

|AGENDA Monday, December 14, 2009  
|Informational Sioux Falls City Council  
|  
| 4:00 p.m. at Carnegie  
|  
|Town Hall  
|  
| 235 West 10th Street

1. Call To Order
2. City Council Staff Report
  - A. Updates by Debra A. Owen, City Clerk
3. Mayor Munson
4. Audit Committee
5. Fiscal Committee
6. Land Use Committee
7. Public Services Committee
8. City Council Open Discussion
9. Presentations
  - A. Environmental Health Audit Report 09-07 by Rich Oksol, Lead Internal Auditor  
  
Environmental Health Audit Report 09-07 with Response
  - B. Parks & Recreation Cash Audit Report 09-09 by Rich Oksol, Lead Internal Auditor

Park Recreation Cash Handling Audit Report 09-09

10. Executive Session

A. Personnel matter

11. Adjournment: 4:43 p.m.

Date: 2009-12-14  
SIRE Meeting ID: 910  
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/6PfvGmKYwT0>  
Agenda Item: Not Assigned  
Item ID: 39933

The following document(s) are public records obtained from the  
City of Sioux Falls.

# **ENVIRONMENTAL HEALTH OPERATIONAL AUDIT**

## **INTERNAL AUDIT REPORT 09-07**

### **INTRODUCTION**

The City of Sioux Falls City Council authorized this audit in the 2009 Annual Audit Program. This is the first internal operational audit of the Environmental Health Division of the Health Department.

### **BACKGROUND**

The Sioux Falls Health Department, Environmental Health Division promotes the health and quality of life for citizens of the City of Sioux Falls by preventing or controlling diseases, adverse health conditions or deaths resulting from interactions between people and their environment.

The division is committed to serving the people of Sioux Falls by providing quality health inspections and environmental sanitation. The areas that are addressed include:

- Food safety
- Food service inspections
- Lodging sanitation inspections
- Tattoo parlor inspections.

Five Environmental Health Specialists inspect and monitor all Sioux Falls food service facilities to ensure the public's safety by establishing sanitary standards and minimizing the risk of food borne illnesses. The department maintains a website that allows the public to access health inspection scores. Inspection scores are used to ensure compliance with the State of South Dakota Food Code requirements. In 2008, the division conducted over 2,200 initial routine facility inspections, a 26 percent increase from 2003. The division also licenses and inspects temporary food stands and issued 211 such permits.

In 2008, the division, through its food service inspection program, saw all of the restaurants in Sioux Falls score at least 80 points on their inspection rating. 92 percent of the facilities had a score of over 90 points, out of a possible 100 points.

The division licenses and regulates other establishments such as lodging, grocery stores, mobile home parks, swimming pools and spas, day cares and tattoo parlors. The following activities require permits:

- Certain types of daycare facilities
- Food services
- Food establishments
- Food processors
- Tattoo artists and establishments
- Events which will produce excessive sound levels.

In 2008, the food service, grocery and food processing fee schedules were updated.

The City of Sioux Falls requires the registration of in-home day cares. The Home Day Care ordinance was revised in 2008 to include child-per-provider ratios and increased child care standards in order to further enhance the safety of children that are cared for in a home environment.

The Environmental Division is responsible for nuisance abatement through a code enforcement program which includes garbage, rubbish, waste material, abandoned vehicles on private property and noise abatement. Over 3,700 inspections were conducted in 2008 as related to nuisance complaint code enforcement. Every year the Division organizes and oversees neighborhood cleanup programs throughout the city. Projects NICE (Neighborhood Improvement/Complaint Easement) and KEEP (Keep Environmental Enhancement Permanent) are run every spring in selected neighborhoods. The division manages the programs with volunteer help from other City departments' personnel. Residents in the selected areas place rubbish and waste material at the curb which is then loaded onto City trucks and disposed of at the City Landfill or properly recycled.

The mission of the Vector Control Program is to reduce the risk of West Nile Virus and other mosquito borne illness. While the State reported a total of 39 confirmed cases of West Nile Virus in 2008, only one case was reported in Minnehaha County.

The Health Department is managed by the Public Health Director and the Assistant Public Health Director. The Environmental Health Division reports to senior Health Department management and has:

- 2 Public Health Managers
- 1 Health Program Coordinator
- 6 Environmental Health Specialists
- 2 Shared positions with other Health divisions; that of Administrative Assistant and Technical Clerk
- 2 Part-time Office Support personnel.

The Health Program Coordinator employees a number of seasonal workers from March through October of each year for the Mosquito Control Program.

## **2008 NOTEWORTHY ACCOMPLISHMENTS**

The Sioux Falls Health Department, Environmental Health Division, is responsible for providing the City with quality health inspections and environmental sanitation. The Division conducted a total of 2,204 required initial facility inspections, a 26 percent increase over 2003 inspections. Routinely inspected facilities for 2008 included the following:

- 573 restaurants twice each year
- 226 grocery stores inspected twice each year
- 52 lodging establishments (including campgrounds) inspected once per year
- 426 daycares registered
- 52 traditional schools inspected twice each year
- 47 non-traditional schools inspected twice each year
- 19 tattoo parlors inspected once each year
- 42 tattoo artists licensed

- 47 bars and casino inspected twice each year
- 35 mobile home parks inspected once each year (3,492 mobile home spaces)
- 23 meat processing facilities inspected 4 times each year
- 58 swimming pools and spas inspected twice each year.

There were 64 establishment pre-opening inspections performed. 159 critical item follow-up inspections and 5 thirty day re-inspections were conducted. There were an additional 161 inspections due to food service complaint investigations. Environmental Health inspected and licensed 211 temporary food stands at various events in 2008.

The Environmental Health Division maintains a website, [www.siouxfalls.org/health/scores.aspx](http://www.siouxfalls.org/health/scores.aspx), which provides public access to health inspection scores. The site includes reports for every restaurant, cafeteria, convenience store, grocery store and other retail food establishments within the Sioux Falls city limits. The inspection scores provide a “snapshot” of the overall condition of the food establishment at the time of the inspection.

The Environmental Health Division is responsible for nuisance abatement through a code enforcement program which includes garbage, rubbish, waste material, abandoned vehicles on private property and noise abatement. The Division responded to and/or conducted:

- 1,679 initial environmental complaints
- 1,710 compliance re-inspections
- 353 attorney requested re-inspections.

There were a total of 3,742 environmental related complaint inspections.

The City issued 127 letters for non-compliance to code in regard to garbage, with 15 of them resulting in property clean-ups by City crews.

