

City of Syracuse

Clinton Square Ice Rink Audit

Department of Parks, Recreation and Youth Programs



Submitted to:

Syracuse Common Council

Mayor Stephanie A. Miner

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City of Syracuse Auditor

Clinton Square Ice Rink

Background:

The Clinton Square ice rink is an open air facility that began operations for the 2001-02 skating season. The rink operates on a weather permitting basis opening the week before Thanksgiving and closing the first week of March.

For the first eleven years of operation, the City contracted with an outside company to manage the facility. For the 2012-13 skating season, the City Parks Department assumed responsibility for all aspects of rink management. The Director of Golf assumed additional responsibilities of overseeing the management of Clinton Square Rink. This seems to be a logical decision based upon the fact that he oversees the other City owned rinks during the winter months and that the Golf Courses are only open for the summer season.

Objectives:

The Audit Department conducted a review of 2012-13 Clinton Square rink operation with the following objectives:

1. To review cash controls to determine if cash collected for skating fees, skate rentals and concessions are properly accounted for and safeguarded
2. To determine if the change in management structure produced additional income for the City as originally projected

Cash Control:

The Deputy City Auditor conducted an on-site review of cash control procedures in place at the rink including:

- Physical security of cash on site
- Assignment of employee cash banks
- Counting procedures at shift changes
- Bank deposit schedules

As part of this review, a detailed audit of all cash transactions and bank deposits for one sample day was conducted. All cash balances tied out correctly.

Analysis of Management Change:

The attached spreadsheet documents the financial impact of the change to City management in 2012-13. Both revenues and expenditures showed favorable variances from the prior year.

The City records Clinton Square Ice rink revenues in two budget accounts:

- "Clinton Square Rink Fees" (Account #01.0.2002)
- " Festival Beverage Revenues" (Account #01.0.2000)

Income generated from the Clinton Square rink and deposited in these two accounts increased by \$21,435. The major component of this increase was a new sponsorship fee of \$20,000 secured from National Grid.

Additionally, operational costs decreased by \$16,466. The major component of this decrease was the elimination of a \$30,000 management fee previously paid to an outside contractor. While City payroll expenses increased as some staff was added, the contractor savings more than offset the additional staff costs.

It should be noted that the outside management company was required to pay their employees a Living Wage as mandated by the Syracuse Living Wage Ordinance. The City Auditors July 27th 2012 Living Wage compliance report found the Management Company to be out of compliance with the terms of the Living Wage ordinance because they did not report their payroll figures to our office for review. The City of Syracuse Parks Department is not required to pay their temporary employees a Living Wage.

In summary, the change in management resulted in an overall financial benefit of approximately \$37,801.

Conclusion:

Overall, the Clinton Square Ice Rink is operating effectively and efficiently. The change to the Parks Department management has proven to be financially beneficial.

The Audit Department would like to thank the Commissioner and his staff for their courteous and helpful assistance during the course of this audit.

Clinton Square Management Cost Comparison

	<u>2011-12</u>	<u>2012-13</u>	<u>Change</u>	<u>Notes</u>
<u>City Revenues:</u>				
Account 01.0.2002	\$108,831.34	\$110,266.75	\$1,435.41	
Account 01.0.2000	<u>\$0.00</u>	<u>\$20,000.00</u>	<u>\$20,000.00</u>	National Grid
Total:	\$108,831.34	\$130,266.75	\$21,435.41	
 <u>Personnel Expenditures:</u>				
Management Contract	\$30,000.00	\$0.00	-\$30,000.00	
<u>City Staff Payroll</u>	<u>\$42,511.26</u>	<u>\$56,145.69</u>	<u>\$13,634.43</u>	
Total:	\$72,511.26	\$56,145.69	-\$16,365.57	
		Overall Benefit:	\$37,800.98	