. Further, refunds will not be given to individuals who are evicted for violations of Park rules. If someone gets sick, family emergencies, or didn't realize we had no hook-ups (Huguenot) these would be valid reasons for a refund.*"

Recommendation to Finding #2-4

As stated under Recommendation to Finding #2-3, we recommend that the Parks adopt a more standard credit/refund policy.

Auditee's Response to Recommendation #2-4:

The Department will investigate how refunds are handled at other venues and develop a new standard camper refund policy.

Finding #2-5: Dolphin Plaza Refunds

Of the 56 refunds provided during the current fiscal year, eight (8) refunds were provided for the rental of the Dolphin Plaza. During our review of these eight (8) refunds, we found that two (2) of the refunds (25%) were not supported by a written notification regarding the cancellation of the Dolphin Plaza as required by the contract, for a total refund amount of \$963. The Dolphin Plaza Contract Information and Terms states, “*If it becomes necessary to cancel a reservation, the individual requesting the cancellation is responsible for notifying the Park Manager or Designee at least ten (10) days in advance, in writing, of the event or all fees will be forfeited.*”

Recommendation to Finding #2-5

We recommend that a written notice, as required by the Park's internal policies, support all cancellations of the Dolphin Plaza rentals.

Auditee's Response to Recommendation #2-5:

Hanna Park management will reinforce that all staff handling refund requests for Dolphin Plaza rentals adhere to current internal policy of requiring appropriate written notice to support all cancellations. All refund requests are reviewed through several layers of management. The Department's Business Office, as the last approver, will ensure refund requests move forward only when accompanied by the appropriate written notice.

Finding #2-6: Entering Park without Paying

Not all patrons entering Huguenot Park are required to pay the \$0.50 admission fee. As part of our audit, we observed the admission process at Huguenot Park. During our observation, the cashier waived a vehicle though the gate without collecting the \$0.50 per person admission fee. When questioned regarding the issue, the cashier stated that the individuals were frequent visitors to the park and are not charged the admission fee since they assist with pulling out vehicles that get stuck on the beach.

Recommendation to Finding #2-6

The Parks have established an internal policy that defines conditions when fees may be waived. Appropriate conditions include the attendance by State of Florida school groups, including colleges and universities, for educational purposes and representatives of any Federal, State, Municipal or County Agency who must enter the park in performance of their official duties. Established conditions do not include frequent visitors. We recommend that all patrons be required to pay the appropriate admission fee each time they enter the park.

Auditee's Response to Recommendation #2-6:

Hanna and Huguenot management will reinforce that all staff adhere to current policy that all patrons be required to pay the appropriate admission fee and be offered a receipt each time they enter the park. With the implementation of revised fee structure which includes annual vehicle passes, the collection of fees will be easier to monitor and control.

Finding #2-7: Receipt not Offered

As part of our surprise cash count at Hanna Park, we entered the Park as a normal patron in order to observe the admission process. Upon paying the \$1.00 per person admission fee, we were not offered a receipt for the transaction; however, the transaction was entered into the cash register. The City's Cash Receipt Procedures state, "Receipts must be offered to persons paying funds."

Recommendation to Finding #2-7

In accordance with the City's Cash Receipt Procedures and to minimize the potential for the misappropriation of City funds, we recommend that a receipt be offered to all paying customers.

Auditee's Response to Recommendation #2-7:

Hanna and Huguenot management will reinforce that all staff adhere to current policy that all patrons be required to pay the appropriate admission fee and be offered a receipt each time they enter the park. With the implementation of revised fee structure which includes annual vehicle passes, the collection of fees will be easier to monitor and control.

Finding #2-8: Safeguarding Funds

During our audit, it was noted that the neither Hanna Park nor Huguenot Park have established adequate internal controls to prevent the loss, theft, or misappropriation of City funds. The following issues were noted:

- Daily camping funds at Hanna Park are maintained in an unlocked desk drawer in the office during the day rather than in a cash register.
- During two (2) visits to Huguenot Park, we observed that the safe was left unlocked and unattended.
- Huguenot Park is equipped with security cameras; however, during our visits to the Park it was noted that the camera was not recording the daily activities.

The City's Cash Receipt Procedures state, "Money should be locked up, preferably in a safe, when the cash handler has to leave the collections area."