The Division researched, issued and monitored 208 sound permits.

Environmental Health issued 404 administrative citations in 2008. These citations involved nuisance, daycare and food service violations.

Updates were made to the In Home Daycare Ordinance, requiring master client lists, the right to inspect and establishing adult/child ratios. These changes increased monitoring for family day cares and set a quality standard for the number of providers necessary to care for children under the age of two.

Every year the City of Sioux Falls, Health Department, Environmental Health organizes and oversees neighborhood cleanup programs throughout the city. Project NICE (Neighborhood Improvement/Complaint Easement) and Project KEEP (Keep Environmental Enhancements Permanent) are run every spring in various selected neighborhoods. The two projects are intended to help the selected neighborhoods with environmental concerns such as garbage, rubbish, inoperable vehicles, dilapidated buildings and zoning problems. In 2008, volunteers from City departments, along with Health Department staff, removed:

- 187 loads of rubbish
- 5 loads of tires

- 8 loads of appliances.

After the cleanup was completed, the neighborhoods were surveyed. The Environmental Health Specialists addressed any remaining violations of City ordinance. The cleanup projects and the follow-up corrective actions have proven to be very beneficial for the City of Sioux Falls.

The mission of the Vector Control Program is to reduce the risk of West Nile Virus and other mosquito borne illness. In 2008, Vector Control treated:

- a total of 1,276 sites from March through October
- bike paths were sprayed 25 times for a total of 480 treated miles
- 16,777 storm inlets and catch basins had targeted chemical applications
- 1,417 mosquito specimens were tested at the Public Health Laboratory.

In 2008, Environmental Health responded to 60 complaints involving mold, lead, radon, asbestos, methamphetamines and general air quality concerns.

## **OBJECTIVES**

The objectives of this operational audit were to determine:

1. The overall effectiveness of internal controls.
2. That the division's revenue is accurately received and recorded.
3. The efficiency and effectiveness of the administration, licensing, inspection, enforcement and compliant functions of Environmental Health's programs.

## **AUDIT SCOPE AND METHODOLOGY**

The audit focused on the Environmental Health Division functions, transactions and activities as related to the audit objectives. Our audit included a review of 2008 and 2009 (to 7-17-09) practices and procedures, policies, activities, reports, inspections, programs and deposits. We identified the obligations and performance requirements of the Environmental Division, as specified in the relevant goals, ordinances and programs. We determined the operational status of the various programs through examination and analysis of available documents and interviews with key management, administrative and operational personnel. We utilized the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework as a means to assess the internal control of the Division.

## **RESULTS**

**Audit Objective One:** Determine the overall effectiveness of internal controls.

Internal control<sup>1</sup> consists of five interrelated components that work together to help achieve:

- **Effectiveness and efficiency of operations** is about doing everything you know to do...and doing it well. The components of good management, such as planning, organizing, leading, direction and controlling need to be accomplished in a quality manner.
- **Conformity with laws, regulations and policies** means that the organization will comply with applicable laws, regulations, policies and procedures, contracts and grant agreements.

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<sup>1</sup> Committee of Sponsoring Organizations of the Treadway Commission (COSO) website, [www.coso.org](http://www.coso.org)

- **Reliability and accuracy of financial information** shall be provided.

The five components of internal control are:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring.

**Control environment** is also known as “tone at the top”. It is the most important component of internal control. The control environment factors involve integrity, ethical values, organizational structure, assignment of authority and responsibility, management’s philosophy and operating style, commitment to competence and human resource policies and procedures.

**What we considered when assessing the control environment:**

- Observations from the auditor regarding management operating style and incorporating control activities into the daily work routine.
- Determination of adequate training, written policies and procedures, along with compliance with federal, state and local laws.
- Staff retention, job descriptions and low personnel turnover (longevity).
- Experience of both management and staff in conducting the various programs.
- Responses to an internal control questionnaire given to a randomly selected group of employees.

**Control Environment Conclusion:** The various activities are incorporated in the staffs’ daily work routines and are operating effectively. Staff is well trained in their specific areas of responsibility.

It was noted that the department should consider revising the job descriptions for the following positions to more accurately reflect the actual duties and responsibilities:

- Public Health Manager
- Health Program Coordinator
- Environmental Health Specialist (that reports to the Emergency Public Health Manager).

Please see Recommendation One, page ten.

It is the impression of the auditor, based upon interviews and observations, that management and staff are competent to perform their duties. Most personnel have been in their respective positions for many years and are very knowledgeable. Division staff is well trained and receives continuous training. In general, the questionnaire revealed that the staff considers themselves to be very well trained, educated and certified to perform their tasks.

**Risk assessment** is the organization’s identification and analysis of relevant risks that can interfere with the accomplishment of objectives. The process involves determining the likelihood of such occurrences and assessing the impact that the various risks may create. Risks can arise or change due to new personnel, changing information systems, rapid growth, new programs or services, organizational restructuring and compliance issues.



**What we considered with risk assessment:**

- The Environmental Health Division is responsible for identifying and addressing risks relating to sanitation/inspection, licensing, nuisance abatement, in-home daycare licensing, community education programs and mosquito/vector programs.
- The division is tasked with promoting the health and quality of life of the citizens of Sioux Falls by preventing, limiting or controlling the risks of disease, adverse health conditions and even deaths that could result from interactions between people and their environment.

**Risk Assessment Conclusion:** Environmental Health continues to address risk assessment by producing quality results through inspections, education and prevention and protection programs for the community. Abating public health nuisances provide a major risk management service for the City. Ensuring quality in-home day care is an ongoing challenge, especially with the recently enacted ordinance requirements to the family day care program. The growth of the city is evidenced by the 26 percent increase in routine facility inspections from 2003 to 2008. The division is able to handle the increased workload, due in part, to staff and management's integrity and ethical work values.

**Control activities** are the determination of the number, coverage and adequacy of the policies and procedures that help ensure that management goals and objectives are addressed and that their directives are achieved. They help ensure that the factors identified in the risk assessment process are effectively mitigated. Control activities are essential for proper stewardship and accountability of government resources and for attaining effective and efficient program results. Control activities may be categorized as policies and procedures that pertain to performance reviews, information processing, physical controls, segregation of duties, assignment of authority, approval of transactions, protection of assets and analytical review.

**What we considered with control activities:**

- Determination of the number, coverage and adequacy of the division's policies and procedures.
- The extent of business continuity and backups employed through the various programs and their associated personnel.
- The mitigation of the operational risks.

