

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



INDEPENDENT AUDITOR'S REPORT

Report # 536

June 18, 2001

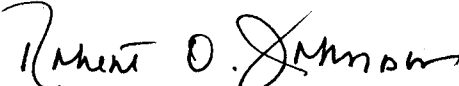
Honorable Mayor and Members of the City Council
City of Jacksonville

We have examined the accompanying Summary of Lifeguard, Beach Maintenance and Capital Outlay Expenditures for the City of Jacksonville Beach for the year ended September 30, 2000. This statement is the responsibility of the City of Jacksonville Beach's management. Our responsibility is to express an opinion on this statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards published by the Comptroller General of the United States, and accordingly, included examining on a test basis, evidence supporting the Summary of Lifeguard, Beach Maintenance and Capital Outlay Expenditures and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The Jacksonville Beach report includes, as eligible expenditures, travel of lifeguards to lifeguard competition events in such places as Australia, California and Daytona Beach, and promotional photographs for such events. These expenses (totaling \$9,639.15) do not meet the definition of eligible expenditures in accordance with the agreement between Jacksonville and Jacksonville Beach, which is to provide costs reasonably necessary for providing lifeguard and beach cleanup services. Therefore, total eligible expenditures are overstated by \$9,639.15, and should be \$502,975.19. Since the maximum contribution the City of Jacksonville is obligated to pay Jacksonville Beach (\$431,840) is still less than the actual expenditures of \$502,975.19, no adjustment to the City of Jacksonville's payment is required.

In our opinion, except for the material noncompliance described in the third paragraph, the Summary of Lifeguards, Beach Maintenance and Capital Outlay Expenditures for the City of Jacksonville Beach referred to above, presents fairly the expenditures for the year ending September 30, 2000, in all material respects, based on the criteria of Resolution 96-481-132.


Robert O. Johnson, C.P.A.
Council Auditor

**City of Jacksonville Beach
Summary of Lifeguard and Beach Cleaning Expenditures
FY 1999-2000**

	<u>Total Expenditures</u>	<u>Eligible Expenditures</u>
Lifeguards:		
Acct. # 001-0602-575.xx-xx		
Personal Services:	\$324,271.23	\$324,271.23
Operating Expenses:	\$119,064.61	\$119,064.61
Capital Outlay:	<u>\$13,318.70</u>	<u>\$0.00</u>
Sub-total	<u>\$456,654.54</u>	<u>\$443,335.84</u>
 Beachcleaning:		
Acct. # 001-0701-541.34-00	Purchase Order No.	
	940558	\$5,500.00
	941269	5,500.00
	941772	2,500.00
	942193	2,500.00
	942591	2,500.00
	943129	2,500.00
	943722	5,500.00
	944305	5,500.00
	944796	1,250.00
	944796	6,750.00
	945211	6,750.00
	945752	6,750.00
	946510	6,750.00
	941818	1,552.00
	941819	1,433.50
	943242	1,000.00
Sub-total	<u>\$64,235.50</u>	<u>\$64,235.50</u>
Allocated portion of liability insurance:	\$5,043.00	\$5,043.00
Total Expenditures	<u><u>\$525,933.04</u></u>	<u><u>\$512,614.34</u></u>
Less Revenue from City of Jacksonville:		<u>\$431,840.00</u>
Excess of Revenue over Eligible Expenditures		<u><u>(\$80,774.34)</u></u>