



**OFFICE OF INSPECTOR GENERAL
CITY OF JACKSONVILLE**

AUDIT REPORT No. 2017-AR-0001

ISSUE DATE: DECEMBER 6, 2017

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Inspector General

"Enhancing Public Trust in Government"

AUDIT OF THE OFFICE OF SPORTS AND ENTERTAINMENT

EXECUTIVE SUMMARY

Authority

This audit was conducted pursuant to Section 1.203(c), Charter of the City of Jacksonville (City), Section 602.303(a-c), *Ordinance Code*; and the 2017 Office of Inspector General (OIG) Audit Plan.

Scope

As part of the 2017 Audit Plan, the OIG conducted an audit of the Office of Sports and Entertainment (Office). The purpose of the audit was to ensure that adequate controls were in place over fee collection, contract compliance, special event permitting, revenue and expense reporting, and procurement card purchases.

Findings and Recommendations

IMPREST CHECKING ACCOUNT

Controls and processes over the imprest checking account maintained by the Office need to be strengthened to ensure compliance with the applicable sections of the *Ordinance Code* and City polices. The following concerns were noted:

Finding 1:

- §110.109, *Ordinance Code*, permits City agencies to establish imprest and petty cash funds for the purchase of minor supplies or the payment of incidental fees and charges. The Office has an imprest checking account with an authorized balance of \$80,000. OIG's review of expenditures paid out of the account from October 1, 2015, through the end of May 2017, revealed the purchases were not for minor supplies or incidental fees and charges as required by §110.109 and do not comply with the Treasury Division's Standard Procedures Manual for Imprest/Petty Cash Funds (SPM) dated August 2014.
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- Approximately 65% of the \$203,418 in checks paid from the account were greater than \$10,000.00.

Recommendation 1:

- OIG recommends the Office follow the SPM requirements.

Finding 2:

- The Special Events Manager is the sole authorized signer for the imprest checking account. The Office accountant reconciles the imprest checking account monthly and prepares a petty cash/imprest checking reimbursement report. However, the accountant is also responsible for cashing checks and subsequently securing the withdrawn cash, when cash is needed for change funds. The Treasury Division SPM states, “Two check signers are required on the account; the fund custodian and the department head, division chief, or their designee.”

Recommendation 2:

- The Office should strengthen the segregation of duties over the imprest checking account. OIG recommends some of the duties currently performed by the accountant be shifted to other staff members.
- The Office should require two signatures, as required by the SPM.

Finding 3:

- An invoice for \$2,700 was paid from the imprest checking account without having obtained an approved administrative award from Procurement. As a result, a procurement contract was not prepared for approval nor signed by the vendor. The procurement contract set forth the requirements that must be met, including proof of liability insurance. The vendor did not provide proof of insurance. These requirements should be satisfied prior to contract approval and subsequent disbursement of payments.
- The failure to pay for artistic performances by check requisitions may result in failure to request W-9 forms from performers and subsequent under reporting for 1099's to the Internal Revenue Service at the end of year.

Recommendation 3:

- The Office should utilize payment methods other than the imprest checking account, if possible, to ensure insurance and other concerns are addressed.

CASH RECEIPTS

The Office should strengthen processes and controls over cash receipts. The following concerns were noted:

Finding 1:

- The Office of Special Events does not adequately document the need or use of the change fund amount withdrawn from the imprest checking account for each event. The amount of cash withdrawn for change funds from the imprest checking account for each special event appears excessive, without the appropriate documentation and justification.

Recommendation 1:

- OIG recommends the total withdrawn from the imprest checking account for each special event be reduced and reconciliation reports detail how the total amount withdrawn for the change fund was dispersed. The reconciliation reports should list the aggregate amount of the change fund used to establish the initial start money at each station and the aggregate amount of the change fund used to replenish the start money at each station.

Finding 2:

OIG reviewed the reconciliations for ticket, beverage, and merchandise sales for the following 2016 special events: World of Nations Celebration, Sea and Sky, and the Jacksonville Jazz Festival. OIG also reviewed the reconciliation for the 2017 Sea and Sky event. The following exceptions were noted:

- The reconciliations did not list the date of preparation and were not signed by the preparers and reviewers.
- The reconciliation for the World of Nations special event only reduced total sales by the starting change funds for each day of the four-day event. The reconciliation only accounts for \$10,800 of the \$16,750 total change fund. The supporting schedules for the event indicate that sales tax totaling \$2,405.31 was due to the State. The OIG was unable to find supporting documentation for the remittance of sales tax to the State of Florida attached to the schedules. Additionally, the OIG could not find any documentation of payment of the sales tax to the State. The collection of sales tax, and subsequent remittance of sales tax, was not documented for the other two events reviewed.
- The total for merchandise sales listed on the reconciliation for the 2016 Jacksonville Jazz Festival did not match the merchandise inventory sheets for the three days of the event. The reconciliation lists total merchandise sales of \$11,865.16. However, the OIG was only able to trace sales of \$3,170 to the merchandise inventory sales sheets.

Recommendation 2:

- OIG recommends that reconciliations for special event sales proceeds contain the preparation date. The preparers and reviewers of the reconciliations should also sign the reconciliations. Reconciliations should agree to all supporting schedules and documentation. The collection and remittance of sales tax to the State of Florida should be documented on reconciliations. Additionally, the OIG recommends two individuals verify all cash receipts at the end of each day.

Finding 3:

- The Office has not established specific templates in the Tax Collector System to post receipts collected from special events. All receipts are posted under a generic template for cash receipts (CR's) and the description that is subsequently posted in FAMIS for all deposits is "contributions from private sources." The User Guide for the Cash Receipt System indicates the generic template should only be used for one-time or non-recurring receipts.

Recommendation 3:

- OIG recommends templates are established to specify the type of proceeds collected.

Conclusion

Overall controls over operations are adequate. The Council Auditor's Office conducted prior audits of Special Events (Reports# 563 and 638). The Council Auditor's Office has also conducted prior audits of the imprest checking account (Reports# 715 and 758). In reviewing these prior reports, the OIG recognizes the vast improvements the Office has made in its processes and procedures.

Economic Impact Statement

There were no cost savings or recovered costs as a result of the audit.

OIG appreciates the support and cooperation received from the Office of Sports and Entertainment and SMG.

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AUTHORITY

This audit was conducted pursuant to Section 1.203(c), Charter of the City of Jacksonville; Section 602.303(a-c), *Ordinance Code*; and the 2017 Office of Inspector General Audit Plan.

BACKGROUND

The Office of Sports & Entertainment coordinates the City's activities in sports, special events, and film & television production. The Office consists of the Office of Special Events (Special Events), the Office of Film and Television (Film), and Sports Complexes and Other Designated Facilities. Additionally, it is responsible for overseeing the City's contracted facility manager, SMG. SMG operates the following City-owned facilities: EverBank Field, Jacksonville Veterans Memorial Arena, Baseball Grounds of Jacksonville, Prime Osborn Convention Center, Times-Union Center for the Performing Arts, and the Ritz Theatre & Museum.

In accordance with Chapter 191, *Ordinance Code*, Special Events coordinates the permitting for all events on City property when more than 500 people are anticipated to attend. The Office permitted approximately 300 events in the last fiscal year. Special Events produces the following City sponsored annual events: Sea & Sky, the Jazz Festival, World of Nations, Florida / Georgia Game, Fireworks for the Fourth of July, the New Year's Eve Celebration, and the Martin Luther King (MLK) Breakfast.

Film assists local and visiting production companies. Film coordinates the permitting process for companies filming on City-owned properties. Film also connects production companies with local workforce agencies, vendors, and other City departments. Although there is minimal direct revenue to the City, the economic impact of productions is tracked.

At the inception of the audit, the City was under the second one-year option of a five-year contract with SMG to manage the City-owned facilities listed above. The City entered into a new contract with SMG before the end of the audit and prior to the end of the second year extension. The Sports and Entertainment Coordinator is in contact with SMG on a daily basis to discuss issues and meets with SMG staff on a regular basis.

SCOPE, OBJECTIVES, AND METHODOLOGY

As part of the 2017 Audit Plan, the OIG conducted an audit of the Office of Sports and Entertainment. The purpose of the audit was to ensure that adequate controls were in place over fee collection, contract compliance, special event permitting, revenue and expense reporting, and procurement card purchases.

The scope of the audit includes, but is not limited to:

- Standard Operating Procedures;

- SMG Contract Compliance;
- SMG Revenue and Operating Expenses by Venue and Event;
- Fees remitted to the City by SMG;
- Fee Collection Processes over Special Events;
- Vendor Contracts and Payment for Special Events;
- Compliance with Chapter 191, *Ordinance Code*, for Special Events;
- Permitting Process for Special Events; and
- Procurement Card Expenditures for Special Events.

In order to evaluate the processes and controls in place, OIG objectives included performing audit procedures to ensure the adequacy of controls and processes over:

- Policies and procedures;
- Public access, maintenance, and upkeep of City-owned facilities and grounds;
- Fees from collection to deposit;
- Fees collected on behalf of the City are in accordance with pertinent contractual terms;
- Charges and fees billed to the City are in accordance with the pertinent contractual terms;
- Permitting for special events is in compliance with Chapter 191, *Ordinance Code*;
- Vendor contracts and payment for special events; and
- Procurement card expenditures for special events.