Recommendation to Finding #2-8

We recognize that Hanna Park is operating out of a temporary office; however, this should not be an excuse as to why proper controls have not been established to safeguard funds. In order to establish better controls over camping collections, we recommend that a cash register be used to store daily camping collections.

In accordance with the City's Cash Receipt Procedures, we recommend that the safe remain locked at all times.

Auditee's Response to Recommendation #2-8:

At Hanna Park's new Reservation Center, a cash register is now used to store daily camping collections. Hanna Park management will reinforce that all staff adhere to current policy that the safe at each location be kept locked at all times. The security cameras at Huguenot are now operable. Security cameras will be installed at Hanna Park's Reservation Center in the near future.

Finding #2-9: Verification of Deposits

The Department of Parks & Recreation does not verify that deposits are properly posted to the City's General Ledger System. The City's Cash Receipt Procedures state, "A monthly report of receipts should be prepared and reconciled with the Financial Accounting Management Information System (FAMIS). This report will be a summarization of the daily and/or weekly reports on receipts and will specify the accounts credited as well as the amount of the deposit." As a result of this finding, we noted two (2) instances where daily deposits were posted to the incorrect subobject.

Recommendation to Finding #2-9

In addition to reviewing the daily collection packets, we recommend that the Parks & Recreation Business Office ensure that the daily collections are properly posted to the City's general ledger system.

Auditee's Response to Recommendation #2-9:

The Business Office will implement a monthly reconciliation procedure to ensure all Department deposits are credited to the correct subobject.

Finding #2-10: Daily Camping Collections Report

The Camping Collections Report prepared by Hanna Park is overly complicated and appears to contain information that is used by neither Hanna Park nor the Parks and Recreation Business Office. Furthermore, the top portion of the report does not calculate correctly.

Recommendation to Finding #2-10

We recommend that Parks and Recreation review the Camping Collections Report and determine what information the Department desires to capture in the report. Irrelevant information should be excluded as to not over complicate the process and waste time.

Auditee's Response to Recommendation #2-10:

The Department will review the format of the Camping Collections Report and streamline it to capture only relevant information.

Finding #2-11: System Passwords

There are eight (8) passwords to the Campground Manager System that are considered inappropriate. Examples of inappropriate passwords include the users initials, a single number/letter or consecutive numbers. Standard security protocol dictates that an individual's password should not be the user's initials, all the same letter or number, or consecutive letters and numbers.

Recommendation to Finding #2-11

To ensure passwords are not known, all employees with access into the Campground Manager System should be required to establish a new unique password. Since the Campground Manager System limits passwords to a combination of three characters, we further recommend that the passwords be a combination of letters and numbers.

Auditee's Response to Recommendation #2-11:

All employees with access to Campground Manager System will change their passwords to a three-digit combination of letters and numbers.

We wish to thank both the Department of Parks & Recreation and the Oceanfront Parks for the courtesy and cooperation they have extended to us during the course of our audit.

Respectfully submitted,

Richard Wallace, CPA
Council Auditor

Audit Performed by:
Tasha Morgan, CPA
Heather Norsworthy

Council Auditor's Office
Comparison of Admission Fees
Exhibit A

	City/County/State	Park Name	Admission Fees	Annual Admission Passes	
				County/State Residents	Non-County Residents
1	Duval County, Fl	Hanna Park	\$1.00 per person	N/A	N/A
2	Duval County, Fl	Huguenot Park	\$0.50 per person	N/A	N/A
3	Florida	State Parks (various)	\$4.00 per vehicle (up to 8 people)	N/A	N/A
4	Florida	State Parks (select parks)	\$5.00 per vehicle (up to 8 people)	N/A	N/A
5	Boca Grande, Florida	Cayo Costa State Park	\$1.00 per person	N/A	N/A
6	Jacksonville, Florida	Amelia Island State Park	\$1.00 per person	N/A	N/A
7	Jacksonville, Florida	Big Talbot Island	\$1.00 per person	N/A	N/A
8	Georgia	State Parks	\$2.00 per vehicle	\$ 25.00	\$ 25.00
9	Texas	Mustang Island State Park	\$3.00 per person	\$ 60.00	\$ 60.00
10	Louisiana	State Parks	\$2.00 (up to 4 people)	N/A	N/A
11	Mississippi	State Parks	\$2.00 (up to 4 people)	\$ 20.00	N/A
12	Charleston County, SC	Isle of Palms County Park	\$5.00 per vehicle	\$ 50.00	\$ 70.00
13	Broward County, Fl	Easterlin Park	\$1.00 per person		
14	St. Johns County, Fl	Various Parks	\$5.00 per vehicle	\$ 35.00	\$ 35.00

NOTE: Several of the parks which charge a per vehicle fee have established a single occupant fee of \$3.00 to enter the park.

