

AUDIT REPORT



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF MANAGEMENT AUDIT
WILLIAM C. THOMPSON, JR., COMPTROLLER

Audit Report on the Internal Controls Over Cash Receipts by the Hudson Beach Café and Its Compliance with Its Permit Agreement with the Department of Parks and Recreation

MH05-075A

May 2, 2005



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

To the Citizens of the City of New York

Ladies and Gentlemen:

In accordance with the Comptroller's responsibilities contained in Chapter 5, §93, of the New York City Charter, my office has examined the internal controls over cash receipts by the Hudson Beach Café and its compliance with its permit agreement with the Department of Parks and Recreation.

The results of our audit, which are presented in this report, have been discussed with Hudson Beach Café and Department of Parks and Recreation officials, and their comments were considered in the preparation of this report.

Audits such as this provide a means of ensuring that City properties used by concessionaires under agreements with the City are operated effectively, efficiently, and in full compliance with the agreements.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at audit@comptroller.nyc.gov or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in black ink that reads 'William C. Thompson, Jr.'.

William C. Thompson, Jr.
WCT/fh

Report: MH05-075A
Filed: May 2, 2005

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City of New York
Office of the Comptroller
Bureau of Management Audit

**Audit Report on the Internal Controls Over
Cash Receipts by the Hudson Beach Café
And Its Compliance with Its Permit Agreement
With the Department of Parks and Recreation**

MH05-075A

AUDIT REPORT IN BRIEF

The audit determined whether the Riverside Beach Restaurant Corporation, doing business as Hudson Beach Café (the Café), had adequate internal controls over cash receipts, properly reported gross receipts, properly calculated the fees due the City, and complied with certain provisions of its Permit Agreement (the Agreement) with the Department of Parks and Recreation (Parks).

Audit Findings and Conclusions

Based on interviews with the Café's proprietor, bookkeeper, and accountant, as well as an examination of the available books, records, and documents, we determined that the Café has inadequate internal controls over its cash receipts. As a result, the Café may not have properly calculated the total gross receipts and may not have submitted the correct amount of fees due the City.

Despite the scope limitation caused by the lack of source documents, we were able to estimate that a *minimum* of \$1,467 for the 2003 season and a *minimum* of \$4,181 for the 2004 season are due the City. However, based on our review of limited source documents for September 2004, we estimate that those figures could very well be higher.

Although the Café complied with the provisions of the Agreement regarding payment of water and electric bills; renovation, maintenance of premises and bathrooms; and required insurance, it failed to comply with many other provisions. Specifically, the proprietor routinely discarded such original source documents as tapes of credit card transactions and closeout tapes from the cash register. Moreover, cash receipts were not deposited regularly, inventory records of food and beverages were not maintained, statements of gross receipts were not forwarded to Parks each month, and cash receipts and purchases from one concession were commingled with cash receipts from a second concession.

Audit Recommendations

Based on our findings, we make 11 recommendations, seven recommendations addressed to Riverside Beach Restaurant Corporation and four to Parks, including the following:

- Riverside Beach Restaurant Corporation should immediately pay the City any additional fees due, including any accrued late fees from the operation of the Café during the 2003 and 2004 season.
- Riverside Beach Restaurant Corporation should retain all records of operation, including cash receipt tapes, credit-card batch tapes, guest checks, purchase invoices, etc., for at least six years.
- Riverside Beach Restaurant Corporation should deposit all cash collections in a bank account on a regular basis. All deposit amounts indicated on the books of the Café should be reconciled with the deposit amounts indicated on the monthly bank statements.
- Riverside Beach Restaurant Corporation should maintain inventory records of all beverages and food items purchased and sold. The inventory records should be maintained separately for each concession.
- Riverside Beach Restaurant Corporation should submit statement of gross receipts to Parks on a monthly basis, no later than the 15th day of the following month, and pay the applicable fee when the threshold has been reached
- Parks should better monitor the concessionaire overall to ensure that the terms of the permit agreement are followed.
- Parks should ensure that Riverside Beach Restaurant Corporation implements the report's recommendations. If Riverside Beach Restaurant Corporation does not implement the recommendations, Parks should consider not renewing the agreement.