Initially, the audit scope and objectives included disaster recovery planning and public safety for City-owned facilities operated by SMG and City-sponsored special events. However, this portion of the audit has been postponed until additional resources and subject matter expertise can be acquired.

OIG conducted this audit in accordance with generally accepted government auditing standards. In accordance with the standards, OIG planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. The evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

FINDINGS

IMPREST CHECKING ACCOUNT

Controls and processes over the imprest checking account maintained by the Office need to be strengthened to ensure compliance with the applicable sections of the *Ordinance Code* and City polices. The following concerns were noted:

Finding 1:

- §110.109, *Ordinance Code*¹, permits City agencies to establish imprest and petty cash funds for the purchase of minor supplies or the payment of incidental fees and charges. The Office has an imprest checking account with an authorized balance of \$80,000. OIG’s review of expenditures paid out of the account from October 1, 2015, through the end of May 2017, revealed the purchases were not for minor supplies or incidental fees and charges as required by §110.109 and do not comply with the Treasury Division’s Standard Procedures Manual for Imprest/Petty Cash Funds (SPM) dated August 2014, see Exhibit 1. The SPM states, “adequate internal accounting controls are to be maintained over imprest/petty cash funds that will minimize any potential for abuse and/or exposure to loss. The imprest/petty cash fund is intended to be an adjunct to the City’s procurement and payment mechanism...” Section Six of the SPM lists unallowable expenditures, which includes single purchase items in excess of \$100, goods or services for which a purchase order exists, and contract payments. See Exhibit 1 in the Appendix for the complete list of unallowable expenditures.
- Approximately 65% of the \$203,418 in checks paid from the account were greater than \$10,000.00. See the following chart:

Summary of Imprest Checking Account by Dollar Amount			
Check Category	# of Checks	Amount	% of Total Amount
Between \$10,000 and \$30,000	7	\$ 131,900.00	64.84%
Between \$10,000 and \$5,000	6	\$ 36,257.00	17.82%
Between \$5,000 and \$1,000	14	\$ 32,512.72	15.98%
Between \$1,000 and \$500	3	\$ 2,114.84	1.04%
Less than \$5,000	3	\$ 633.87	0.31%
Total Checks Cashed	33	\$ 203,418.43	100.00%

¹ Under rules promulgated by the Director of Finance and Administration, the Treasurer may authorize City agencies to establish imprest and petty cash funds, using appropriated funds available to the agency, for the purchase of minor supplies or the payment of incidental fees and charges. The rules shall require that one person employed by the agency, or the head of the agency, shall be the custodian of the Imprest or petty cash fund, and that an accurate and timely account be maintained of each fund, with adequate vouchers or other documentation of the expenditures from the account. Each custodian shall be personally responsible for the funds in his hands and for their proper expenditure and accounting. No imprest or petty cash fund shall be used to cash or negotiate the personal checks of any employee or any other person.

Recommendation 1:

- OIG recommends the Office follow the SPM requirements. The SPM provides for departures from the rules, if prior approval is obtained from the Director of Administration and Finance to establish a special purpose imprest checking account. OIG recommends that if a special purpose account is approved, in accordance with the SPM, unique policies and procedures are established to govern the account to ensure adequate controls are in place. These unique policies and procedures are especially important given the amount of funds available in the account.

Management Response to Recommendation 1: *Per the Finance Department, the \$100 finding is only applicable for petty cash accounts, not imprest checking accounts. The account is also a special use account. During the 2007 audit, the fund was much higher and it was reduced to \$80,000. During the timeframe mentioned (October 1, 2015 through May 31, 2017), the department made more than 1,000 transactions and the imprest account was used 33 times, which we believe is extremely low and for extenuating circumstances. The imprest account is used within proper authority and has the necessary supporting documentation. The majority of the use of the imprest account was for change funds. It is our opinion, that the Auditor did not accurately assess Treasury's SPM. Treasury has confirmed that the two guidelines referred to in the finding relate to petty cash funds and are not applicable to special use imprest accounts.*

It is the opinion of the Office of Special Events that the SPM requirements are being adhered to operationally. The Treasury Department has advised the department that our imprest account does operate as a special purpose imprest checking account. We also contend that Procurement guidelines are adhered to and see no evidence provided in this finding that would indicate otherwise.

The following applicable language appears in the SOP's under Special Purpose Imprest Checking Account Fund - Certain departments/divisions have special and unique needs with respect to their operations, which may not be met by the imprest and petty cash fund policies, and procedures set forth herein. Accordingly, on an exception basis, departures from these rules will be made by establishing a special purpose Imprest Checking or petty cash fund at the discretion of the Director of Administration and Finance.

OIG Response to Management Response to Recommendation 1: Based on the comments from the Treasury Division, the OIG recommends an update to the Standard Procedures Manual for Imprest/Petty Cash Funds (SPM). Paragraph VI (Unallowable Expenditures) of the SPM states in subparagraph A, "Single item purchases in excess of \$100.00, total item purchases in excess of \$200.00." In subparagraph B, it goes on to state, "Issuance of multiple imprest/petty cash disbursements in a total amount exceeding the \$100 and \$200 limits to accomplish a single or related need." Read in concert, these two provisions seem to

imply the \$100 limit applies to imprest accounts as well as petty cash accounts. The OIG concurs the SPM does allow for the creation of a “Special Purpose Imprest Checking Account Fund.” Per the SPM, these accounts may depart from the SPM on an exception basis. The OIG recommends detailing in a written document the exceptions from the SPM that the Office of Sports and Entertainment “Special Purpose Imprest Checking Account” receives. Additionally, the OIG recommends documenting the creation of the “Special Purposes Imprest Checking Account” in a signed document by the Director, Finance and Administration.

Finding 2:

- The Special Events Manager is the sole authorized signer for the imprest checking account. The Office accountant reconciles the imprest checking account monthly and prepares a petty cash/imprest checking reimbursement report. However, the accountant is also responsible for cashing checks and subsequently securing the withdrawn cash, when cash is needed for change funds. The Treasury Division SPM states, “Two check signers are required on the account; the fund custodian and the department head, division chief, or their designee. The imprest checking account fund is available for those departments/divisions that are not adequately served by the nominal amounts typically established for a petty cash fund.”

Recommendation 2:

- The Office should strengthen the segregation of duties over the imprest checking account. OIG recommends some of the duties currently performed by the accountant be shifted to other staff members.
- The Office should require two signatures, as required by the SPM.

Management Response to Recommendation 2: *The Office has already established segregation of duties over the imprest checking account. The Special Events Manager is responsible for signing the checks. The Accountant logs and then releases the check from the bank account.*

There are two authorized signers on the account. Modern banking technology has provided additional controls on check processing to include a "Positive Pay" option which requires the appropriate individuals to enter the check number, payee and amount into the bank website. These fields are then used to validate a check prior to being "paid" out of the imprest account. This control replaces the required secondary signature on the face of the check.

Current authorized individuals for the Special Events account to enter and approve exceptions at Wells Fargo are: Joseph Bergman (Sports and Entertainment), Sharon Koonce (Treasury), Alina Kravchuk (Treasury), and Yolanda Tillman (Treasury)

Current authorized signatories on the account are: Brent Fine (Special Events) and Patrick Greive (Treasury)

The imprest checking account fund is established by the issuance of a City check made payable to the fund custodian. The fund custodian will deposit the check to a separate bank checking account established by the City Treasurer in the name of the fund custodian. Two check signers are required on the account; the fund custodian and the department head, division chief, or their designee. The SPM states that two signers are required on the account; it does not state that two people must sign the check. The Special Events Manager and a designated person in the Finance Department are the authorized signers on the account. Checks are unable to be released until the Office of Special Events Accountant has logged and released a check with the City's bank, which prevents any sole individual from writing and releasing a check.

OIG Response to Management Response to Recommendation 2: The OIG notes the SPM states, “Two check signers are required on the account; the fund custodian and the department head, division chief, or their designee.” If the Treasury Division believes modern banking technology has made two signers on the face of the check obsolete, the OIG recommends reflecting this change in an update to the SPM.

Finding 3:

- An invoice for \$2,700, *see* Exhibit 2, was paid from the imprest checking account without having obtained an approved administrative award from Procurement. As a result, a procurement contract was not prepared for approval nor signed by the vendor. The procurement contract set forth the requirements that must be met, including proof of liability insurance. The vendor did not provide proof of insurance. These requirements should be satisfied prior to contract approval and subsequent disbursement of payments.

Checks Issued without Proof of Liability Insurance			
Check #	Check Date	Vendor	Check Amount
2485	11/17/2016	World Skydiving Center	\$ 2,700.00

- Additionally, the failure to pay for artistic performances by check requisitions may result in failure to request W-9 forms from performers and subsequent under-reporting for 1099's to the Internal Revenue Service at the end of year.

Recommendation 3:

- Using a purchase order, check requisition, or procurement card will ensure adequate controls are in place to avoid issues prior to payment of funds.