**Control Activities Conclusion:** Although Environmental Health has extensive policies and procedures for most of its operations and programs, there are some major functions that are not addressed. Please see Recommendation Two, page ten.

Business continuity is achieved by the continuous refinement of the various programs. Division personnel are trained to act as backups for other staff members. Performance reviews are conducted in an orderly and timely manner. There is a well understood assignment of authority along with the proper approval of transactions.

**Information and communication**, financial and otherwise, internal and external, must be relevant and reliable for an organization to function and control its operations. The information should be communicated to management and others in an acceptable time frame. Communication involves providing an understanding of individual roles and responsibilities. It includes the extent to which personnel understand how their activities relate to the work of others and to the entity's ability, as a whole, to achieve its objective. It includes the means by which staff is expected to report exceptions to an appropriate higher level within the organization. Communication takes such forms as policy manuals, accounting and financial reporting, memoranda and orally.

**What we considered with information and communication:**

- Management meets with staff on a formal, regular and timely basis.
- The relatively small staff size allows for good open communication within the division.
- Policies and procedures are related to staff in regular meetings and as needed in the normal course of business.

**Information and Communication Conclusion:** Employees are well informed as to their roles and responsibilities, along with department/division policies and procedures through regular, timely staff meetings. Environmental Health acts as an agent for the State of South Dakota by performing required inspections and certifications. The division effectively communicates the results of these activities back to the State. Based on observation and research, there is adequate information and communication among staff, management and program participants.

**Monitoring** the internal control system provides assurance to management that policies and procedures are followed and that information is being communicated accurately and timely. It allows risks to be identified and appropriately addressed. Proper monitoring assures management that internal controls are performing as intended and that periodic reviews and operational evaluations are performed in a timely manner.

**What we considered with monitoring:**

- This is the first internal audit of the Environmental Health Division.
- Environmental Health does receive some performance revenue from sources outside the City. For example, the Division receives revenue from the State for health inspections that the division performs in schools that participate in the United States Department of Agriculture, National School Lunch Program and/or the School Breakfast Program.

**Monitoring Conclusion:** The State of South Dakota is kept informed as to the results of the Division run programs, such as food service inspections and licensing, along with in-home day care licensing. A great deal of information is shared between the City and the State. The results of these programs are monitored and evaluated by the State. Health Department senior management closely reviews the programs that are the responsibility of the Environmental Health Division.

### Summary of Objective One

A good internal control structure is essential to providing reasonable assurance that the organization is achieving its goals and objectives by utilizing public resources in compliance with laws, regulations and budgetary limitations. An adequate control structure will provide

information that helps detect errors and fraud, and provides reasonable assurance that financial reports are a true and accurate reflection of operations. A good internal control structure will limit the opportunity for theft or unauthorized use of assets, cash and inventory. Because situations, people and life change, it's imperative that internal controls are monitored, evaluated and updated in a timely, continuous manner.

**Audit Objective Two:** Determine that the division's revenue is accurately received and recorded.

In 2008, general ledger # 100-1804-372-1300, Contributions, was budgeted at \$229,330 with zero dollars actually received. General ledger # 100-1804-345-2400, Miscellaneous, was budgeted for zero dollars, but \$126,007 was actually received. Of this amount, \$9,489 was received from the State of South Dakota, per agreement, for inspections to the schools' food service programs. The school inspections are an ongoing revenue source and should have its own general ledger account, rather than Miscellaneous, to adequately identify and track it. The remaining \$116,517 was revenue from Lincoln and Minnehaha Counties for mosquito control services. This revenue should also have its own general ledger account, rather than Miscellaneous.

General ledger account # 100-1804-351-1800 is an account entitled Fines and Forfeitures. These fines and forfeitures are the result of health code violations. In two of the previous three years, this account had revenue in excess of approximately \$40,000 annually. For year to date through July 17, 2009, there was \$41,510 revenue in the account. Nothing was budgeted for this revenue in the years 2006 through 2008. For 2009, \$800 was budgeted for this revenue. Please see Recommendation Three, page eleven.

In 2008, the State of South Dakota agreed to grant the City of Sioux Falls, Environmental Health, \$57,290 for mosquito control. Rather than send a check, the State had mosquito control chemicals drop-shipped to Environmental Health. Other than signing for the chemicals, the division did not notify the Finance Department of the grant that was received in the form of chemical product. The 2008 financial records do not account for the grant revenue; the division's chemical inventory may currently be understated by the amount of the chemicals received, but not reported. Please see Recommendation Four, page eleven.

Other than the exceptions noted above, the division's revenue appears to be accurately received and recorded.

**Audit Objective Three:** Determine the efficiency and effectiveness of the administration, licensing, inspection, enforcement and compliant functions of Environmental Health's programs.

The following fee discrepancies were noted between the Health Department website and the revised ordinances that determine the allowable amounts.

	<u>Website</u>	<u>Ordinance</u>
a) Tattoo Artist Permit	\$35.00	\$42.00
b) Tattoo Establishment Permit	\$115.00	\$120.00

c) Food Service Establishment, additional food prep area	\$53.00	\$64.00
d) Temporary Food License, non-profit groups	\$60.00 \$22.00	\$22.00 Not Addressed

Ordinance states, “A \$30.00 discount will be offered on the yearly invoice as a discount to an establishment that qualifies with an average of 94 percent or above compliance level for the preceding year’s routine inspections and the annual permit application is received prior to January 1 of each year.” The website permit application has no mention of this even though the renewal forms that are mailed out do incorporate this discount. Please see Recommendation Five, page eleven.

The Public Works Department has assisted the Environmental Health Division with property cleanups as a result of nuisance complaints. The Sanitary Landfill Division assisted in a cleanup at such a property in 2009. The total invoice from Landfill to Environmental Health for the cleanup was \$821.00. The invoice was mathematically in error and should have been \$691.00. City of Sioux Falls Revised Ordinances, Chapter 19, Section 19-53 addresses the clean-up costs to the property owner as follows, “All costs incurred by the city for the removal and disposition of the nuisance or for correcting the nuisance shall be assessed, levied, and collected as a special assessment.....” Please see Recommendation Six, page eleven.

Two of five Environmental Health Specialists drive late model City pickup trucks. One pickup is a 2009 Dodge Dakota, 8 cylinder, extended cab, 4 wheel drive model. The other pickup is a 2 wheel drive model. The other 3 Specialists drive midsize, 4 cylinder sedans.