Council Auditor's Office
Comparison of Camping Fees
Exhibit B

Indicates parks with beach access.

	City/County/State	Park	Type	Camping				No. of Sites
				W&E Hookups		Primitive		
				Fee	Comments	Fee	Comments	
1	Holt, FL	Blackwater River	State Park	\$ 12.00				30
2	Sneads, FL	Three Rivers	State Park	\$ 12.00				30
3	Bristol, FL	Torreya	State Park	\$ 12.00				30
4	Okeechobee, FL	Kissimmee Prairie	State Park	\$ 12.00		\$ 3.00	per person	35
5	Niceville, FL	Rocky Bayou	State Park	\$ 12.00				42
6	Palm Beach, FL	Palm Beach Parks (various)	County Park	\$ 12.00		\$ 10.00	per site	-
7	St. Augustine, FL	Faver Dykes	State Park	\$ 14.00		\$ 3.00	per person	30
8	Chipley, FL	Falling Waters	State Park	\$ 15.00		\$ 4.00	per person	24
9	Sopchoppy, FL	Ochlocknee River	State Park	\$ 15.00				30
10	Live Oak, FL	Suwannee River	State Park	\$ 15.00				31
11	Fruitland, FL	Lake Griffin	State Park	\$ 15.00				40
12	Micanopy, FL	Paynes Prairie	State Park	\$ 15.00				50
13	High Springs, FL	O'Leno	State Park	\$ 15.00				61
14	White Springs, FL	Stephen Foster	State Park	\$ 16.00				45
15	Keystone Heights, FL	Gold Head Branch	State Park	\$ 16.00		\$ 4.00	per person	74
16	Pensacola, FL	Big Lagoon	State Park	\$ 16.00				75
17	Chiefland, FL	Manatee Spring	State Park	\$ 16.00				92
18	Jacksonville, FL	Hanna Park	County Park	\$ 16.00	tent site = \$12			300
19	Marianna, FL	Florida Caverns	State Park	\$ 17.00		\$ 4.00	per person	38
20	Lake Wales, FL	Lake Kissimmee	State Park	\$ 17.00				60
21	Lithia, FL	Alafia River	State Park	\$ 18.00				30
22	Boca Grande, FL	Cayo Costa	State Park	\$ 18.00				30
23	Wimauma, FL	Little Manatee River	State Park	\$ 18.00				34
24	Bradenton, FL	Lake Manatee	State Park	\$ 18.00				60
25	Thonotosassa, FL	Hillsborough River	State Park	\$ 18.00				108
26	Naples, FL	Collier-Seminole	State Park	\$ 18.00				137
27	Sebring, FL	Highlands Hammock	State Park	\$ 18.00				138
28	Santa Rosa Beach, FL	Grayton Beach	State Park	\$ 19.00				37
29	Jacksonville, FL	Little Talbot Island	State Park	\$ 19.00				40
30	St. George Island, FL	St. George Island	State Park	\$ 19.00				60
31	Dunnellon, FL	Rainbow Springs	State Park	\$ 19.00				105
32	Orange City, FL	Blue Spring	State Park	\$ 20.00				51
33	Apopka, FL	Wekiwa Springs	State Park	\$ 20.00		\$ 4.00	per person	60