Management Response to Recommendation 3: *The department does pay for annual and recurring special event expenditures under purchase orders or through check requisitions. Please note the Chief of Procurement is in agreement that authorization to process payment by check request would include the use of the imprest account to process the payment. We would stress the imprest account was used minimally for all payments processed during the audit period which would indicate a strong effort is made to minimize its use. The imprest checking account is used only when the department is unable to purchase through a PO or check request. The data would show that 95% of purchases were made using a PO, check requisition or procurement card. World Skydiving Center was a performer paid by approved Administrative Award AD-0171-16 (see attachment 1). Due to Hurricane Matthew, the Coast Guard aircraft that the department secured was deployed leaving the event (Sea & Sky Airshow) with no aircraft for the Navy Seal team to jump from during the event. The department does agree that it did not have a Certificate of Insurance (COI) from the vendor. However, it was a requirement per the vendor's invoice.*

The Office of Special Events Accountant performs annual audits of 1099's each January to ensure that all documentation is in order. The department has not had issues in the collection of W-9's. Furthermore, the Accounting Department requires a W-9 for a vendor profile to be created in FAMIS prior to a payment being released or paid.

CASH RECEIPTS

The Office should strengthen processes and controls over cash receipts. The following concerns were noted:

Finding 1:

- The Office of Special Events does not adequately document the need or use of the change fund amount withdrawn from the imprest checking account for each event. The amount of cash withdrawn for change funds from the imprest checking account for each special event appears excessive, without the appropriate documentation and justification. Although a detailed report of sales is prepared for each event, there is no way to prevent

the comingling of the change funds with sales receipts or to determine if the cash withdrawn from the imprest checking account for change funds is misused or comingled with sales receipts. The Treasury SPM states, “the change fund should be adequate but not excessive for the intended purpose.” Please see the below chart:

Change Fund Withdrawals by Event					
Event	Total Cash Withdrawn from Bank for Change Funds	Total Cash Used for Assigned Change Funds	Excess Cash Withdrawn	Total Revenue	Net Revenue (Less Change Fund)
Sea and Sky Spectacular	\$ 16,100.00	\$ 4,600.00	\$ 11,500.00	\$ 75,535.53	\$ 59,435.53
2016 Florida Georgia	\$ 600.00	N/A	N/A	N/A	N/A
2016 World of Nations	\$ 16,750.00	\$ 10,800.00	\$ 5,950.00	\$ 148,645.12	\$ 131,895.12
2016 Jazz Festival	\$ 16,000.00	\$ 3,500.00	\$ 12,500.00	\$ 109,319.41	\$ 93,319.41
Sea and Sky Spectacular	\$ 16,100.00	\$ 5,100.00	\$ 11,000.00	\$ 53,370.84	\$ 37,270.84
2017 World of Nations	\$ 20,000.00	Not available for review	n/a	n/a	n/a
2017 Jazz Festival	\$ 20,000.00	Not available for review	n/a	n/a	n/a

Recommendation 1:

- OIG recommends the total withdrawn from the imprest checking account for each special event be reduced and reconciliation reports detail how the total amount withdrawn for the change fund was dispersed. The reconciliation reports should list the aggregate amount of

the change fund used to establish the initial start money at each station and the aggregate amount of the change fund used to replenish the start money at each station.

Management Response to Recommendation 1: *In our opinion, the change fund is adequately documented and used appropriately for events. We do not believe the OIG has presented any methodology as to why it feels the change funds are excessive after several discussions and summations as to the event industry and the process for special events' use of the change funds.*

In our opinion, the OIG does not account for the change that is made during the event. We are consistently breaking large bills (\$20, \$50, \$100) and our pricing is designed so that \$1 bills are given in return at our beverage booths (for example, \$6-\$8 beverages). This equates to more \$1 and \$5 bills going out than coming in. Throughout the event as the larger bills are acquired and the total within the cash box grows, we collect the cash and replenish with a start fund of lower bills. This is initialed within the collection logs. See attachment 2 for the collection and start money bags for World of Nations. When change is needed but a full collection is not necessary, the change fund purchases larger bills from the cash box and replaces the same amount in smaller bills. Attachment 2 is also an example of the documentation of how OSE collects cash, and the start of the change funds for this event. Each time there is a collection the cash box is brought back to the start money amount.

We also account for our events occurring during weekends when the bank is not open. In addition, due to the large amount of \$1 and \$5 bills, we have to order these through the bank from the Federal Reserve in advance of the event. We would not be able to successfully operate with smaller change funds. One beverage booth at the Jazz Festival could bring in up to \$14,000 per day at one single location, and one beverage booth at the World of Nations could bring in up to \$6,000 per day at one single location. We have multiple beverage booths at these events with all of them requiring change. World of Nations also has ticket gates, which can see more than \$55,000 in ticket sales in a single day. The "total fund used for assigned change funds" does not accurately represent the change made throughout the weekend.

Finding 2:

- OIG reviewed the reconciliations for ticket, beverage, and merchandise sales for the following 2016 special events: World of Nations Celebration, Sea and Sky, and the Jacksonville Jazz Festival. OIG also reviewed the reconciliation for the 2017 Sea and Sky event. The following exceptions were noted:
- The reconciliations did not list the date of preparation and were not signed by the preparers and reviewers.

- The reconciliation for the World of Nations special event only reduced total sales by the starting change funds for each day of the four-day event. The reconciliation only accounts for \$10,800 of the \$16,500 total change fund. The supporting schedules for the event indicate that sales tax totaling \$2,405.31 was due to the State of Florida. The OIG was unable to find supporting documentation for the remittance of sales tax to the State of Florida attached to the schedules. Additionally, the OIG could not find any documentation of payment of the sales tax to the State. The collection of sales tax, and subsequent remittance of sales tax, was not documented for the other two events reviewed.
- The total for merchandise sales listed on the reconciliation for the 2016 Jacksonville Jazz Festival did not agree with merchandise inventory sheets for the three days of the event. The reconciliation lists total merchandise sales of \$11,865.16. However, the OIG was only able to trace sales of \$3,170 to the merchandise inventory sales sheets.

Recommendation 2:

- OIG recommends reconciliations for special event sales proceeds contain the preparation date. The preparers and reviewers of the reconciliations should also sign the reconciliations. Reconciliations should agree to all supporting schedules and documentation. The collection and remittance of sales tax to the State of Florida should be documented on reconciliations. Additionally, the OIG recommends two individuals verify all cash receipts at the end of each day.

Management Response to Recommendation 2: *The reconciliation sheet does not contain a line that states "preparation date" however at the top of each sheet is the date for that specific event day and reconciliations are executed per day during the event time period. The sales tax information is sent to the Accounting Division monthly and once the payment to the State is posted in FAMIS, OSE records the information on a reconciliation report.*

The spreadsheet reviewed by the OIG Auditor was the Office of Special Events Accountant's summary created post- event based on the information contained within the onsite logs. This allows the Accountant to have one concise summary based off of the daily logs which are signed off by two individuals. In addition, these signed logs were provided by the department to the OIG Auditor for review.

The OIG Auditor only reviewed a portion of the merchandise sales. The Auditor did not review the merchandise sales from the Jacksonville Jazz Festival store but only sales made by the performing artists.

OIG Response to Management Response to Recommendation 2: The OIG notes the additional information provided by the Office of Sports and Entertainment and concurs the inventory sheets provided document the full \$11,865.16 in sales.

Finding 3:

- The Office has not established specific templates in the Tax Collector System to post receipts collected from special events. All receipts are posted under a generic template for cash receipts (CR's) and the description that is subsequently posted in FAMIS for all deposits is "contributions from private sources." This description is not an accurate description of beverage and merchandise sales from special events. Most contributions are received in the mail or over the phone from corporate sponsors prior to the date of the special event. The User Guide for the Cash Receipt System indicates that the generic template should only be used for one-time or non-recurring receipts.

Recommendation 3:

- OIG believes sale proceeds from special events should be distinguished from donor contributions. OIG recommends templates be established to specify the type of proceeds collected. As an additional control, OIG recommends cash receipt or receivable for anticipated collection be established in the Tax Collector system prior to the date of the event and subsequently offset against actual receipts.

Management Response to Recommendation 3: *The department concurs with the OIG recommendation and will develop templates accordingly.*

OTHER MATTERS

1. The City recently entered into a new contract with SMG. This new contract relied on §126.107(g), *Ordinance Code*. This provision exempts from the requirement of competitive solicitation, “supplies or services to be provided by those specifically prescribed within authorizing legislation that appropriates the same.” The OIG interprets this provision to require the City Council to not only approve the contract, but to appropriate the funds in the same piece of legislation. The OIG’s interpretation of this provision is consistent with an Office of General Counsel (OGC) opinion issued on December 18, 2008. The OGC opinion dealt with a waiver of the same provision of the Ordinance Code in relation to a new contract for the operation of the Trail Ridge Landfill. In their opinion, the OGC stated, “The proposed exemption does not exactly fit the criteria of §126.107(g), *Ordinance Code*, because such code provision requires the exemption to be contained in the legislation authorizing the appropriation, and 2008-538 does not appropriate specific funding for the Agreement.” The opinion went on to state, “Instead the funding for the Landfill is included each year in the Solid Waste Division’s budget...” Like the instant case, the authorizing legislation for the SMG contract renewal did not appropriate any funds. The funds are appropriated on an annual basis as part of the budget process. The OIG recommends in the future the legislation be drafted to waive the competitive solicitation requirements of the Ordinance Code vice citing to §126.107(g)² if the legislation does not both authorize the contract and appropriate the funds.