The 8 cylinder, 4x4 pickup, vehicle # 184002, has gotten 11.1 miles per gallon for the first 3,600 miles driven since it was new. The 4 cylinder sedan, vehicle # 184014, has gotten 19.07 miles per gallon for the 20,000 miles driven since it was new in 2007.

The following table illustrates the gas usage and costs for the two vehicles, assuming an annual usage of 10,000 miles and a constant fuel cost of \$2.50/gallon for 10 years.

	<u>#184002 Pickup</u>	<u>#184014 Sedan</u>
Miles per gallon (MPG)	11.1 MPG	19.07 MPG
Annual gallons used	900	524
Annual fuel cost, estimated	\$2,250	\$1,310
Times 10 years	<u>x 10</u>	<u>x 10</u>
Total fuel cost for 10 years, estimated	\$22,500	\$13,100

The \$9,400 difference in fuel costs for 10 years is just one of the increased costs of a V-8, 4x4 pickup, as opposed to a 4 cylinder sedan. The 4x4 pickup tires do not last as long as the sedan tires and cost much more. Maintenance associated with the 4x4 drive train will also add substantially to the overall costs. The 4x4 pickup initially cost \$18,657. The sedan cost \$14,216, a difference of \$4,441. That, combined with additional fuel costs of \$9,400 (at an unrealistic, but constant cost of \$2.50/gallon for 10 years) for the pickup is almost \$14,000. This

figure does not take into account the additional maintenance costs for the 4x4 pickup. Please see Recommendation Seven, page thirteen.

One of the goals of any fee based program is to cover the costs of administration with revenue from those corresponding programs. See Recommendation Eight, page thirteen, for a listing of possible additional revenue sources as related to inspections, reinspections, plan reviews and licenses.

Through examination, analysis and observation, it is recognized that the management and staff of the Environmental Division are efficient and effective at performing the administration, licensing, inspection, enforcement and compliant functions of their programs.

## **RECOMMENDATIONS**

1. Consider revising the job descriptions for the following positions to more accurately reflect their actual duties and responsibilities:
  - a) Public Health Manager
  - b) Health Program Coordinator
  - c) Environmental Health Specialist (reports to Emergency Public Health Manager).

### *ENVIRONMENTAL HEALTH RESPONSE:*

*These three job descriptions were last revised in 2007. The Health Department has forwarded the above recommendations to Human Resources and will review with them. The current task lists for Public Health Manager and Health Coordinator reflect the management responsibilities for each. The Public Health Manager with responsibility for Preparedness also manages two Environmental Health Program, Mosquito Control and Indoor Environmental Hazard such as Mold and Lead. The Environmental Health Specialist reporting to this Manager has responsibilities for these two programs. This position has a decreased inspection assignment for the Community Readiness Project, and was hired with the understanding that with the completion of this project there could be change in for a standard inspection case load.*

2. Expand the Policies and Procedures manuals to include those programs or functions not currently covered. The following list is not necessarily inclusive of all the areas to be addressed:
  - a) Project NICE/KEEP
  - b) Campground inspections
  - c) Lodging inspections
  - d) Swimming pools/spas
  - e) Tattoo parlors, permits/regulations
  - f) Pest, mosquito, vector control (5 SOPs are completed, 6 are in progress)
  - g) Grant and revenue handling procedures
  - h) Mobile home park inspections
  - i) Education and public outreach programs for food service.

### *ENVIRONMENTAL HEALTH RESPONSE:*

*Environmental health programs and services are conducted based on standards and regulations outlined by the state or local ordinance, or per contract, for the licensing, permitting, inspection, and code enforcement. Additional procedures provide clarification and there are certain areas where expanded guidance is not necessary, and the orientation for new staff includes all policy, regulation, ordinance, and contractual compliance. Project NICE/KEEP is a multidepartment collaboration of coordinated activities for neighborhood cleanup that fall under existing policies and procedures. Grant and revenue handling procedures are per the Finance Department's direction. Educational program is performed at the direction of the Public Health Manager, and content reviewed for the target audience.*

3. In regard to the revenue for this division, the budgeted and actual fund receipts may warrant more detailed, consistent accounting. There has been a history of budgeting revenue in one general ledger account and then receipting it in a miscellaneous account (or vice versa). Similarly, the Fines and Forfeitures account was budgeted for little or no revenue for the past 3 out of 4 years, yet this revenue source accounts for a significant portion of the division income.

The revenue accounts should be accurately budgeted and receipted for historically reasonable amounts, based upon prior years' revenue and future expectations.

*ENVIRONMENTAL HEALTH RESPONSE:*

*The revenue accounts should be accurately budgeted and receipted for historically reasonable amounts, based upon prior years' revenue and future expectations.*

4. The Finance Department must be notified of any grant revenue receipt, whether in the form of a check or in chemical product. The current chemical inventory may be understated in the City records by the chemicals received, but not reported. A physical inventory should be performed in order to verify the actual amount of mosquito chemical on hand.

*ENVIRONMENTAL HEALTH RESPONSE:*

*This change has been implemented.*

5. Review the division forms, website permits and fees for the proper information and dollar amounts. Ensure that there are no discrepancies between the revised ordinances and the division information.

*ENVIRONMENTAL HEALTH RESPONSE:*

*This change has been implemented.*

6. A couple of divisions of Public Works have assisted the Environmental Division of the Health Department with property cleanups as a result of nuisance complaints. The Sanitary Landfill Division assisted in a cleanup at 1510 South Cliff Avenue, for which the auditor was present. The Landfill invoice for the cleanup is as follows:

1 Supervisor @ \$48.00/hour for 2 hours (not present at the site)	\$ 96.00
4 Service Workers @ \$30.00/hour for 2 hours each	\$240.00

2 pickups @ \$35.00/hour for 2 hours each	\$140.00
1 roll-off dump truck @ \$65.00/hour for 2 hours	\$260.00**
Landfill tipping fee for the 14 yard dump truck	\$ 65.00
Trash bag	<u>\$ 20.00</u>
<b>Total Invoice (mathematically, should be \$691.00)</b>	<b><u>\$821.00</u></b>

\*\*Was billed incorrectly for 4 hours @ \$65.00/hour, should have been 2 hours @ \$65.00/hour.

City of Sioux Falls Revised Ordinances, Chapter 19, Sections 19-53 and 19-54, address the cleanup costs to the property owner as follows, “All costs incurred by the city for the removal and disposition of the nuisance or for correcting the nuisance shall be assessed, levied and collected as a special assessment. . . .” Health may confer with the City Attorney’s Office in regard to the ordinance, with special emphasis on the phrase, “all costs”. Health may also meet with Public Works to assess the process involved in the cleanups, including hourly rates, number of personnel needed, the cost and number of equipment needed, supervisory involvement and the accuracy of the billing.