Council Auditor's Office
Comparison of Camping Fees
Exhibit B

	City/County/State	Park	Type	Camping				No. of Sites
				W&E Hookups		Primitive		
				Fee	Comments	Fee	Comments	
34	Ormond Beach, Fl	Tomoka	State Park	\$ 20.00				100
35	Port St. Joe, Fl	St. Joseph Peninsula	State Park	\$ 20.00		\$ 4.00	per person	119
36	Titusville, Fl	Manatee Hammock	County Park	\$ 20.00		\$ 16.00	per site	182
37	Melbourne, Fl	Wickham Park	County Park	\$ 20.00		\$ 16.00	per site	110
38	Ocala, Fl	Silver River	State Park	\$ 21.00				59
39	Destin, Fl	Henderson Beach	State Park	\$ 21.00				60
40	Clermont, Fl	Lake Louisa	State Park	\$ 21.00				60
41	Melbourne Beach, Fl	Long Point Park	County Park	\$ 21.00		\$ 17.00	per site	170
42	Estero, Fl	Koreshan	State Park	\$ 22.00				60
43	Fernandina Beach, Fl	Fort Clinch	State Park	\$ 22.00		\$ 4.00	per person	62
44	Sarasota, Fl	Myakka River	State Park	\$ 22.00				76
45	Osprey, Fl	Oscar Scherer	State Park	\$ 22.00				104
46	Hope Sound, Fl	Jonathan Dickinson	State Park	\$ 22.00				135
47	Miami, Fl	Larry & Penny Thompson Park	County Park	\$ 22.00		\$ 10.00	per site	270
48	Flagler Beach, Fl	Gamble Rogers Memorial	State Park	\$ 23.00				34
49	Melbourne Beach, Fl	Sebastian Inlet	State Park	\$ 23.00				51
50	St. Augustine, Fl	Anastasia	State Park	\$ 23.00				139
51	Panama City, Fl	St. Andrews	State Park	\$ 24.00				176
52	Key Largo, Fl	John Pennekamp	State Park	\$ 26.00				47
53	Long Key, Fl	Long Key	State Park	\$ 26.00				60
54	Big Pine Key, Fl	Bahia Honda	State Park	\$ 26.00				80
55	Navarre, Fl	Navarre Beach	State Park	\$ 28.00				10
56	Santa Rosa Beach, Fl	Topsail Hill	State Park	\$ 38.00				156
57	Jacksonville, Fl	Huguenot Park	County Park	-		\$ 5.00	per site	71

Council Auditor's Office
Comparison of Shelter Fees
Exhibit C

	City/County/State	Park	Type	Number of Shelters	Size of Shelter	Shelter (fee per day)
1	St. Augustine, FL	Anastasia	State Park	1	unknown	\$ 75.00
2	Big Pine Key, FL	Bahia Honda	State Park	1	8 tables	\$ 50.00
3	Pensacola, FL	Big Lagoon	State Park	2	Up to 65 people	\$ 50.00
4	Holt, FL	Blackwater River	State Park	unknown	unknown	\$ 30.00
5	Clearwater, FL	Caladesi Island	State Park	2	unknown	\$ 30.00
6	Chipley, FL	Falling Waters	State Park	1	Up to 24 people	\$ 30.00
				1	Up to 65 people	\$ 50.00
7	St. Augustine, FL	Faver Dykes	State Park	1	unknown	\$ 30.00
8	Marianna, FL	Florida Caverns	State Park	4	30 - 60 people	\$ 30.00
				1	60 - 100 people	\$ 60.00
9	Keystone Heights, FL	Gold Head Branch	State Park	8	16 - 100 people	\$ 35.00
10	Jacksonville, FL	Hanna Park	County Park	8	6 tables	\$ 20.00
11	Destin, FL	Henderson Beach	State Park	2	Over 100 people	\$ 100.00
12	Thonotosassa, FL	Hillsborough River	State Park	6	Medium	\$ 30.00
					Large	\$ 60.00
13	Jacksonville, FL	Huguenot Park	County Park	3	6 tables	\$ 20.00
14	Key Largo, FL	John Pennekamp	State Park	11	2 tables	\$ 30.00
				1	8 tables	\$ 50.00
15	Hope Sound, FL	Jonathan Dickinson	State Park	2	10 tables	\$ 60.00
				1	20 tables	\$ 90.00
16	Fruitland, FL	Lake Griffin	State Park	1	12 tables	\$ 30.00
17	Lake Wales, FL	Lake Kissimmee	State Park	3	20 - 25 people	\$ 30.00
				1	100 people	\$ 60.00
18	Bradenton, FL	Lake Manatee	State Park	1	75 people	\$ 50.00
19	Wimauma, FL	Little Manatee River	State Park	unknown	Small	\$ 20.00
				unknown	Large	\$ 40.00
20	Jacksonville, FL	Little Talbot Island	State Park	13	40 people	\$ 40.00
21	Chiefland, FL	Manatee Spring	State Park	unknown	unknown	\$ 30.00
22	Sarasota, FL	Myakka River	State Park	2	40 people	\$ 30.00
				2	60-111 people	\$ 60.00
23	Navarre, FL	Navarre Beach	State Park	unknown	8 tables	\$ 75.00
					12 tables	\$ 100.00
					26 tables	\$ 150.00
24	High Springs, FL	O'Leno	State Park	unknown	Small	\$ 15.00
					Large	\$ 50.00