Management Response to SMG contract: *The Administration made a business decision to not bid out the management of our City-owned facilities. OGC agreed on the authorization of entering into a new contract and that contract was authorized by City Council.*

2. The Office submits administrative award requests for individual performances at special events to Procurement, but also submits a blanket request at the beginning of the fiscal year for all special events to be held during the fiscal year. The annual or blanket administrative award bid provided to Procurement for approval increased from \$60,000 in fiscal year 2016 to \$600,000 in fiscal year 2017, as noted in the chart on the following page. After discussion with the Office staff, the OIG determined this increase in administrative awards is a business efficiency decision and does not reflect an increase in the amount of money allocated to the events. In order to increase efficiencies, the Office examined past events and attempted to allocate several individual awards into a combined award to avoid repeat trips to

² In the OGC opinion referenced, the OGC ultimately opined the Council had the authority to approve the legislation as drafted relying on a waiver of the competitive solicitation requirements of the Procurement Code vice relying on the exemption contained within Section 126.107(g).

Procurement. Additionally, the award for two of the events in FY 2017 is high as a result of those events celebrating significant milestones.

Administrative Award Bids for Fiscal Year 2016 and 2017					
Event	Initial FY 2016 Admin Award Bid No. AD- 0171-16	FY 2016 Amendment No. 2 Admin Award Bid No. AD-0171-16	FY 2017 Admin Award Bid No. AD- 0171-16	% Increase from Initial 2016 Request	
Martin Luther King	\$ 15,000.00	\$ 40,000.00	\$ 100,000.00	567%	
World of Nations	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00	400%	
Jacksonville Jazz Festival	\$ 15,000.00	\$ 15,000.00	\$ 350,000.00	2233%	
Sea and sky Air Show	\$ 5,000.00	\$ 10,000.00	\$ 75,000.00	1400%	
4th of July Activities	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	100%	
Veterans Day Parade	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	0%	
Georgia-Florida Football Game	-	\$ 5,000.00	\$ 10,000.00	100%	(used Amendment No 2 amount)
Total	\$55,000.00	\$90,000.00	\$600,000.00		

Management Response to Administrative Awards: *The department made a business decision to incorporate all of its entertainment and performer needs in conjunction with Procurement into one award based on historical spending and potential plans for the upcoming year. Until FY16 there were multiple artistic administrative awards. It is our opinion that the Auditor is only referencing one award from FY16 and is not incorporating the full scope of the various awards. The MLK award was a sizable increase as it was the 30th year anniversary and the department wanted to have enough flexibility if a major keynote speaker fee was needed for the event.*

This administrative award is pursuant to the provisions of 126.107A, Procurement Code of the Ordinance Code. The Office of Special Events has not circumvented any competitive solicitation requirements as artistic services are not eligible for competitive solicitation. Contracts are processed through OGC and routed through finance. Record of artist payments under the award are tracked and available for review by procurement, finance or any other department.

MANAGEMENT RESPONSE

The OIG issued a draft audit report to the Administration on October 23, 2017. The Administration responded on November 20, 2017. Excerpts from the response are presented in the body of this report following each applicable finding along with the OIG's response, if any. The Administration's response, in its entirety, is attached to this report. (Please see Exhibit 3.)

ECONOMIC IMPACT

There were no cost savings or recovered costs as a result of the audit.

Imprest/Petty Cash Fund Standard Procedure Manual

Unallowable Expenditures

UNALLOWABLE EXPENDITURES

- A. Single item purchases in excess of \$100.00, total item purchases in excess of \$200.00.
- B. Issuance of multiple Imprest /petty cash disbursements in a total amount exceeding the \$100 and \$200 limits to accomplish a single or related need.
- C. Purchases of **any** office supplies available on the On-Line Ordering System without prior approval of the Procurement and Supply Division. Notation of such approval must be made on the invoice, including the date and the person who authorized the expenditure.
- D. Goods or services for which a purchase order exists.
- E. Purchases from any company or firm whose principal owner or stockholder (or direct member of his/her family) is an employee or official of the Consolidated Government and/or its independent agencies.
- F. The following categories of expenses:
 - 1. Salaries, including casual labor.
 - 2. Capital outlay
 - 3. Continuing and professional education and tuition expenses to satisfy "credit" hours requirements.
 - 4. Utility bills.
 - 5. Rents, lease purchases, contract payments, and maintenance agreements.
 - 6. Travel reimbursements for **overnight travel** expenditures, including hotel, auto mileage, per diem, and sundry expenses.

World Skydiving Center Invoice

Invoice for Services Rendered
World Skydiving Center
9300 Normandy Blvd, Suite 400
Jacksonville, FL 32221
904-250-5903

Cessna Aircraft Flyover Performance for November 5-7 2016 during the Sea & Air Show incorporating the Air Show Jumpers. Performance includes Cessna 182 (N9273G), Fuel, and Pilot. Insurance with additionally insured as requested.

\$300 hr. rate

9 hrs

\$2700




City of Jacksonville, Florida

Lenny Curry, Mayor

City Hall at St. James
117 W. Duval St.
Jacksonville, FL 32202
(904) 630-CITY
www.coj.net

ONE CITY. ONE JACKSONVILLE.

To: Margie McGriff Shannon
Auditor

From: Marlene Russell 
Director of Organizational Effectiveness

Date: November 20, 2017

SUBJECT: **Audit Report: 2017-AR-0001 – Sports and Entertainment**

Based on the information provided in subject report, the Office of Sports and Entertainment (OSE) has reviewed and provides a response to each of the findings and recommendations.

Imprest Checking Account

OIG Finding 1: §110.109, *Ordinance Code*, permits City agencies to establish imprest and petty cash funds for the purchase minor supplies or the payment of incidental fees and charges. The Office has an imprest checking account with an authorized balance of \$80,000. OIG's review of expenditures paid out of the account from October 1, 2015, through the end of May 2017, revealed the purchases were not for minor supplies or incidental fees and charges as required by §110.109 and do not comply with the Treasury Division's Standard Procedures Manual for Imprest/Petty Cash Funds (SPM) dated August 2014.

Approximately 65% of the \$203,418 in checks paid from the account was greater than \$10,000.00.

OIG Recommendation 1: OIG recommends the Office follow the SPM requirements.

OSE Response to Recommendation 1: Per the Finance Department, the \$100 finding is only applicable for petty cash accounts, not imprest checking accounts. The account is also a special use account. During the 2007 audit, the fund was much higher and it was reduced to \$80,000. During the timeframe mentioned (October 1, 2015 through May 31, 2017), the department made more than 1,000 transactions and the imprest account was used 33 times, which we believe is extremely low and for extenuating circumstances. The imprest account is used within proper authority and has the necessary supporting documentation. The majority of the use of the imprest account was for change funds. It is our opinion, that the Auditor did not accurately assess Treasury's SPM. Treasury has confirmed that the two guidelines referred to in the finding relate to petty cash funds and are not applicable to special use imprest accounts.

It is the opinion of the Office of Special Events that the SPM requirements are being adhered to operationally. The Treasury Department has advised the department that our imprest account does operate as a special purpose imprest checking account. We also contend that Procurement guidelines are adhered to and see no evidence provided in this finding that would indicate otherwise.

The following applicable language appears in the SOP's under Special Purpose Imprest Checking Account Fund – Certain departments/divisions have special and unique needs with respect to their operations, which may not be met by the imprest and petty cash fund policies, and procedures set forth herein. Accordingly, on an exception basis, departures from these rules will be made by establishing a special purpose Imprest Checking or petty cash fund at the discretion of the Director of Administration and Finance.

OIG Finding 2: The Special Events Manager is the sole authorized signer for the imprest checking account. The Office accountant reconciles the imprest checking account monthly and prepares a petty cash/imprest checking reimbursement report. However the accountant is also responsible for cashing checks and subsequently securing the withdrawn cash, when case is needed for change funds. The Treasury Division SPM states, "Two check signers are required on the account; the fund custodian and the department head, division chief, or their designee."

OIG Recommendation 2: The Office should strengthen the segregation of duties over the imprest checking account. OIG recommends some of the duties currently performed by the accountant be shifted to other staff members. The Office should require two signatures, as required by the SPM.

OSE Response to Recommendation 2: The Office has already established segregation of duties over the imprest checking account. The Special Events Manager is responsible for signing the checks. The Accountant logs and then releases the check from the bank account.

There are two authorized signers on the account. Modern banking technology has provided additional controls on check processing to include a "Positive Pay" option which requires the appropriate individuals to enter the check number, payee and amount into the bank website. These fields are then used to validate a check prior to being "paid" out of the imprest account. This control replaces the required secondary signature on the face of the check.

