



# DeKalb

# County

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Department of Finance

Internal Audit and Licensing

September 9, 2009

TO: Dr. Michael J. Bell, Chief Financial Officer

FROM: Deputy Director of Finance, Internal Audit and Licensing

SUBJECT: Porter Sanford III Performing Arts & Community Center

### **General Information**

Internal Audit conducted a review of revenue received by DeKalb County from the Porter Sanford III Performing Arts & Community Center (Arts Center) during the period January 1, 2009 through July 31, 2009. During this period, the Arts Center had 46 invoiced events. The Arts Center officially opened in February 2009. The first event was scheduled for February 27 through March 1, 2009. Arts Center invoices for the period under review totaled \$42,876. It is now the policy of the Arts Center to collect a 50% deposit upon booking an event, with the remaining balance due thirty (30) days prior to the event. At the end of the period, revenue received totaled \$32,268, and balances due totaled \$9,239. There were two instances of expenses paid or deducted from revenue totaling \$1,369. (see attached exhibit)

### **Purpose and Scope**

The purpose of the review was to determine if records maintained and reports prepared by Arts Center and Parks and Recreation personnel adequately reflect revenues obtained for the period stated above; also, to determine if all funds were collected and deposited according to the County and Arts Center policies.

We reviewed records, daily reports, invoices, and other pertinent documents for the period ending July 31, 2009. We conducted such audit tests and procedures as were deemed necessary.

### **Opinion**

In our opinion, revenue was accounted for properly with no material deficiencies.

**Observation I**

The DeKalb County Commissioners and various county departments have hosted at least twelve events at the Arts Center with no charge.

**Recommendation I**

Some guidelines should be established governing the use of the Arts Center by elected officials and county departments.

**Observation II**

A check in the amount of \$1,575 for the first event invoice balance was received on February 27, 2009 (event date) and deposited on March 3, 2009. The check has been returned for insufficient funds. This amount is included in the \$9,239 balances due mentioned above and shown on the exhibit.

**Recommendation II**

The Parks and Recreation Accounting Office sent a notice to the customer in April regarding this returned check. The Arts Center should vigorously try to collect the \$1,575 insufficient funds and any associated bank fees.

**Observation III**

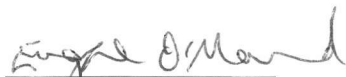
On February 19, 2009, a vendor was paid \$118.80 from a \$450 cash deposit collected. On March 27, 2009, an event invoice totaling \$1,260 was reduced by \$1,250. This was in payment of services rendered (five events at \$250 each) for the Arts Center. The customer submitted a \$10 check for the difference.

**Recommendation III**

The Arts Center staff should have all invoices submitted to and paid by Finance's Accounts Payable Division to properly account for all revenue and expenditures associated with the facility.

**Comment**

On some events, there is a \$250 mandatory refundable deposit to insure that the building is left clean and free of damage. During the review period, the Arts Center collected \$1,000 (4 events) in refundable cleaning deposits. If and when the deposits are refunded, this would reduce stated revenue shown on the exhibit.



Eugene O'Mard

cc: William E. Rhinehart, Deputy Chief Operating Officer, Infrastructure  
Marvin F. Billups, Acting Director of Parks and Recreation  
Bill E. Leavell, Executive Administrator, Performing Arts Center

**DeKALB COUNTY  
PERFORMING ARTS CENTER REVENUE  
JANUARY - JULY, 2009**

ACCOUNT	TITLE	REVENUE
06130-381401-271	Theater Rental Fees	22,927
06130-381402-271	Lobby Rental Fees	4,395
06130-381403-271	Black Box Rental Fees	1,470
06130-381404-271	Exhibit Room Rental Fees	600
06130-381405-271	Classroom Rental Fees	2,345
Subtotal Revenue Report		31,737
In transit July Deposit		200
Amt to be transferred from 06101-381002-271		331
Total Revenue Received		32,268
Invoice Balances Due		9,239 *
Expenses pd. or deducted from Revenue		1,369
Arts Center Invoices Jan - Jul '09		\$42,876

**Exhibit**

\* Includes returned check of \$1,575 which may not be recovered