INTRODUCTION

Background

The Department of Parks and Recreation (Parks) has approximately 600 concessions throughout the City; total revenue from all concessions reached \$63 million in Fiscal Year 2004. These concessions fall into two categories: food service and recreational activities. Food service concessions include everything from hot dog and pretzel vendors to small cafes and large restaurants like Tavern on the Green and Café on the Green. Recreational concessions include miniature golf courses, bubbled tennis courts, golf courses, marinas, stables, and rowboat and bicycle rental firms.

In March 2003, Parks entered into a Permit Agreement (the Agreement) with Riverside Beach Restaurant Corporation, doing business as Hudson Beach Café (the Café), to operate a portable outdoor café consisting of chairs and tables with umbrellas, food preparation equipment, and bar facilities. The Café is at the Hudson Beach Volleyball Courts, Riverside Park, West 105th Street, and is open for business from April through October. It is a casual, family-oriented, bi-level outdoor restaurant open seven days a week, weather permitting. The Café also offers a range of options for private parties.

The Agreement covers a four-year period beginning April 1, 2003, and calls for a minimum payment to the City of \$23,000 in 2003 and \$24,000 in 2004 or 11 percent of gross receipts, whichever is higher. The fees are increased to \$25,000 and \$26,500 or 12 percent of gross receipts, whichever is higher, for 2005 and 2006 respectively. The Agreement requires that the Café submit, in a form acceptable to Parks, no later than the 15th day of each month, a statement of gross receipts for the preceding month's operation. The Agreement also requires, among other things, that the Café pay all electric, oil, gas, water, and other costs relating to this concession.

The Café is responsible for renovating bathrooms, repainting and repairing storage room walls, floors and ceilings, patching all paving to eliminate the danger of tripping, and regularly cleaning and maintaining bathrooms. The Café is also required to maintain proper levels of insurance coverage. This includes Personal Injury Liability (\$500,000); Property Damage Liability (\$50,000), and Workers' Compensation.

The Café reported total gross receipts of \$223,707 for the 2003 season and \$272,571 for the 2004 season. As of January 4, 2005, the Café paid the City \$24,607 (this includes the minimum fee of \$23,000 and an additional \$1,607 over the minimum fee) for the 2003 season, and \$29,983 for the 2004 season (this includes the minimum fee of \$24,000 and an additional \$5,983 over the minimum fee).

Audit Objectives:

The objectives of this audit were to determine whether the Café:

- Has adequate internal controls over cash receipts,

- Properly reports gross receipts and calculates the fees due the City, and
- Complies with certain provisions of its Permit Agreement with the Department of Parks and Recreation.

Scope and Methodology

The scope period of this audit was April 1, 2003, through October 31, 2004.

To achieve our audit objectives, we reviewed Café records kept on file at Parks, which included the Agreement, gross receipts statements, license fee payments, and other related documents for the Café. We also reviewed and analyzed Parks's Concessionaire Ledger for the amounts paid to the City, and verified whether those amounts were paid monthly as required.

To evaluate the Café's internal control over cash receipts, we interviewed the proprietor, the bookkeeper, and the Café's accountant, and conducted observations of the operation. We obtained an understanding of the procedures used for recording and reporting gross receipts. We made a complete examination of documentation that was available to us for the 2003 and 2004 operating seasons to calculate the gross receipts generated by the Café and the fees due the City.

To determine whether the Café properly reported its gross receipts, we compared the amounts in the monthly reports of gross receipts submitted to Parks and the amounts in the Café's sales journal and credit-card statements. We reviewed the Café's federal income tax return for the Fiscal Year 2004 (operating year 2003), and its sales tax returns for May 2003 through August 2004.

We also conducted eight unannounced observations at the Café during August 2004 to observe the maintenance of the facilities and to learn whether the staff processed and entered sales in the register. We also conducted two unannounced observations at the Café, on September 16, 2004, and on October 1, 2004, to obtain an understanding of the closeout procedures.