*ENVIRONMENTAL HEALTH/PUBLIC WORKS RESPONSE:*

**Date:** October 14, 2009  
**To:** Audit Committee  
Judy Buseman, Public Health Director  
Jeff Weber, Internal Auditor  
**From:** Mark Cotter, Director of Public Works  
**Subject:** Environmental Health Operational Audit Recommendations Audit 09-07

*Public Works provides a service to the Health Department assisting in the cleaning of property when a citation has been issued and the property owner does not correct the violation. The costs billed to the property owners follows the City of Sioux Falls Revised Ordinances, Chapter 19, Sections 19-53 and 19-54 “All costs incurred by the city for the removal and disposition of the nuisance or for correcting the nuisance shall be assessed, levied and collected as a special assessment .” (ordinance sections 19-53 and 19-54 on page 2).*

*Public works has reviewed the billing process administratively and has made improvements to the billing procedure. A new policy is currently being developed to standardize the billing rates for personnel, equipment, materials and vehicles. The policy will establish a consistent rate for all charges to the public for services Public Works provides. The Public Works department charges will be based on the average cost of service the city provides. Public Works has sourced the local contractors, FEMA rates, and internal rates based on fleet costs to determine the appropriate rates for equipment and labor. Once the policy has been completed, Public Works will share the policy with the Audit Department.*

*Sec. 19-53. Abatement by city; costs levied against premises.*

*When there exists on private property a condition which has been determined a nuisance by a city enforcement employee, a notice will be served in the matter specified in section 19-51. The notice will describe the matter to be removed or corrected and require removal or correction thereof within 14 days. If at the end of such 14 days the nuisance has not been removed or corrected, the city shall have authority to cause the correction or removal and disposition. All costs incurred by the city for the removal and disposition of the nuisance or for correcting the nuisance shall be assessed, levied, and collected as a special assessment payable in one sum or by up to five equal annual installments as the commission may provide against the premises from which it was removed, in the manner provided by law for the levy and collection of other special assessments.*

*(Ord. No. 89-81, ' 5, 11-2-81; Ord. No. 58-07, ' 4, 4-16-07)*

*Sec. 19-54. Funds for abatement and removal.*

*The city finance director shall maintain a subdivision of funds to be known as Nuisance Abatement and Removal Subdivision, upon which shall be drawn all warrants for the cost and expense of abatement and removal of nuisances and to which shall be credited collections of special assessments in accordance with section 19-53.*

*(Ord. No. 89-81, ' 6, 11-2-81)*

7. The use of pickup trucks, especially an 8 cylinder, 4x4 model with extended cab, may warrant further evaluation. The last two vehicles that were purchased for the division were pickups. Small sedans with 4 cylinder engines may be more appropriate for this use. The 2009 State of South Dakota Vehicle Bid List is utilized by the City to purchase most passenger cars and small pickups. This listing shows a well equipped 2.0 liter, 4 cylinder Ford Focus sedan for a base price of \$12,727. With ABS brakes and daytime running lights, this sedan costs \$13,527. This vehicle is EPA rated at 24 MPG city and 33 MPG highway, potentially providing additional savings to the division.

#### *ENVIRONMENTAL HEALTH RESPONSE:*

*These recommendations will be integrated with the review of the fleet plan for the Health Department. Historically, very few fleet pick-ups were available to the vector control program for seasonal use that did not require significant maintenance and repair costs. Due to this the health department developed a fleet plan for the environmental division, which recognized that inspectors have an increased need for a pick-up to haul manageable garbage off properties with nuisance violations and approved by the City OCEP committee. Pick-ups used by the inspectors will be rotated to mosquito control at a reasonable time when there is still useful life of the vehicle, which will then be used for sprays and surveillance as well as for needed garbage hauls from properties. It will then be determined if the replacement vehicle for the inspectors should remain as a pick-up or converted to a sedan via the OCEP committee.*

8. The existing fee schedules may be adjusted to more fully cover the costs of administering the various programs. The division may consider additional revenue sources, such as inspection, reinspection, plan reviews and license fees for:
  - Vending machines (dispensing perishable foods)
  - Summer camps



- Correction institutions
- Swimming pool certifications for operators/technicians
- Ice plants
- Food vehicles (selling meat, fish and other products from frozen or refrigerated trucks)
- Plan reviews for food establishments, pools/spas, mobile home parks
- Food handlers training
- Grocery store sampling (prep/staging areas)
- Farmer's markets
- Mobile home park inspections/reinspections
- Food service for the following groups: fraternal, civic, non-profit and religious organizations.

*ENVIRONMENTAL HEALTH RESPONSE:*

*A five year plan is in place to revise the Environmental Health fee structure with a goal to cover the cost of inspection service by 2012. This five year stepped graduated fees increases will be based on amount of time and cost for the licensing and inspection process. Yearly fee evaluation will continue with recommended to Council. Some of the fees mentioned above are not currently part of the inspection process or services within the scope of ordinance or current contracts with the Health Department. We will review the others potential as an additional fee source with the 2010 fee evaluation.*

**CONCLUSION**

The management and staff of the Health Department, Environmental Health Division, promote the health and quality of life of the citizens of Sioux Falls in a very professional manner by preventing, limiting and controlling the risk of disease, adverse health conditions or even deaths that could result from interaction between people and their environment.

We greatly appreciate the cooperation and assistance of the management and staff of the Health Department, Environmental Health Division, throughout the course of this audit.

Date: 2009-12-14  
SIRE Meeting ID: 910  
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/6PfvGmKYwT0>  
Agenda Item: Not Assigned  
Item ID: 39931

The following document(s) are public records obtained from the  
City of Sioux Falls.

# **PARKS AND RECREATION CASH HANDLING AUDIT INTERNAL AUDIT REPORT 09-09**

## **INTRODUCTION**

The City of Sioux Falls City Council authorized this audit in the 2009 Annual Audit Program. Cash handling audits determine whether City of Sioux Falls (City) employees handled cash resources in a manner consistent with established City requirements and whether there is adequate safeguarding against loss. They also assess the adequacy and effectiveness of internal controls within various cash handling locations. Cash handling audits consist of an objective review and evaluation of the cash handling practices and procedures relating to the receiving, transporting, storing, depositing, recording, and safeguarding of City money (including cash, checks, money orders, credit cards, and debit cards).