Current authorized individuals for the Special Events account to enter and approve exceptions at Wells Fargo are:

- Joseph Bergman (Sports and Entertainment)
- Sharon Koonce (Treasury)
- Alina Kravchuk (Treasury)
- Yolanda Tillman (Treasury)

Current authorized signatories on the account are:

- Brent Fine (Special Events)
- Partick Greive (Treasury)

The imprest checking account fund is established by the issuance of a City check made payable to the fund custodian. The fund custodian will deposit the check to a separate bank checking account established by the City Treasurer in the name of the fund custodian. Two check signers are required on the account; the fund custodian and the department head, division chief, or their designee. The SPM states that two signers are required on the account; it does not state that two people must sign the check. The Special Events Manager and a designated person in the Finance Department are the authorized signers on the account. Checks are unable to be released until the Office of Special Events Accountant has logged and released a check with the City's bank, which prevents any sole individual from writing and releasing a check.

OIG Finding 3: An invoice for \$2,700 was paid from the imprest checking account without having obtained an approved administrative award from Procurement. As a result, a procurement contract was not prepared for approval nor signed by the vendor. The procurement contract set forth the requirements that must be met, including proof of liability insurance. The vendor did not provide proof of insurance. These requirements should be satisfied

prior to contract approval and subsequent disbursement of payments. The failure to pay for artistic performances by check requisitions may result in failure to request W-9 forms from performers and subsequent under reporting for 1099's to the Internal Revenue Service at the end of year.

OIG Recommendation 3: The Office should utilize payment methods other than the imprest checking account, if possible, to ensure insurance and other concerns are addressed.

OSE Response to Recommendation 3: The department does pay for annual and recurring special event expenditures under purchase orders or through check requisitions. Please note the Chief of Procurement is in agreement that authorization to process payment by check request would include the use of the imprest account to process the payment. We would stress the imprest account was used minimally for all payments processed during the audit period which would indicate a strong effort is made to minimize its use. The imprest checking account is used only when the department is unable to purchase through a PO or check request. The data would show that 95% of purchases were made using a PO, check requisition or procurement card. World Skydiving Center was a performer paid by approved Administrative Award AD-0171-16 (see attachment 1). Due to Hurricane Matthew, the Coast Guard aircraft that the department secured was deployed leaving the event (Sea & Sky Airshow) with no aircraft for the Navy Seal team to jump from during the event. The department does agree that it did not have a Certificate of Insurance (COI) from the vendor. However, it was a requirement per the vendor's invoice.

The Office of Special Events Accountant performs annual audits of 1099's each January to ensure that all documentation is in order. The department has not had issues in the collection of W-9's. Furthermore, the Accounting Department requires a W-9 for a vendor profile to be created in FAMIS prior to a payment being released or paid.

CASH RECEIPTS

OIG Finding 1: The Office of Special Events does not adequately document the need or use of the change fund amount withdrawn from the imprest checking account for each event. The amount of cash withdrawn for change funds from the imprest checking account for each special event appears excessive, without the appropriate documentation and justification.

OIG Recommendation 1: OIG recommends the total withdrawn from the imprest checking account for each special event be reduced and reconciliation report detail how the total amount withdrawn for the change fund was dispersed. The reconciliation reports should list the aggregate amount of the change fund used to establish the initial start money at each station and the aggregate amount of the change fund used to replenish the start money at each station.

OSE Response Recommendation 1: In our opinion, the change fund is adequately documented and used appropriately for events. We do not believe the OIG has presented any methodology as to why it feels the change funds are excessive after several discussions and summations as to the event industry and the process for special events' use of the change funds.

In our opinion, the OIG does not account for the change that is made during the event. We are consistently breaking large bills (\$20, \$50, \$100) and our pricing is designed so that \$1 bills are given in return at our beverage booths (for example, \$6-\$8 beverages). This equates to more \$1 and \$5 bills going out than coming in. Throughout the event as the larger bills are acquired and the total within the cash box grows, we collect the cash and replenish with a start fund of lower bills. This is initialed within the collection logs. See attachment 2 for the collection and start money bags for World of Nations. When change is needed but a full collection is not necessary, the change fund purchases larger bills from the cash box and replaces the same amount in smaller bills. Attachment 2 is also an example of the documentation of how

OSE collects cash, and the start of the change funds for this event. Each time there is a collection the cash box is brought back to the start money amount.

We also account for our events occurring during weekends when the bank is not open. In addition, due to the large amount of \$1 and \$5 bills, we have to order these through the bank from the Federal Reserve in advance of the event. We would not be able to successfully operate with smaller change funds. One beverage booth at the Jazz Festival could bring in up to \$14,000 per day at one single location, and one beverage booth at the World of Nations could bring in up to \$6,000 per day at one single location. We have multiple beverage booths at these events with all of them requiring change. World of Nations also has ticket gates, which can see more than \$55,000 in ticket sales in a single day. The "total fund used for assigned change funds" does not accurately represent the change made throughout the weekend.

OIG Finding 2: OIG reviewed the reconciliations for ticket, beverage, and merchandise sales for the following 2016 special events: World of Nations Celebration, Sea and Sky, and the Jacksonville Jazz Festival. OIG also reviewed the reconciliation for the 2017 Sea and Sky event. The following exceptions were noted: (1) the reconciliations did not list the date of preparation and were not signed by the preparers and reviewers, (2) the reconciliation for the World of Nations special event only reduced total sales by the starting change funds for each day of the four-day event. The reconciliation only accounts for \$10,800 of the \$16,750 total change fund. The supporting schedules for the event indicate that sales tax totaling \$2,405.31 was due to the State. The OIG was unable to find supporting documentation for the remittance of sales tax to the State of Florida attached to the schedules. Additionally, the OIG could not find any documentation of payment of the sales tax to the State. The collection of sales tax, and subsequent remittance of sales tax, was not documented for the other two events reviewed, and (3) the total merchandise sales listed on the reconciliation for the 2016 Jacksonville Jazz Festival did not match the merchandise inventory sheets for the three days of the event. The reconciliation lists total merchandise sales of \$11,865.16. However, the OIG was only able to trace sales of \$3,170 to the merchandise inventory sales sheets.

OIG Recommendation 2: OIG recommends that reconciliations for special event sales proceeds contain the preparation date. The preparers and reviewers of the reconciliations should also sign the reconciliations. Reconciliations should agree to all supporting schedules and documentation. The collection and remittance of sales tax to the State of Florida should be documented on reconciliations. Additionally, the OIG recommends two individuals verify all cash receipts at the end of each day.

OSE Response Recommendation 2: The reconciliation sheet does not contain a line that states "preparation date" however at the top of each sheet is the date for that specific event day and reconciliations are executed per day during the event time period. The sales tax information is sent to the Accounting Division monthly and once the payment to the State is posted in FAMIS, OSE records the information on a reconciliation report.

The spreadsheet reviewed by the OIG Auditor was the Office of Special Events Accountant's summary created post-event based on the information contained within the onsite logs. This allows the Accountant to have one concise summary based off of the daily logs which are signed off by two individuals. In addition, these signed logs were provided by the department to the OIG Auditor for review.

The OIG Auditor only reviewed a portion of the merchandise sales. The Auditor did not review the merchandise sales from the Jacksonville Jazz Festival store but only sales made by the performing artists. (See attachment 3).

OIG Finding 3: The Office has not established specific templates in the Tax Collector System to post receipts collected from special events. All receipts are posted under a generic template for cash receipts (CR's) and the description that is subsequently posted in FAMIS for all deposits is "contributions from private sources".

OIG Recommendation 3: OIG recommends templates are established to specify the type of proceeds collected.

OSE Response Recommendation 3: The department concurs with the OIG recommendation and will develop templates accordingly.

OTHER MATTERS

OIG: The City recently entered into a new contract with SMG. This new contract relied on §126.107(g), *Ordinance Code*. This provision exempts from the requirement of competitive solicitation, "supplies or services to be provided by those specifically prescribed within authorizing legislation that appropriates the same." The OIG interprets this provision to require the City Council to not only approve the contract, but to appropriate the funds in the same piece of legislation. The OIG's interpretation of this provision is consistent with an Office of General Counsel (OGC) opinion issued on December 18, 2008. The OGC opinion dealt with a waiver of the same provision of the Ordinance Code in relation to a new contract for the operation of the Trail Ridge Landfill. In their opinion, the OGC stated, "The proposed exemption does not exactly fit the criteria of §126.107(g), *Ordinance Code*, because such code provision requires the exemption to be contained in the legislation authorizing the appropriation, and 2008-538 does not appropriate specific funding for the Agreement." The opinion went on to state, "Instead the funding for the Landfill is included each year in the Solid Waste Division's budget..." Like the instant case, the authorizing legislation for the SMG contract renewal did not appropriate any funds. The funds are appropriated on an annual basis as part of the budget process. The OIG recommends in the future the legislation be drafted to waive the competitive solicitation requirements of the Ordinance Code vice citing to §126.107(g) 3 if the legislation does not both authorize the contract and appropriate the funds.

OSE Response to SMG contract: The Administration made a business decision to not bid out the management of our City-owned facilities. OGC agreed on the authorization of entering into a new contract and that contract was authorized by City Council.