In addition, to determine whether the Café complied with other provisions of the Agreement, we reviewed copies of insurance certificates and payments for utility and water bills.

Scope Limitation

We attempted to verify the accuracy of the gross receipts reported to Parks but were unable to do so because—except for September 2004—all source documents, such as cashier's closeout sheets, guest checks, cash register closeout tapes, credit-card, tip, and batch reports were discarded by the concessionaire.

We requested that the Café provide specific records, detailed information regarding the reporting, and verification of its gross receipts to Parks. Those requests included all back-up documentation for sales receipts for the 2003 and 2004 operating seasons. The concessionaire

could not provide the original source documentation needed to substantiate the gross receipts reported to Parks (specifically cashier's closeout sheets, closeout tapes, and credit-card batch reports) because the concessionaire discarded those documents once the information had been entered in the sales journal.

In addition, we could not determine gross profits of the Café since the owner commingled the purchases of food and beverage supplies of the Café with purchases for Pier 70, a second concession awarded to Riverside Beach Restaurant Corporation, and had not maintained inventory records indicating beginning and ending items for each entity.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. The audit was performed in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

Discussion of Audit Results

The matters covered in this report were discussed with Riverside Beach Restaurant Corporation officials during and at the conclusion of this audit. A preliminary draft report was sent to Riverside Beach Restaurant Corporation and Parks officials on January 27, 2005, and was discussed at an exit conference on February 15, 2005. On February 28, 2005, we submitted a draft report to Riverside Beach Restaurant Corporation and Parks officials with a request for comments. On March 11, 2005, we received a written response from the Parks Department, and on March 14, 2005, we received a written response from the proprietor of Riverside Beach Restaurant Corporation.

In their response, Parks officials agreed to implement all four recommendations addressed to them and sent a "Notice To Cure" to the Riverside Beach Restaurant Corporation that required the Café to implement all seven audit recommendations addressed to it, stating, "Failure of the Café to implement the corrective action recommended in the audit report will result in the termination of your permit."

In his response, the Café's proprietor agreed to implement all seven recommendations. However, he disagreed with the statement in the audit that the amounts due the City could be higher stating, "At our meeting of February 15th, I indicated that an error was made by a double entry of tips. I am of the opinion that this will greatly reduce the over-reporting of figures in my journal." As the proprietor is aware, the amounts quoted in this report have already been reduced to correct the error made by the double entries; therefore, we believe the amounts owed could still be higher.

The full texts of the Parks Department's and Riverside Beach Restaurant Corporation's responses are included as addenda to this report.

FINDINGS

Based on interviews with the Café's proprietor, bookkeeper, and accountant as well as an examination of the available books, records, and documents, we determined that the Café has inadequate internal controls over its cash receipts. As a result, the Café may not have properly calculated the total gross receipts and may not have submitted the correct amount of fees due the City.

Despite the scope limitation and the lack of source documents, we were able to estimate that a minimum of \$1,467 for the 2003 season and \$4,181 for the 2004 season are due the City. However, based on our review of limited source documents for September 2004, we estimate that these figures could very well be higher.

Although the Café complied with the provisions of the Agreement regarding payment of water and electric bills; renovation, maintenance of premises and bathrooms; and required insurance, it failed to comply with many other provisions. Specifically, the proprietor routinely discarded such original source documents as tapes of credit card transactions and closeout tapes from the cash register. Moreover, cash receipts were not deposited regularly, inventory records of food and beverages were not maintained, statements of gross receipts were not forwarded to Parks monthly, and cash receipts and purchases from one concession were commingled with cash receipts from a second concession.

Overall, the Café needs to institute a set of internal controls that will include, among other things, maintenance of books and records that clearly and accurately represent the activities of the Café and to retain all supporting documents for examination, audit, and review by Parks and by the Office of the Comptroller. In addition, Parks must better monitor the concession to ensure that the provisions of the Agreement are being followed.

Our findings are discussed in greater detail in the following section of this report.