## **BACKGROUND**

Parks and Recreation Department (Parks and Rec) is responsible for maintaining public open spaces and for providing a quality system of parks and recreation facilities and positive leisure opportunities available to all persons in the community (<http://www.siouxfallspark.org/Administration>).

Parks and Rec serves the citizens of Sioux Falls in two different ways. First, as stated above, Parks and Rec maintains the parks throughout Sioux Falls. The parks refer to city-owned open areas, ball fields, and bike trails along the Big Sioux River greenway system. Sioux Falls boasts of more than seventy different parks, six swimming pool/aquatic centers, and five community centers. Parks and Rec has connected several parks via more than twenty miles of bike paths.

The second way Parks and Rec serves the citizens is through the administration of different recreational activities. Parks and Rec offers basketball, volleyball, sand volleyball and kickball leagues for different skill levels and age groups. They also work with area associations who offer softball, baseball, soccer, tennis, swimming, hockey, and football team opportunities. Parks and Rec offers activities at the five community centers for all ages throughout the school year. They also offer seasonal activities such as ice skating, sliding hills, swimming, and Nordic ski trails.

## **STATISTICS**

Parks and Rec budgeted to receive \$1,351, 318 in revenue for 2009. Through the end of September 2009, Parks and Rec has collected \$922,506. This would be roughly 68.27% of the budgeted revenue. Swimming receipts are the largest single revenue source for Parks and Rec. They budgeted to take in \$350,170 in swimming pool revenue. At the end of the swimming season, Parks and Rec collected \$318,197 in swimming revenue. One reason the swimming revenue came in under budget could be attributed to a 46.6% increase in the number of free and reduced passes given out in the 2009 season (3,547 free and reduced passes) over the 2008 season (2,420 free and reduced passes). Please see exhibits A and B attached for additional statistics.

## **OBJECTIVES**

The objectives of this audit were to determine:

1. If controls over all money, cash receipts and bank deposits are appropriate and functioning properly.
2. If cash receipts are deposited in a timely, secure and accurate manner.
3. If an adequate separation of duties exists and if physical security procedures are in place and being followed.
4. If written cash handling policies and procedures are current, properly documented and being followed.
5. If Parks and Rec fees and charges are consistent with the City of Sioux Falls ordinances and if the appropriate charges are being accurately assessed and recorded in their financial records.

## **SCOPE AND METHODOLOGY**

This audit focused on the collection of revenue in the Parks and Rec Department. It appears that Parks and Rec collects the majority of its revenue at the Parks and Rec office, swimming pools, skating rinks, and the community centers. This audit looked specifically at the collection of revenue for the different recreational activities offered by Parks and Rec. More specifically, we looked at swimming pool revenue and the league revenue for the leagues administered by Parks and Rec (basketball, volleyball, and kickball). The audit covered the period of January 2008 to September 2009. We reviewed Parks and Rec's cash handling policies and procedures, Finance Department's (Finance's) cash handling policy, interviewed staff, and observed cash handling procedures at the swimming pools and Parks and Rec office. We also performed cash counts at all of the pools.

## **RESULTS INCLUDING AUDIT FINDINGS AND RECOMMENDATIONS**

We determined for our audit objectives, controls exist to provide reasonable assurance that the Parks and Rec cash handling is properly controlled. We did have audit findings regarding the lack of internal controls over parts of the cash handling procedures. We have recommendations to address the audit findings and recommendations that do not address audit findings but present opportunities for improvement.

### **OBJECTIVE ONE: CONTROLS OVER ALL MONEY, CASH RECEIPTS, AND BANK DEPOSITS ARE APPROPRIATE AND FUNCTIONING PROPERLY**

We reviewed Parks and Rec's cash handling policies and procedures along with Finance's policy. We then observed cash handling at the six swimming pools and Parks and Rec office. We compared the written policies to the observed procedures. We found that in most cases the policies matched the observed procedures. However, our review found some areas that were lacking controls either because Parks and Rec had not addressed these areas in their cash handling policies and procedures or staff was not following current policies.

### **AUDIT FINDING ONE**

**Checks are not being restrictively endorsed immediately upon receipt.** When observing procedures at the pools and at the Parks and Rec office, we noticed that staff did not endorse checks until they put together the deposit for the day. We asked staff if they normally handled checks in this way. They indicated that they did. Finance's policy states that departments should restrictively endorse checks immediately upon receiving any check.

**Recommendation One:** Parks and Rec should restrictively endorse all checks taken in immediately upon receipt. Management needs to make sure that staff members who handle money are aware that this is a part of the City-wide cash handling policy and staff must follow this policy. Staff should make every attempt to endorse the checks immediately after they receive them. Management indicated that staff already implemented this recommendation.

### **AUDIT FINDING TWO**

**Receipts are not always being issued for money received at the time it is received.** This recommendation does not include the daily admission at the pools. Currently, Parks and Rec staff hands out receipts to those that want a receipt. The current procedures involve the staff member asking the customer if they would like a receipt. If they say no, staff does not issue a receipt. Finance's policy states that departments must issue receipts for all money at the time the department receives such funds.

**Recommendation Two:** Parks and Rec staff should issue receipts for all money received. All cases of cash or checks being taken in, with the exception of daily admission at the pools, should result in a receipt being generated and given to the customer. Management should ensure that staff members who handle money are aware that this is a part of the City-wide cash handling policy and staff must follow this policy. Staff should also get used to handing out receipts without asking if the customer wants one. If the customer refuses the receipt, then staff should write "refused receipt" on the receipt, the person's name, and the date and time they refused the receipt. Staff should then file these receipts in a location where they can refer to them at a later time if needed.

Parks and Rec staff stated that they do issue receipts to all people who register for leagues or buy pool season passes. Customers appear to be receiving a receipt immediately for pool season passes. However, customers that hand deliver their league registrations to a staff member do not always get a receipt that reflects their payment. We understand that Parks and Rec staff mail out or send e-mail receipts for payments received by mail or on-line, but Parks and Rec should create a receipt for hand delivered payments and immediately hand the receipt to the customer.

As noted above, we have not included daily admission at the pools as part of this recommendation. We believe at this time such as recommendation would not be attainable because of the issues with handing receipts to customers entering a pool. The most notable predicament would be the problem of customers discarding their receipts on the pool grounds, which adds to grounds maintenance issues. However, we do encourage

management to continue to review possible ways in which staff could issue receipts for daily admission fees at the pools.