OIG: The Office submits administrative award requests for individual performances at special events to Procurement, but also submits a blanket request at the beginning of the fiscal year for all special events to be held during the fiscal year. The annual or blanket administrative award bid provided to Procurement for approval increased from \$60,000 in fiscal year 2016 to \$600,000 in fiscal year 2017, as noted in the chart on the following page. After discussion with the Office staff, the OIG determined this increase in administrative awards is a business efficiency decision and does not reflect an increase in the amount of money allocated to the events. In order to increase efficiencies, the Office examined past events and attempted to allocate several individual awards into a combined award to avoid repeat trips to Procurement. Additionally, the award for two of the events in FY 2017 is high as a result of those events celebrating significant milestones.

OSE Response to Administrative Awards: The department made a business decision to incorporate all of its entertainment and performer needs in conjunction with Procurement into one award based on historical spending and potential plans for the upcoming year. Until FY16 there were multiple artistic administrative awards. It is our opinion that the Auditor is only referencing one award from FY16 and is not incorporating the full scope of the various awards. The MLK award was a sizable increase as it was the 30th year anniversary and the department wanted to have enough flexibility if a major keynote speaker fee was needed for the event.

This administrative award is pursuant to the provisions of 126.107A, Procurement Code of the Ordinance Code. The Office of Special Events has not circumvented any competitive solicitation requirements as artistic services are not eligible for competitive solicitation. Contracts are processed through OGC and routed through finance. Record of artist payments under the award are tracked and available for review by procurement, finance or any other department.

The Administration takes the audit findings listed seriously and has reviewed each recommended corrective actions and responded accordingly.

cc: Sam E. Mousa, Chief Administrative Officer
Mike Weinstein, Chief Financial Officer
James Hoffman, Inspector General
Lisa Green, Deputy Inspector General
Dave Herrell, Sports and Entertainment Officer
Brent Fine, Special Events Manager
Marsha Oliver, Director of Public Affairs
File No. 2017-AR-0001

**ADMINISTRATIVE AWARD
BID No.: AD-0171-16**

DESCRIPTION OF GOODS/SERVICES: Recommend approval of award for artistic services with various vendors. The purpose of the artistic services with various vendors will be for procuring entertainment activities and event décor services for various events listed below:

➤ Martin Luther King, Jr. Activities	\$100,000.00
➤ World of Nations Celebration	\$50,000.00
➤ Jacksonville Jazz Festival	\$350,000.00
➤ Sea and Sky Air Show	\$75,000.00
➤ 4 th of July Activities	\$10,000.00
➤ Veteran's Day Parade	\$5,000.00
➤ Georgia-Florida Football Game	\$10,000.00

Period of service will be from October 1, 2016 through September 30, 2017.

Total estimated expenditure not to exceed \$600,000.00

Funding Source – SPET01ASE-04938 or PRSE134SE - to be executed by check request or contract through the Office of General Counsel.

FOR AGENCY/DEPARTMENT: Sports and Entertainment/Special Events

REQUISITION NUMBERS: N/A

NUMBER FIRMS SOLICITED: N/A **NUMBER FIRMS BIDDING:** N/A

REASON FOR LESS THAN REQUIRED MINIMUM SOLICITATION/QUOTATION: Section 126.107(a) Artistic services or performances

RECOMMEND AWARD TO: Various Vendors

CONCURRENCE BY: Brent Fine, Manager, Special Events

PRICE: \$600,000.00 **TERMS:** NET 30

REASON FOR NOT ACCEPTING LOW BID: N/A


Buyer

9/10/2016
Date


Asst. Manager of Purchasing Services

9/16/2016
Date

APPROVAL


Gregory Pace, Chief, Procurement Division

9/19/16
Date

Check #: 2485
 Amount: \$2700⁰⁰
 Payee: World Skydiving Center
 For: SSS 2016 Performance
 Received: Mailed
 Date: 11/7/16 (AB)

CITY OF JACKSONVILLE
SPECIAL EVENTS TRUST FUND
 117 West Duval St., Ste. 280
 Jacksonville, FL 32202

PAY TO THE ORDER OF World Skydiving Center
117 West Duval St., Ste. 280
Jacksonville, FL 32202



NOT NEGOTIABLE
 P



POSTED

⑈002485⑈ ⑆063000021⑆ 2000035633288⑈

CITY OF JACKSONVILLE
SPECIAL EVENTS TRUST FUND
117 West Duval St., Ste. 280
Jacksonville, FL 32202

2485
63-21630
SPRINCH 03/31

PAY
TO THE
ORDER OF

Wachovia Special Events Trust
One Thousand Seven Hundred and No/100

DATE

11/16/10

DOLLARS



WACHOVIA
Wachovia Bank, a Division of Wells Fargo Bank, N.A.

PPA

NET RECEIVABLE



⑆002485⑆ ⑆06300002⑆ 2000035633288⑆

POSTED

CASH PICK UPS

Date 4-21-16 - Thursday
Location Booth 1-6
Event 10:00

	Amount		Ice
B 1	<u>\$414⁷⁵</u>	(LB) KBN	\$180 ⁰⁰ (LB) KBN
B 2	<u>\$347⁵⁰</u>	(KBN) (LB)	\$145 ⁰⁰ (KBN) (LB)
B 3	<u>\$321⁵⁰</u>	(LB) (KBN)	\$125 ⁰⁰ (LB) (KBN)
B 4	<u>\$441⁷⁰</u>	KBN (LB)	\$135 ⁰⁰ KBN (LB)
B 5	<u>\$377⁰⁰</u>	(LB) KBN	\$100 ⁰⁰ (LB) KBN
B 6	<u>\$350⁵⁰</u>	(LB) KBN	\$105 ⁰⁰ (LB) KBN
	<u>\$2,252.95</u>		\$780 ⁰⁰

Total Pick Up During Event \$ \$3032⁹⁵

G1 \$24

G2 \$20

\$3076⁹⁵ (LB) KBN

< \$2440 - > start

\$636⁹⁵ Thurs. sales

CASH PICK UPS

Date 4-22-16 Friday
 Location Booth 1-6
 Event WDNC 2016

Booth	Amount	Notes	Other
Booth 1	\$ 579 ⁵⁰	NB KBN	Dice \$115 ⁰⁰ NB KBN
Booth 2	\$ 521 ⁴⁹	NB KBN	\$115 ⁰⁰ NB KBN
Booth 3	\$ 436 ⁹⁸	NB KBN	\$110 ⁰⁰ NB KBN
Booth 4	\$ 397 ⁴⁰	NB KBN	\$205 ⁰⁰ NB KBN
Booth 5	\$ 625 ²⁰	NB KBN	\$160 ⁰⁰ NB KBN
Booth 6	\$ 413 ⁰⁰	NB KBN	\$105 ⁰⁰ NB KBN
	\$ 2973 ⁵⁷		\$ 810 ⁰⁰ NB

Total Pick Up During Event \$ 3,783⁵⁷ ✓ (NB) KBN

<2400> start
 \$1383.57
 + 300 - pickups
 \$ 1683.57 Friday sales

World of Nations 2016 - Saturday, April 23, 2016

	B1	B2	B3	B4	B5	B6
Start Money						
Pick up	\$1000 ^w _{NO}	\$1820	160 ^w _{NO}	760 ^w _{NO}	726 ^w _{NO}	300 ^w _{NO}
Pick up	\$1080 ⁹⁶ _{KAN}	\$1340 ^{NO}	\$240	9 50	\$629 ^w _{NO}	\$660 ^w _{NO}
Pick up	\$870 ⁸² _{KA}	\$1755.75 ^{TRV} _{KA}	\$440 ^{KA} _{NO}	950 ^w _{NO}	\$720 ^{NO} _{KAN}	\$879 ^{NO}
Pick up	\$1169 ⁹⁵ _{KA}		\$696 ^{NO} _{TRV}	\$1000 ⁹⁶ _{KAN}	\$230 ^{NO} _{KAN}	
Pick up				\$1730 ^{NO} _{KAN}	\$370 ^{NO} _{KAN}	
Close				\$2192 ⁹⁶ _{KA}	\$520 ^{NO} _{KAN}	
Total	4119 ²⁵	3195 ⁷⁵	1296-	60632-	\$1282.50 ^{KA} _{TRV}	
(Start Money)	-300	-300	-300	-300	4477.50	1859-
BB Deposit	3819 ²⁵	2795 ⁷⁵	996-	6332-	-300	-300

4177.50 1559-

Ice Money	\$205	\$205 ^{KA}	\$210 ^{NO} _{TRV}	250 ⁹⁶ _{KA}	\$278 ^{TRV} _{KA}	\$285 ^{TRV} _{NO}
Close	\$200 ^{KA} _{NO}					
Total	200-	205-	210-	250-	278-	285-
(Ice Money)	-100	-100	-100	-100	-100	-100
Ice Deposit	100	105	110	150	178	185
Daily Summary						
BB Deposit	3819 ²⁵	2795 ⁷⁵	996-	6332-	4177 ⁵⁰	1559-
Ice Deposit	100-	105-	110-	150-	178-	185-
Total Deposit	3919 ²⁵	2900 ⁷⁵	1106-	6482-	4355 ⁵⁰	1744-