Underreporting of Gross Receipts

The Café is required to pay the City a minimum annual fee of \$23,000 for 2003 and \$24,000 for 2004 or 11 percent of its gross receipts, whichever is greater. Based on our calculations of the gross receipts recorded in the Café sales journal, we estimate that the Café owes the City an additional \$1,467 for the 2003 season.¹ Based on our calculations of the gross receipts recorded in the Café sales journal and credit-card statements, we estimated that an additional \$4,181 is owed for the 2004 season.² However, based on our review of limited source documents for September 2004, we estimate that these figures could very well be higher.

¹Based on our calculation of \$237,042 gross receipts recorded in the journal, the Café fees for 2003 come to \$26,074. Since the Café had paid the City \$24,607, an additional \$1,467 is owed to the City.

² Based on our calculation of \$310,580 gross receipts recorded in the journal and the credit card statements, the Café fees for 2004 come to \$34,164. Since the Café had paid the City \$29,983, an additional \$4,181 is owed to the City.

Riverside Beach Restaurant Corporation Response: The proprietor in his response states, "I disagree with your statement as to the fact that the figures could well be higher. At our meeting of February 15th, I indicated that an error was made by a double entry of tips. I am of the opinion that this will greatly reduce the over-reporting of figures in my journal."

Auditor Comment: The amounts quoted in this report have already been reduced to correct the error made by the double entries, as the proprietor is aware. After the exit conference, we reviewed the credit-card statements and the proprietor's journal and identified the double entries. We then adjusted the amounts that had been previously reported in the preliminary draft report and reported the new amounts. As a result of the changes, the estimated amount due reported in the draft report was lower than the amount previously reported in the preliminary draft report.

In addition, we compared the monthly gross receipts amounts reported to Parks with the monthly gross receipts amounts recorded in the sales journal for the 2003 season and with the credit-card statements and sales journal for the 2004 season. We found that the owner underreported the gross receipts by \$13,335 for the 2003 season and by \$38,010 for the 2004 season.

The following tables show the discrepancies between the monthly gross receipts reported to Parks with the monthly gross receipts recorded in the sales journal during the 2003 season and the credit-card statements and sales journal for the 2004 seasons:

Table I

**Comparison of Gross Receipts*Recorded in Sales Journal
With Gross Receipts Reported to Parks
2003 Season**

Month	Amount Recorded in Sales Journal	Amount Reported to Parks	Over/Under Reported Amount
May	\$11,188	\$9,661	(\$1,527)
June	\$46,694	\$45,896	(\$798)
July	\$70,050	\$62,577	(\$7,473)
Aug.	\$65,041	\$61,662	(\$3,379)
Sept.	\$44,069	\$39,171	(\$4,898)
Oct.	\$0.00	\$4,740	\$4,740
Totals	\$237,042	\$223,707	(\$13,335)

*Gross receipts are net of New York City and New York State Sales Tax

Table II

Comparison of Gross Receipts* Recorded in Sales Journal and Credit-Card Statements with Gross Receipts Reported to Parks
2004 Season

Month	Amount Recorded in Sales Journal	Amount Reported to Parks	Over/Under Amount Reported
April	\$ 9,144	\$ 6,015	(\$ 3,129)
May	\$69,725	\$48,621	(\$21,104)
June	\$81,010	\$62,154	(\$18,856)
July	\$60,305	\$46,634	(\$13,671)
Aug.	\$47,280	\$43,429	(\$ 3,851)
Sept.	\$36,250	\$51,697	\$15,447
Oct.	\$ 6,866	\$14,021	\$ 7,155
Totals	\$310,580	\$272,571	(\$38,010)

*Gross receipts are net of New York City and New York State Sales Tax and tips

While there are questions as to the validity of the amounts of gross receipts recorded in the sales journal, which are discussed in subsequent sections of the report, Parks should require the owner to report the correct amount of gross receipts and make sure the correct fees are paid to the City.

Daily Records of Operation Not Maintained

According to the Agreement (Provision 22, §g), “related records of the operations should be retained for a period of at least six (6) years.” According to the owner of the Café once he enters the cash sales and credit-card sales information into the sales journal all the back-up documentation supporting the gross receipts are discarded. As a result, we could not determine whether the amounts recorded in the sales journal reflect all the gross receipts generated by the Café during the entire 2003 and 2004 season.