**AUDIT FINDING THREE**

**Parks and Rec management or staff is not reconciling the leagues.** Currently, teams register to play in one of the four leagues administered by the City, pay the fees associated with one of the leagues, and then participate. When a team registers, one Parks and Rec employee, who handles the deposits for Parks and Rec, receives the registration fee and another employee, who controls the administration of the leagues, receives the registration form. However, no one from Parks and Rec verifies that the amount of revenue entered into the City’s official accounting software matches to the amount of teams that are participating. This leaves the door open for teams to participate without paying or for funds to be misappropriated.

**Recommendation Three:** Management should reconcile the league payments. At the end of the enrollment period for a league, a staff member who is not involved in either handling the revenue or administering the league should complete a simple reconciliation. This person would take the total revenue received divided by the registration fee which should equal the total amount of participating teams. If this formula does not work, any variation of the elements in the previous formula should work such as taking the total number of teams times the registration fee charged which should equal the amount of total revenue. For Kickball and Volleyball, this should be a very simple process since the amount charged is the same for all teams. It will be a little more difficult for basketball since the fee varies depending on what league the team is registering for, but is still achievable.

We found a situation where the kickball revenue from this summer did not match the number of teams that participated. There was no clear reason why this happened, thus the reason reconciliations should be performed immediately upon the conclusion of the enrollment period.

**OBJECTIVE TWO: CASH RECEIPTS ARE DEPOSITED IN A TIMELY, SECURE, AND ACCURATE MANNER**

We observed and reviewed revenue deposit procedures and security procedures for cash handling. We also reviewed the procedures for overages and shortages.

**It appears that Parks and Rec handled all funds received in a timely, secure, and accurate manner.** When we reviewed the security procedures in place in the areas where Parks and Rec receives cash, we compared the risk level to the cost of the security measures needed to reduce this risk level. It appears that the security procedures are appropriate for the level of risk present at all facilities.

**OBJECTIVE THREE: CASH HANDLING DUTIES PROPERLY SEGREGATED**

We reviewed the duties of staff who handle cash. We then observed staff conducting their duties. We noted that there appears to be a good segregation of duties at the swimming

pools with at least two individuals involved in the deposit preparation procedures. However, we did not find the same situation at the Parks and Rec office.

#### **AUDIT FINDING FOUR**

**Cash handling duties at Parks and Rec office are not properly segregated.** Currently, when money is taken in through the mail or dropped off by a customer or other staff at the Parks and Rec office, the mail is opened or money taken from the customer, revenue is entered into Parks and Recreation software, deposit created, and money sent to Finance all by the same person.

**Recommendation Four:** Management should segregate the duties of cash handling. Management should include at the very least one other person in the process so that duties are segregated. Two employees would then split the cash handling duties, increasing the ability for errors to be caught, and for money to be appropriated to the correct areas. One person could open the mail and enter the payments into the software Parks and Rec uses to track their revenue (RecTrac™ and Active Network, Inc.). The other person could take the registration forms from that day, the payment information, and print off reports from RecTrac™ and Active Network, Inc. (which show what was entered into the system) to use to create the deposit slip for the day. Then this person after completing the deposit could send the deposit up to Finance. These duties should then be rotated between these two individuals on a weekly or monthly basis.

#### **OBJECTIVE FOUR: CASH HANDLING POLICIES AND PROCEDURES ARE CURRENT, PROPERLY DOCUMENTED, AND ARE BEING FOLLOWED**

We reviewed the cash handling policies and procedures that Parks and Rec has to verify that they are accurate, include all situations, and are being followed. We also compared Parks and Rec's cash handling policy to Finance's policy.

**It appears that the policies and procedures are current, properly documented, and are being followed.** However, we noted a few differences between the Parks and Rec policy and Finance's policy. We have included these differences under objective one on pages two through four.

#### **OBJECTIVE FIVE: FEES MATCH CITY ORDINANCES AND ARE ACCURATELY ASSESSED AND RECORDED**

We reviewed the fees advertised and charged by Parks and Rec to make sure they match to what City Ordinance allows Parks and Rec to charge. We found in most cases that the fees charged do match to City Ordinance. However, we found one instance where the amount charged did not match City Ordinance.

#### **AUDIT FINDING FIVE**

**The child daily admission fee at Drake Springs Aquatic Center was charged at a rate higher than what was authorized.** When Drake Springs Aquatic Center opened this spring, Parks and Rec charged \$2 for the child daily admission fee instead of \$1 as it was at the old Drake Springs Pool. However, City Ordinance only allows \$2 to be charged at Laurel Oaks Aquatic Center and Terrace Aquatic Center. The ordinance reads as follows:

**Sec. 27-41. Recreation activity and facility fees.**

The following fees, inclusive of all applicable taxes, shall be charged for city recreation activities and use of park and recreation facilities.

(a) *Aquatic fees.*

Daily admission infant at all swimming pools .....	Free
Daily admission child at Terrace and Laurel Oak Aquatic Centers .....	\$2.00
Daily admission child at all other swimming pools, excluding Terrace and Laurel Oak Aquatic Centers .....	1.00
Daily admission senior citizen .....	2.00
Daily admission adult .....	3.00
Punch pass (provides \$36.00 value redeemed at daily admission rate) .....	30.00
Season pass child .....	10.00
Season pass senior citizen.....	20.00
Season pass adult .....	30.00
Season pass family.....	50.00
Reduced-income season pass individual .....	15.00
Reduced-income season pass family .....	25.00
Pool locker .....	0.25
Swim lessons Level I - VI.....	15.00
Swim lessons infant/toddler/preschool .....	10.00

This error added up to approximately \$15,550 of extra revenue for Parks and Rec this past summer.

**Recommendation Five:** Management should ask the City Council to change City Code Section 27-41 so it will accurately reflect the fees they are charging. As part of this recommendation, we would encourage staff to change the code to one of the following:

- 1) Remove “Laurel Oak” and “Terrace” from the section of code so that the code only reads Aquatic Centers and then define what Aquatic Centers means in the definitions section of this code.
- 2) Add “Drakes Springs” to the section of aquatic centers that charge \$2 for child daily admission.



## **OPPORTUNITIES FOR IMPROVEMENT**

- 1) Management should create a written agreement or contract with summer pool cashiers addressing how they handle funds in their care and what their responsibilities are for this money. Specifically this form should address what Parks and Rec expects of the employee if the employee does not return the money in full or if the money is lost or stolen during the season. Parks and Rec should make it clear that if at any time someone steals the funds, the cashier should call the police department so that a police officer can log a police report. Then the agreement can address what will be done if no police report exists for lost or stolen money.
  