\$ 20,507⁵⁰

21479.50
 828- =

 22307.50
 < 1800 >

 20507.50

World of Nations 2016 - Sunday, April 24, 2016

	B1	B2	B3	B4	B5	B6
Start Money						
Pick up	340- ^{NP} JK	460- ^{NP} JK	922- ^{CB} KA	590- ^{NP} JK	1550- ^{NP} JK	923- ^{NP} JK
Pick up	2426- ^{NP} CB	1634- ^{NP} JK		1280- ^{NP} JK	2693.29- ^{NP} KA	
Pick up				2335- ^{CB} KA		
Pick up						
Pick up						
Close						
Total	27166-	2094-	922-	4205-	4243.29	923-
(Start Money)	-300	-300	-300	-300	-300	-300
BB Deposit	24666-	1794-	622-	3905-	3943.29	623-

Ice Money	220- ^{NP} JK	130- ^{NP} JK		270- ^{CB} KA	310- ^{NP} JK	
Close			100- ^{CB} KA			100- ^{NP} JK
Total	220	130	100	270	310	100
(Ice Money)	-100	-100	-100	-100	-100	-100
Ice Deposit	120	30	100	170	210	-
Daily Summary						
BB Deposit	24666-	1794-	622-	3905-	3943.29	623-
Ice Deposit	120-	30-	100-	170-	210-	-
Total Deposit	25886-	1824-	682-	4075-	4153.29	623-

\$13,943.29

World of Nations 2016 - Saturday, April 23, 2016

	Gate 1 - 1	Gate 1 - 2	Gate 1 - 3	Gate 1 - 4	Gate 2 - 1	Gate 2 - 2	Gate 2 - 3	Gate 2 - 4
Start Money	300-	300-			300-	300-	300-	300-
Pick up	✓ \$100 ² _{KA}	✓ \$1050 ² _{KA}			900 ² _{KA}	✓ \$1450 ² _{KA}	✓ \$1790 ² _{KA}	✓ \$1920 ² _{KA}
Pick up	✓ \$1360 ² _{KA}	✓ \$640 ² _{KA}			✓ \$1020 ² _{KA}	✓ \$920 ² _{KA}	✓ \$1080 ² _{KA}	✓ \$1410 ² _{KA}
Pick up	✓ \$2910 ² _{KA}	✓ \$2020 ² _{KA}			✓ \$3620 ² _{KA}	✓ \$1280 ² _{KA}	✓ \$2220 ² _{KA}	✓ \$3660 ² _{KA}
Pick up	✓ \$2120 ² _{KA}	✓ \$1716 ² _{KA}			✓ \$1930 ² _{KA}	✓ \$1360 ² _{KA}	✓ \$1120 ² _{KA}	✓ \$1600 ² _{KA}
Pick up	✓ \$2119 ² _{KA}	✓ \$1191 ² _{KA}			✓ \$1016 ² _{KA}	✓ \$2840 ² _{KA}	✓ \$1380 ² _{KA}	✓ \$1266 ² _{KA}
Pick up	✓ \$1005 ² _{KA}				✓ \$1900 ² _{KA}	✓ \$1366 ² _{KA}	✓ \$11079 ² _{KA}	
Pick up	✓ \$8.05 ² _{KA}				✓ 1415 ² _{KA}	✓ \$1491.10 ² _{KA}		
Pick up								
Total	9482.05	1611-			11851.75	10657 ¹⁰	8969-	8854-
(Start Money)	-300	-300			-300	-300	-300	-300
Deposit	9122.05	6311-			11551.75	10357 ¹⁰	8669-	8556-

Sheet ✓ \$11050- KA/K
 ✓ \$1920- KA/K
 ✓ \$1032- KA/K

4602-
 60,968⁹⁰
 219007
 59108⁹⁰

World of Nations 2016 - Sunday, April 24, 2016

	Gate 1-1	Gate 1-2	Gate 1-3	Gate 1-4	Gate 2-1	Gate 2-2	Gate 2-3	Gate 2-4
Start Money								
Pick up	911- KUN KUN	5100- KUN KUN			1535- KUN KUN	1280- KUN KUN	400 KUN KUN	840- KUN KUN
Pick up	1250- KUN KUN	920- KUN KUN			1820- KUN KUN	850- KUN KUN	1050 KUN KUN	880- KUN KUN
Pick up	2923- KUN KUN	1430- KUN KUN			1780- KUN KUN	1510- KUN KUN	790 KUN KUN	1040 KUN KUN
Pick up	3205 KUN KUN	585- KUN KUN			1480- KUN KUN	980- KUN KUN	1040 KUN KUN	1180 KUN KUN
Pick up	4273- KUN KUN	1995- KUN KUN			2704- KUN KUN	995- KUN KUN	1280 KUN KUN	880 KUN KUN
Pick up					1303- KUN KUN	1120 KUN KUN	1124 KUN KUN	895- KUN KUN
Pick up						1185- KUN KUN		
Pick up								
Total	9357-	5470-			10,482 ⁹¹	6800-	5684-	5715-
(Start Money)	-300	-300			-300	-300	-300	-300
Deposit	9057-	9170-			10382 ⁹¹	10500-	5384-	5415-

\$ 411,908⁹¹

World of Nations 2016
Friday, April 22, 2016

Location	Start Money	Ice Money	Signature
B1	\$ 300	\$ 100	<i>Mary Stueger</i>
B2	\$ 300	\$ 100	<i>Marty Carlson</i>
B3	\$ 300	\$ 100	<i>Robert Brown</i>
B4	\$ 300	\$ 100	<i>John A. Green</i>
B5	\$ 300	\$ 100	<i>John A. Green</i>
B6	\$ 300	\$ 100	<i>Sam Allen</i>

World of Nations 2016
Thursday, April 21, 2016

Location	Start Money	Ice Money	Signature
B1	\$ 300 -	\$ 100 -	<i>Henry [Signature]</i>
B2	\$ 300 -	\$ 100 -	<i>[Signature]</i>
B3	\$ 300 -	\$ 100 -	<i>Robert [Signature]</i>
B4	\$ 300 -	\$ 100 -	<i>[Signature]</i>
B5	\$ 300 -	\$ 100 -	<i>R.M.A. [Signature]</i>
B6	\$ 300 -	\$ 100 -	<i>[Signature]</i>

G1
\$ 20 -

G2
\$ 20 -

Karen [Signature]
Karen [Signature]

World of Nations 2016
Saturday, April 23, 2016

Location	Start Money	Ice Money	Signature
B1	\$300	\$100	<i>[Signature]</i>
B2	\$300	\$100	<i>[Signature]</i>
B3	\$300	\$100	<i>[Signature]</i>
B4	\$300	\$100	<i>[Signature]</i>
B5	\$300	\$100	<i>[Signature]</i>
B6	\$300	\$100	<i>[Signature]</i>
G1-1	\$300	_____	<i>[Signature]</i>
G1-2	\$300	_____	<i>[Signature]</i>
G1-3	\$300	_____	<i>[Signature]</i>
G1-4	\$300	_____	_____
G2-1	\$300	_____	<i>[Signature]</i>
G2-2	\$300	_____	<i>[Signature]</i>
G2-3	\$300	_____	<i>[Signature]</i>
G2-4	_____	_____	_____

~~B4 = white envelope~~

World of Nations 2016
Sunday, April 24, 2016

Location	Start Money	Ice Money	Signature
B1	300-	100-	Bon / Gaultier
B2	300-	100-	AC (by) Bice
B3	300-	100-	Phil Pat
B4	300-	100-	NO
B5	300-	100-	B D Green
B6	300-	100-	Bon Weller
G1-1	300-	---	Sheila Loman
G1-2	300-	---	Frankie Staff
G1-3		---	
G1-4		---	
G2-1	300-	---	Frankie Staff
G2-2	300-	---	Bette Reddick
G2-3	300-	---	Theresa Kelly
G2-4	300-	---	Frankie Staff Emerald P/A

2016 Jazz Festival

Merchandise Store Sales

	5/26/2016	5/27/2016	5/28/2016	5/29/2016	
Start Money	\$ 400.00	\$ 300.00	\$ 300.00	\$ 300.00	
Cash	\$ 272.00	\$ 317.00	\$ 400.00	\$ 485.00	
Cash	\$ 401.00	\$ 849.25	\$ 861.00	\$ 260.00	
Cash			\$ 850.00	\$ 600.00	
			\$ 500.00	\$ 688.50	
			\$ 260.00		
CC	\$ 202.00	\$ 1,553.01	\$ 2,516.40	\$ 1,866.25	
	\$ 875.00	\$ 2,719.26	\$ 5,387.40	\$ 3,899.75	Total
Profit	\$ 475.00	\$ 2,419.26	\$ 5,087.40	\$ 3,599.75	\$11,581.41

	5/26/2016	5/27/2016	5/28/2016	5/29/2016	
Start Money					
Landing					
Newnan					
Main					
	\$ -				Daily Total
Profit	\$ -	\$ -	\$ -	\$ -	\$ -

Commission	5/27/2016	5/28/2016	5/29/2016	
			\$ 283.75	
	\$ -	\$ -	\$ 283.75	Daily Total
Profit	\$ -	\$ -	\$ 283.75	\$ 283.75