Nevertheless, at the end of September 2004, we obtained back-up documents of gross receipts generated by the Café for September since, according to the owner, September’s back-up documents had not yet been discarded. The documents included the daily closeout sheets prepared by the Café’s manager, register tapes, tapes of credit-card batch totals, and guest checks. We compared the total amounts listed on the credit-card tapes and register tapes to the daily total amount entered in the sales journal and found discrepancies. Approximately \$2,363 (10%) of the credit-card sales and from \$1,874 to \$2,867 (11% to 18%) of cash sales were not included in the sales journal. In addition, seven-days’ worth of cash register tapes and four credit-card batch tapes were missing.

During the audit period the owner assured us that he maintained the documents he was supposed to and that they were readily available. After numerous inquiries and trips to his restaurant on 72nd Street to pick up documents, it became clear that we would not obtain a complete set of records to verify the figures recorded in the Café's sales journal.

Cash Receipts Deposited in Bank Does Not Reconcile with Cash Sales Recorded

According to the Agreement (Provision 22, §e), "Cash receipts from the operation under this Permit must be deposited regularly . . . and reconciled with the sales reports." Based on our review of the bank deposits and cash receipts recorded in the sales journal during the 2003 and 2004 seasons, cash deposits from the operation of the Café were not regularly deposited in the bank.

In addition, we found that the cash recorded in the sales journal never matched the amount of cash and checks deposited in the bank during each month. As a result, we could not reconcile the cash sales recorded in the sales journal with the bank deposits, nor could we determine whether the cash deposited came from sales activities of the Café. The following tables show the discrepancies between the monthly amounts of cash receipts recorded in the sales journal to the monthly cash and checks deposited in the bank account:

Table III

Comparison of Monthly Cash Receipts with Deposits Made to Bank Account
2003 Season

Month	Cash Recorded in Sales Journal	Cash Deposited in Bank Account	Difference Between Cash Recorded and Cash Deposited
May	\$1,057	\$12,261	\$11,204
June	\$9,644	\$9,149	(\$495)
July	\$8,032	\$6,311	(\$1,721)
August	\$35,051	\$23,547	(\$11,504)
September	\$22,352	\$6,000	(\$16,352)
October	\$0	\$8,850	\$8,850
November	\$0	\$10,018	\$10,018
Total	\$76,136	\$76,136	\$0

Table IV

**Comparison of Monthly Cash Receipts with
Deposits Made to Bank Account
2004 Season**

Month	Cash Recorded in Sales Journal	Cash Deposited in Bank Account	Difference Between Cash Recorded and Cash Deposited
April	\$2,102	\$0	(\$2,102)
May	\$16,137	\$165	(\$15,972)
June	\$13,793	\$13,393	(\$400)
July	\$6,542	\$0	(\$6,542)
August	\$10,596	\$0	(\$10,596)
September	\$10,553	\$9,815	(\$738)
October	\$7,062	\$18,834	\$11,772
Total	\$66,785	\$42,207	(\$24,578)

As shown above, during the 2003 season cash receipts were deposited regularly in the bank, but during the 2004 season cash receipts were not deposited in three of the seven months of operation. In addition, by the end of November 2003 the proprietor deposited \$10,018, thereby reconciling the total amount of sales recorded in the sales journal with the total amount deposited in the bank. The proprietor continued to make deposits totaling \$11,410 through March 2004, even while the Café was closed for business. As of October 31, 2004, there still remained a discrepancy of \$24,578 between the amount recorded in the journal and the amount deposited in the bank.

Riverside Beach Restaurant Corporation Response: The proprietor provided additional information to account for the \$24,578 difference shown in Table IV above and stated, “Attached please find copies of deposit slips for amounts deposited.” The response stated that \$10,576.40 was deposited in November 2004 and \$10,906.04 in December 2004.