Council Auditor's Office
 Comparison of Shelter Fees
 Exhibit C

	City/County/State	Park	Type	Number of Shelters	Size of Shelter	Shelter (fee per day)
25	Sopchoppy, Fl	Ochlockonee River	State Park	unknown	36 people	\$ 30.00
26	Osprey, Fl	Oscar Scherer	State Park	unknown	Small	\$ 30.00
					Large	\$ 60.00
27	Micanopy, Fl	Paynes Prairie	State Park	1	65 people	\$ 30.00
28	Dunnellon, Fl	Rainbow Springs	State Park	2	14 tables	\$ 80.25
29	Niceville, Fl	Rocky Bayou	State Park	unknown	unknown	\$ 75.00
30	St. George Island, FL	St. George Island	State Park	2	unknown	\$ 30.00
31	Port St. Joe, Fl	St. Joseph Peninsula	State Park	1	70 people	\$ 35.00
32	Melbourne Beach, Fl	Sebastian Inlet	State Park	4	60 people	\$ 60.00
33	Ocala, Fl	Silver River	State Park	unknown	unknown	\$ 40.00
						\$ 75.00
34	Live Oak, Fl	Suwannee River	State Park	2	50 people	\$ 45.00
35	Sneads, Fl	Three Rivers	State Park	unknown	30 - 60 people	\$ 60.00
36	Ormond Beach, Fl	Tomoka	State Park	unknown	unknown	\$ 30.00
37	Bristol, Fl	Torreya	State Park	unknown	80 people or less	\$ 30.00
38	Apopka, Fl	Wekiwa Springs	State Park	2	Up to 100 people	\$ 75.00

DEPARTMENT OF PARKS, RECREATION AND ENTERTAINMENT

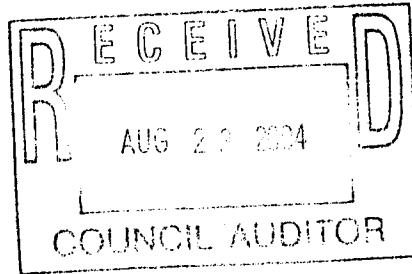
Office of the Director



August 23, 2004

MEMORANDUM

Pam Markham, C.P.A.
Assistant Council Auditor
Office of the Council Auditor



TO: Robert W. Baughman 
Director
Parks, Recreation & Entertainment Department

SUBJECT: Response to Oceanfront Parks Revenue Audit

The following represents our responses to the Council Auditor's Findings and Recommendations of revenue generating activities, cash handling procedures, and collection efforts of Kathryn Abby Hanna and Huguenot Memorial Parks.

Response to Finding and Recommendation #1-1: The Department agrees that the fee structure of Huguenot Park is low compared to other similar parks. We will present a revised fee structure that includes the sale of annual vehicle passes to the Oceanfront Parks. The additional revenue generated could be used for capital projects which are currently unfunded.

Response to Finding and Recommendation #1-2 and #1-3: The Department agrees that the fee structure for camping and shelter rentals at both Hanna and Huguenot are low compared to other similar facilities. We will present a revised fee structure which includes competitive camping and shelter fees at both parks. The additional revenue generated could be used for capital projects which are currently unfunded.

Response to Finding and Recommendation #1-4: The Department will immediately implement the City's policy for collection of returned checks. Additionally, the Department will investigate with the State Attorney's Office if collection efforts can be used on current outstanding returned checks.

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