- 2) Management should increase the controls over the process of selling free or reduced rate season pool passes. We recommend taking photocopies of the required documentation so that management can ascertain that passes were only sold to qualifying individuals. This recommendation would require that free or reduced rate passes only be sold at the community centers and Parks and Rec Headquarters. This recommendation would be Internal Audit's preference.

If management feels that the previous recommendation is unacceptable, we would recommend that pool managers or head lifeguards sign off on all free or reduced passes. This would involve including a signature line on the free or reduced pass form that states: "I, the undersigned pool manager, have verified that the above named person has presented the required documentation necessary to receive a free or reduced season admission pass. Signed \_\_\_\_\_" It is Internal Audit's observation that the current structure increases the chances for mistakes or intimidation, allowing free or reduced passes to be sold to unqualified individuals. Either of the recommendations would increase internal controls with the first recommendation providing a better audit trail.

## **CONCLUSIONS**

The Parks and Rec administration and staff appear to be experienced and dedicated to accurately processing and recording revenue. Overall, the collection of revenue and the handling of the various forms of cash are working very well. We intend for the enclosed recommendations to further enhance the operations of an already professional staff.

We wish to thank the administration and staff of Parks and Rec for their cooperation and assistance during this review.

EXHIBIT A  
RECREATION ACTIVITIES - REVENUE ANALYSIS  
2008-2009 - BUDGET TO ACTUAL COMPARISON  
SEPTEMBER 30, 2009

ACCOUNT #	ACCOUNT DESCRIPTION	2008		2009	
		BUDGET	ACTUAL	BUDGET	ACTUAL
100-6404-362.11-03	BUILDING RENT / COMMUNITY/REC CENTER	3,776	4,090	3,965	1,887
100-6404-346.27-00	CULTURE & RECREATION / BASEBALL	9,445	6,950	9,145	8,185
100-6404-346.25-00	CULTURE & RECREATION / BASKETBALL	35,400	33,944	32,700	16,140
100-6404-346.26-00	CULTURE & RECREATION / FOOTBALL/RUGBY	350	429	250	50
100-6404-346.11-00	CULTURE & RECREATION / ICE SKATING	5,100	8,992	5,100	6,182
100-6404-346.15-00	CULTURE & RECREATION / KICKBALL	5,650	6,900	7,100	6,500
100-6404-346.24-00	CULTURE & RECREATION / OTHER PARKS/REC	3,150	2,760	3,150	2,121
100-6404-346.28-00	CULTURE & RECREATION / SOCCER	9,010	5,060	6,770	7,441
100-6404-346.17-00	CULTURE & RECREATION / SOFTBALL	48,235	48,690	56,345	64,048
100-6404-346.16-00	CULTURE & RECREATION / SWIM RECEIPTS	317,000	294,021	350,170	318,197
100-6404-346.14-00	CULTURE & RECREATION / TENNIS FEES	2,005	1,849	2,305	2,189
100-6404-346.13-00	CULTURE & RECREATION / VOLLEYBALL	26,825	31,134	29,805	25,635
100-6404-346.21-00	CULTURE & RECREATION / INSTRUCTION FEES	34,887	-71	37,866	
100-6404-346.21-01	INSTRUCTION FEES / CLASS/CAMP		11,524		14,987
100-6404-346.21-02	INSTRUCTION FEES / SWIMMING		24,439		27,379
100-6404-362.15-30	OTHER / CONCESSIONS	59,055	67,229	55,270	69,154
100-6404-362.15-20	OTHER / VENDING MACHINES	42,000	41,013	39,500	20,529
100-6404-346.16-01	SWIM RECEIPTS / LOCKER RENT	1,300	1,613	1,500	2,356
TOTALS		603,188	590,566	640,941	592,980

EXHIBIT B  
 SWIMMING POOL PASS REVIEW  
 FREE AND REDUCED PASS REVENUE ANALYSIS  
 SEPTEMBER 22, 2009

PASS TYPE	2008				2009						
	FEE	7% TAX	FEE+ TAX	PASSES SOLD	REVENUE	IF NO FREE OR REDUCED	VARIANCE	PASSES SOLD	REVENUE	IF NO FREE OR REDUCED	VARIANCE
Family Pass	46.73	3.27	50.00	2,488	\$116,264.24	\$116,264.24	\$0.00	2,550	\$119,161.50	\$119,161.50	\$0.00
Adult Pass	28.04	1.96	30.00	412	\$11,552.48	\$11,552.48	\$0.00	421	\$11,804.84	\$11,804.84	\$0.00
Child Pass	9.35	0.65	10.00	2,689	\$25,142.15	\$25,142.15	\$0.00	2,676	\$25,020.60	\$25,020.60	\$0.00
Reduced Family	23.36	1.64	25.00	520	\$12,147.20	\$24,299.60	\$12,152.40	631	\$14,740.16	\$29,486.63	\$14,746.47
Reduced Adult	14.02	0.98	15.00	25	\$350.50	\$701.00	\$350.50	22	\$308.44	\$616.88	\$308.44
Free Family	0.00	0.00	0.00	1,831	\$0.00	\$85,562.63	\$85,562.63	2,697	\$0.00	\$126,030.81	\$126,030.81
Free Adult	0.00	0.00	0.00	43	\$0.00	\$1,205.72	\$1,205.72	197	\$0.00	\$5,523.88	\$5,523.88
Free Child	0.00	0.00	0.00	1	\$0.00	\$9.35	\$9.35	0	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>				<b>8,009</b>	<b>\$165,456.57</b>	<b>\$264,737.17</b>	<b>\$99,280.60</b>	<b>9,194</b>	<b>\$171,035.54</b>	<b>\$317,645.14</b>	<b>\$146,609.60</b>

NOTES: The fee charged to customers is the fee plus taxes. The City of Sioux Falls backs the taxes out after the passes are sold. The "REVENUE" columns (columns F and J) are a calculation of the fee charged minus taxes times the amount of passes sold (column B x column E or column I). The "IF NO FREE OR REDUCED" columns (columns G and K) is a calculation of the passes sold for each category times the regular rate charged for a certain category (family, adult, or child). This calculation assumes that if there were no free or reduced rate passes sold that the same amount of free or reduced passes would be sold at the regular rate. The "VARIANCE" columns (columns H and L) are a reflection of the difference between the revenue that was actually received and what would be received if the same amount of free or reduced passes were sold at the regular price.