Auditor Comment: We reviewed the attached documents and found that they were not deposit slips but rather bank statements. These bank statements show deposits of only \$12,100 for both months combined. Therefore, there still is a difference between the cash recorded in the journal and the amount of cash deposited in the bank.

**Cash Receipts from One Concession Are
Commingled with Cash Receipts of a Second Concession**

In May 2004, the Riverside Beach Restaurant Corporation obtained an additional permit to operate a concession at Pier 70. During our examination of the Café’s bank statements, we found that the cash receipts for Pier 70 were commingled with cash receipts from the Café and

were deposited in one bank account. This is contrary to the provisions of the Agreement, which require a separate bank account for Café operations. When we brought this to the attention of the proprietor and his accountant, they said that the reason the cash receipts were commingled in one bank account was that they did not have enough time to open a second bank account for Pier 70.

In fact, each concession has its own credit-card account. A separate bank account for Pier 70 could have been opened at the time the credit-card account was established. Moreover, the Agreement allows no exceptions for time constraints.

Inventory Records of Food And Beverages Not Maintained

The Agreement (Provision 22, §b) states that the Café must maintain inventory records of products purchased and sold by the concession and perform a physical count on a regular basis. We asked the Café's proprietor for his inventory records and were told that he does not maintain any inventory records of food and beverages bought and sold by the Café.

Upon further examination of the records for the 2004 season, we noted that food and beverage supplies were purchased by the Café for both the Café and Pier 70. Those items are kept in one storage facility at the Café at 105th Street. Records are not maintained to separate the food and beverage supplies purchased and issued to Pier 70.

Monthly Gross Receipts Not Reported to Parks

Under the Agreement, the concessionaire is required to submit a statement of gross receipts no later than the 15th day of each month for the preceding month's operation. In this way, if at any time during the year the gross receipts exceed the minimum, the concessionaire must pay Parks an additional percentage of gross receipts. The monthly statement also helps Parks to keep better track of fees due. We examined the Café's file maintained by Parks and found that the Café was not complying with this requirement.

As of August 24, 2004, the Parks file showed that only one statement of gross receipts for the 2003 season was forwarded by the Café. This statement was dated November 24, 2003, and itemized the monthly gross receipts for May through August 2003.

Moreover, as of August 2004, Parks had not received any statement of gross receipts for the 2004 season. According to the proprietor, he was unaware of this requirement despite the fact the Parks files indicated that Parks had sent monthly reminders of this requirement to the owner. After we brought this matter to the proprietor's attention, he began submitting monthly gross receipt statements.

Other Matters

The Agreement between Parks and the Café had the wrong General Provisions attached. Those General Provisions would apply to a pushcart or concession stand, not to the operation of a restaurant such as the Café. Other agreements for restaurants that we reviewed contain a legal provisions rider that clearly specifies the type of back-up documents that must be maintained by the concession, such as dated cash register receipts, deposit slips, and sales slips and books, among others. Those requirements are not specified in the Agreement with the Café. The proprietor told us he believed that his sales journal fulfilled the requirement for maintaining sales information, and he therefore discarded all other daily supporting documents.

RECOMMENDATIONS

Riverside Beach Restaurant Corp. should:

1. Immediately pay the City any additional fees due, including any accrued late fees from the operation of the Café during the 2003 and 2004 season.

Riverside Beach Restaurant Corporation Response: The proprietor agreed, stating: “The Café has paid all outstanding fees to the Parks Department as follows: \$1,467 for 2003 and \$4,181 for 2004, these amounts were paid in March 1st, 2005.”

2. Retain all records of operation, including cash receipt tapes, credit-card batch tapes, guest checks, purchase invoices, etc., for at least six years.

Riverside Beach Restaurant Corporation Response: The proprietor agreed, stating: “The Café will retain all records of operation, including cash receipt tapes, credit card batch tapes, guest checks, purchase invoices, etc. for at least six years.”

3. Look into the feasibility of installing a point-of-sale cash register. This register would automatically record all cash and credit-card transactions and eliminate the need for a manual system of entries.