Jazz Festival Merchandise Sales/Artist Commission \$11,865.16

MERCHANDISE INVENTORY

Date: May 29, 2016
 Performer: Nathan East
 Staff: Karen Nuland

CD Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Nathan East	20.00	30			200.00
Total CD Sales					200.00

Merchandise Sales:

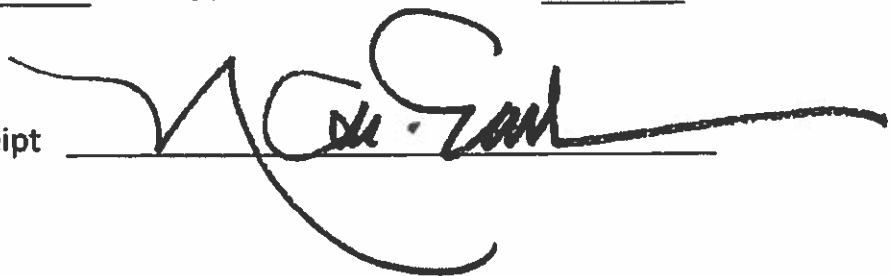
Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Total Merchandise Sales					

SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>200.00</u>	Merchandise Sales	_____
Less 10% Venue	<u>20.00</u>	Less 25% Venue	_____
Total Artist Proceeds	<u>180.00</u>	Total Artist Proceeds	_____

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts	_____	Total Receipts	_____
(divide by 1.07)	_____	(divide by 1.07)	_____
Gross Sales	_____	Gross Sales	_____
Less 10% Venue	_____	Less 25% Venue	_____
Total Artist Proceeds	_____	Total Artist Proceeds	_____

Acknowledgement of Receipt 

MERCHANDISE INVENTORY

Date: May 29, 2016
 Performer: Grille Gimee
 Staff: Karen Nuland

CD Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Let's Get Lost	20.00	53		9	15.00
					80.00
It's a good day	20.00	22	6		40.00
Total CD Sales					\$120.00

9
 180
~~100.00~~
 120.00
~~50.00~~
~~160.00~~
 300.00
 - 30.00

Merchandise Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Total Merchandise Sales					

\$270.00

SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>180.00</u>	Merchandise Sales	_____
Less 10% Venue	<u>17.00</u>	Less 25% Venue	_____
Total Artist Proceeds	<u>163.00</u>	Total Artist Proceeds	_____

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts	_____	Total Receipts	_____
(divide by 1.07)	_____	(divide by 1.07)	_____
Gross Sales	_____	Gross Sales	_____
Less 10% Venue	_____	Less 25% Venue	_____
Total Artist Proceeds	_____	Total Artist Proceeds	_____

Acknowledgement of Receipt 

MERCHANDISE INVENTORY

Date: 5-27-16
 Performer: Chris Godber
 Staff: Maureen Godber

CD Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
CD	15.00	104	80	24	360.00
Total CD Sales					360.00

Merchandise Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Total Merchandise Sales					

SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>\$360.00</u>	Merchandise Sales	_____
Less 10% Venue	<u>\$ 36.00</u>	Less 25% Venue	_____
Total Artist Proceeds	<u>324.00</u>	Total Artist Proceeds	_____

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts	_____	Total Receipts	_____
(divide by 1.07)	_____	(divide by 1.07)	_____
Gross Sales	_____	Gross Sales	_____
Less 10% Venue	_____	Less 25% Venue	_____
Total Artist Proceeds	_____	Total Artist Proceeds	_____

Acknowledgement of Receipt _____



MERCHANDISE INVENTORY

Date: FRI MAY 27
 Performer: LONGINEU PARSONS
 Staff: DIANE

CD Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
	\$10 ea			21	210.00
Total CD Sales					210.00

Merchandise Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Total Merchandise Sales					

SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>\$210</u>	Merchandise Sales	_____
Less 10% Venue	<u>\$21</u>	Less 25% Venue	_____
Total Artist Proceeds	<u>\$199</u>	Total Artist Proceeds	_____

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts	_____	Total Receipts	_____
(divide by 1.07)	_____	(divide by 1.07)	_____
Gross Sales	_____	Gross Sales	_____
Less 10% Venue	_____	Less 25% Venue	_____
Total Artist Proceeds	_____	Total Artist Proceeds	_____

Acknowledgement of Receipt Diane Rogge

MERCHANDISE INVENTORY

Date: May 28, 16
 Performer: Ken Ford
 Staff: _____

$10\% \times 260 = \$26$

CD Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
State of Mind	\$10	34	19	1526	260
Total CD Sales					

Merchandise Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Total Merchandise Sales					

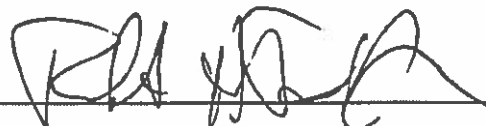
SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>\$260</u>	Merchandise Sales	_____
Less 10% Venue	<u>\$26</u>	Less 25% Venue	_____
Total Artist Proceeds	<u>\$200</u>	Total Artist Proceeds	_____

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts	_____	Total Receipts	_____
(divide by 1.07)	_____	(divide by 1.07)	_____
Gross Sales	_____	Gross Sales	_____
Less 10% Venue	_____	Less 25% Venue	_____
Total Artist Proceeds	_____	Total Artist Proceeds	_____

Acknowledgement of Receipt _____



MERCHANDISE INVENTORY

Date: 5/28
 Performer: Lizze Wright
 Staff: _____

CD Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Freedom Isr.	\$20	30	0	30	600
	\$20	30	27 21	3	60
Total CD Sales					\$660

Merchandise Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Total Merchandise Sales					

SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>\$660</u>	Merchandise Sales	_____
Less 10% Venue	<u>66</u>	Less 25% Venue	_____
Total Artist Proceeds	<u>\$594</u>	Total Artist Proceeds	_____

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts	_____	Total Receipts	_____
(divide by 1.07)	_____	(divide by 1.07)	_____
Gross Sales	_____	Gross Sales	_____
Less 10% Venue	_____	Less 25% Venue	_____
Total Artist Proceeds	_____	Total Artist Proceeds	_____

Acknowledgement of Receipt Thomas J. [Signature]

MERCHANDISE INVENTORY

Date: 05/28/16
 Performer: CHARENNE WADE
 Staff: _____

CD Sales:

15 9

~~125~~
\$20

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
"OFFERING"	\$20	25	20 15	400 300	180
"LOVE WALKED IN"	\$20	8	7	1	20
Total CD Sales					180 200

~~180~~ 160
180

Merchandise Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
Total Merchandise Sales					

SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>180 200</u>	Merchandise Sales	_____
Less 10% Venue	<u>18 20</u>	Less 25% Venue	_____
Total Artist Proceeds	<u>162 180</u>	Total Artist Proceeds	_____

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts	_____	Total Receipts	_____
(divide by 1.07)	_____	(divide by 1.07)	_____
Gross Sales	_____	Gross Sales	_____
Less 10% Venue	_____	Less 25% Venue	_____
Total Artist Proceeds	_____	Total Artist Proceeds	_____

Acknowledgement of Receipt _____

MERCHANDISE INVENTORY

Date: _____
 Performer: Yellow Jackets
 Staff: _____

CD Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
COHEARANCE	\$20	34 35			
Total CD Sales					

Merchandise Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
HEAD'S	20	35	16	19	\$ 380
Total Merchandise Sales					

SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>\$ 380</u>	Merchandise Sales	_____
Less 10% Venue	<u>\$ 38</u>	Less 25% Venue	_____
Total Artist Proceeds	<u>\$ 342</u>	Total Artist Proceeds	_____

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts _____	Total Receipts _____
(divide by 1.07) _____	(divide by 1.07) _____
Gross Sales _____	Gross Sales _____
Less 10% Venue _____	Less 25% Venue _____
Total Artist Proceeds _____	Total Artist Proceeds _____

Acknowledgement of Receipt _____

MERCHANDISE INVENTORY

Date: May 29, 2016
 Performer: Jamison Ross
 Staff: _____

Rec 494236
 ch 370771
 6/2/16

CD Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
10% Jamison ^{CD}	\$20 15	44	42 2	3842	\$570 630
25% Drumsticks	\$10	5	1	4	\$40
25% Keychains	\$5	8	1	7	\$35
Total CD Sales					

Merchandise Sales:

Item	Price	Beg Count	End Count	Amt Sold	Total Sales
CD					
Drumsticks					
Keychains					
Total Merchandise Sales					

SETTLEMENT – Artist chooses to pay all taxes associated with sales

CD Sales	<u>630</u>	Merchandise Sales	<u>75</u>
Less 10% Venue	<u>\$ 63</u>	Less 25% Venue	<u>18.75</u> = 81.75
Total Artist Proceeds	<u>\$ 567</u>	Total Artist Proceeds	<u>56.25</u> = <u>623.25</u>

SETTLEMENT – Artist chooses venue to pay all taxes associated with sales

Total Receipts	_____	Total Receipts	_____
(divide by 1.07)	_____	(divide by 1.07)	_____
Gross Sales	_____	Gross Sales	_____
Less 10% Venue	_____	Less 25% Venue	_____
Total Artist Proceeds	_____	Total Artist Proceeds	_____

Acknowledgement of Receipt _____