

**AUDIT OF BITHLO
COMMUNITY PARK PICNIC
PAVILION AND FIELD USE
REVENUES**

**Report by the
Office of County Comptroller**

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March 2, 2016

Teresa Jacobs, County Mayor
And
Board of County Commissioners

We have conducted an audit of the picnic pavilion and field use revenues at the Bithlo Community Park. The audit scope was limited to an examination of financial records related to the Park's picnic pavilion and field use revenue collections. The period audited was January 1, 2014 through December 31, 2014.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Responses to our Recommendations for Improvement were received from the Manager of the Parks and Recreation Division and are incorporated herein.

We appreciate the cooperation of the personnel of the Parks and Recreation Division during the course of the audit.

Martha O. Haynie, CPA
County Comptroller

c: Ajit Lalchandani, County Administrator
Jon V. Weiss, P.E., Director, Community, Environmental and Development Services
Department
Matt Suedmeyer, Manager, Parks and Recreation Division

EXECUTIVE SUMMARY

Executive Summary

The Parks and Recreation Division (Division) maintains over 100 facilities as part of its mission to improve the quality of life in Orange County by providing opportunities for leisure activities, cultural and historic education, and preserving the natural environment for present and future generations. The Bithlo Community Park (Park) offers a variety of fitness and recreational activities for children, adults and seniors. Park patrons can use little league fields, covered basketball courts, a splash playground, walking trails, a fishing area, and an adjoining state park. Instructional programs include boxing, Zumba, Crafty Thursdays, and the Afterschool Rec Squad.

The audit scope was limited to an examination of financial records related to the Park's picnic pavilion and field use revenue collections. The audit period was January 1, 2014 through December 31, 2014. The objective of the audit was to verify that documented picnic pavilion rentals and field use charges were collected, processed, and deposited in accordance with County regulations and the Division's revenue collection procedures.

Based on the results of our testing, except for recording certain transactions as a receivable without follow-up, documented picnic pavilion rentals and field use charges were collected, processed, and deposited in accordance with County regulations and the Division's revenue collection procedures. Opportunities for improvement are discussed herein. Specifically, we noted the following:

Park personnel did not collect the correct fee from customers in six percent (5 of 84) of picnic pavilion rentals collected during the audit period. In addition, we could not determine if the correct fee had been collected in five percent (4 of 84) of picnic pavilion rentals during the review period because of conflicting or missing information.

We noted field rentals and lighting charges of \$1,252 for 11 teams could not be traced to a payment or deposit. We were informed by Park personnel that, at times, teams were placed on a payment plan; however, no follow-up or billing was performed.

Recommendations for Improvement were developed and discussed with the Division. They concurred with our recommendations and steps to implement the recommendations are underway. Responses to the Recommendations for Improvement are included herein.

ACTION PLAN

**AUDIT OF BITHLO COMMUNITY PARK PICNIC PAVILION AND FIELD USE REVENUES
ACTION PLAN**

NO.	RECOMMENDATIONS	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS	
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
1.	We recommend charges for Pavilion rentals are in accordance with Division and County regulations.	✓			✓	
2.	We recommend the Division ensures the Park continues to comply with the field rental collection procedures.	✓			✓	

INTRODUCTION

Background

The Parks and Recreation Division (Division) maintains over 100 facilities as part of its mission to improve the quality of life in Orange County (County) by providing opportunities for leisure activities, cultural and historic education, and preserving the natural environment for present and future generations.

The Division has 27 revenue collection facilities including the Bithlo Community Park (Park). The Park offers a variety of fitness and recreational activities for children, adults, and seniors. Park patrons can use baseball and softball fields, covered basketball courts, a splash playground, walking trails, a fishing area, and an adjoining state park. Instructional programs include boxing, Zumba, Crafty Thursdays, and the Afterschool Rec Squad.

During fiscal years 2013 and 2014 the Park collected \$90,147 and \$95,392 of revenue, respectively. For fiscal year 2016 the Division has an adopted budget of \$73 million with 287 authorized positions.

**Scope, Objectives,
and Methodology**

The audit scope was limited to an examination of financial records related to the Park's picnic pavilion and field use revenue collections. The audit period was January 1, 2014 through December 31, 2014. The objective of the audit was to verify that documented picnic pavilion rentals and field use charges were collected, processed, and deposited in accordance with County regulations and the Division's revenue collection procedures.

To verify that documented picnic pavilion rentals were collected, processed, and deposited in accordance with County regulations and the Division's revenue collection procedures, we examined reservation and rental documents prepared by Park personnel. These included facility use applications, park event calendars, the Reservation Master Report, facility permits, and sale receipts. The documents indicated that pavilions were rented 84 times during the audit period. Each documented rental was traced from the point of sale through deposit by reviewing the safe log, Cash

INTRODUCTION



Receipts Report, Classification of Receipts, and deposit slips.

To verify that documented field use charges were collected, processed, and deposited in accordance with County regulations and the Division's revenue collection procedures, we examined practice grids, game schedules, the Reservation Master Report, and facility permits. We included in our testing approximately 600 practices and games for the Spring 2014 season.

Overall Evaluation

Based on the results of our testing, except for recording certain transactions as a receivable without follow-up, documented picnic pavilion rentals and field use charges were collected, processed, and deposited in accordance with County regulations and the Division's revenue collection procedures. Opportunities for improvement are discussed herein.

RECOMMENDATIONS FOR IMPROVEMENT

1. The Pavilion Rental Process Should Be Improved

During our review of the Bithlo Community Park (Park) picnic pavilion rentals, we noted the following.

- A) Park personnel did not collect the correct fee from customers in six percent (5 of 84) of picnic pavilion rentals collected during the audit period. In each case, one or more supporting documents (facility use applications, park event calendars, the Reservation Master Report, facility permits, and receipts) indicated that the number of attendees at the customer's event was greater than 50 requiring a \$75 charge. Each customer was instead charged \$50, the fee for events with 50 or less attendees.

- B) We could not determine if the correct fee had been collected in five percent (4 of 84) of picnic pavilion rentals during the review period because attendee data was either not included in the supporting documents (application, facility permit, receipt, etc.) or the number of attendees was different on two or more source documents.

Pavilion rentals should be collected in accordance with Division and County regulations.

We Recommend charges for Pavilion rentals are in accordance with Division and County regulations.

Management's Response: We concur. We are taking appropriate steps to ensure all pavilion rentals will be charged in accordance with County regulations.

2. The Division Should Monitor Field Rentals to Ensure that the Appropriate Fees are Charged and Paid

We reviewed the agreement between the Division and the East Orange Little League (EOLL) as it pertains to charges for field use, lighting, and concession sales during the Spring

RECOMMENDATIONS FOR IMPROVEMENT



2014 season. We also examined field rentals and lighting fees applicable to other teams during the Spring 2014 season and noted field rentals and lighting fees of \$1,252 for 11 teams could not be traced to a payment or deposit. Entries showing the charges of \$1,252 to the teams were recorded on the Park's accounts receivable report; however, there are no payments reported for these charges.

We were informed by Park personnel that, at times, teams were allowed to enter into a payment plan. However, after the charges were entered in the Division's financial system (RecWare), no follow-up or billing was performed. Parks Division procedures require field rental payments to be made when the rental reservation occurs. The Division procedures do not allow for payment plans and the RecWare accounting system is not set-up to perform the accounts receivable functions. When we discussed this situation with the Division's Program Manager, she immediately informed the Park's personnel to cease the process of allowing payment plans and began to research the reservations in question to collect any outstanding funds.

As a result of the lack of records and prompt billing, we are unable to ascertain if the monies were collected and not deposited and recorded as accounts receivable or never collected.

We Recommend the Division ensures the Park continues to comply with the field rental collection procedures.

Management's Response: We concur. We are taking appropriate steps to comply with rental reservation collection procedures.