Riverside Beach Restaurant Corporation Response: The proprietor agreed, stating: “I have the following concerns: a) absence of telephone lines at The Café, b) cost of the equipment, . . . and c) The Café was broken into on several occasions, this system would be further incentive for theft. I would like to further discuss this option.”

4. Deposit all cash collections in a bank account on a regular basis. All deposit amounts indicated on the books of the Café should be reconciled with the deposit amounts indicated on the monthly bank statements.

Riverside Beach Restaurant Corporation Response: The proprietor agreed, stating: “The Café will deposit all cash collections in a bank account on a regular basis. All

deposit amounts indicated on the books of the Café will be reconciled with the deposit amounts indicated on the monthly bank statements.”

5. Maintain separate bank accounts for each concession.

Riverside Beach Restaurant Corporation Response: The proprietor agreed, stating: “Separate bank accounts will be established for each concession.”

6. Maintain inventory records of all beverages and food items purchased and sold. The inventory records should be maintained separately for each concession

Riverside Beach Restaurant Corporation Response: The proprietor agreed, stating: “Beverage and food items that will be purchased and sold for each concession will be recorded separately.”

7. Submit statement of gross receipts to Parks on a monthly basis no later than the 15th day of the following month, and pay the applicable fee amount when the threshold has been reached.

Riverside Beach Restaurant Corporation Response: The proprietor agreed, stating: “The Café will submit a statement of gross receipts to Parks Department on a monthly basis, no later than the 15th day of the following month and pay the applicable fee amount when the threshold has been reached.”

Parks should:

8. Better monitor the concessionaire overall to ensure that the terms of the Agreement are followed.

Parks Response: Parks agreed, stating: “DPR [Parks] will continue to ‘Notice’ the Café to remedy permit violations and based on the audit findings, will ensure that proper accounting and internal control practices are implemented. The café will be monitored very closely.”

9. Ensure that the correct legal provisions rider is attached to this permit agreement.

Parks Response: Parks agreed. In her response, the Assistant Commissioner stated that she is requesting that the Parks General Counsel “draft more suitable ‘Records of Sales’ contract language to substitute in future ‘Snack Bar,’ and ‘Restaurant,’ permits/licenses as replacement for the current boilerplate.”

10. Consider adding a penalty clause to the Agreement if back-up documentation is destroyed prior to the six years requirement for retention.

Parks Response: Parks agreed. In her response, the Assistant Commissioner stated that she is requesting “the legal division examine the feasibility of implementing a penalty

clause that would be applicable if records are not retained for the required six-year period.”

11. Ensure that Riverside Beach Restaurant Corporation implements the report’s recommendations. If Riverside Beach does not implement the recommendations, Parks should consider not renewing the agreement.

Parks Response: Parks agreed, stating: “This recommendation has been addressed by issuance of the NTC [Notice To Cure] and the planned internal audit follow-up.”

ADDENDUM I –Response from
Riverside Beach Restaurant Corporation

Riverside Beach Restaurant Corporation
DBA Hudson Beach Cafe
174 West 72nd Street
New York, NY 11023

March 10, 2005

The City of New York
Office of the Comptroller
Bureau of Management Audit

To Whom It May Concern:

In response to your report dated February 28, 2005 I would like to discuss the following items under the headings that you outline.

Re: Other Matters

As you have outlined in this section, the Café was operating under the wrong provisions. We are now aware of the correct procedures and are in full agreement with operating the Café under these new provisions.

Re: Recommendations

1. Re: additional fees for 2003 and 2004, The Café has paid all outstanding fees to the Parks Department as follows: \$1,467 for 2003 and \$4,181 for 2004, these amounts were paid in March 1st, 2005.
2. At the commencement of business for 2005, The Café will retain all records of operation, including cash receipt tapes, credit card batch tapes, guest checks, purchase invoices, etc. for at least six years.
3. With regard to the installing of a point-of-sale cash register, I have the following concerns: a) absence of telephone lines at The Café, b) cost of the equipment, whether it is economically viable for The Café to purchase such expensive equipment, and c) The Café was broken into on several occasions, this system would be a further incentive for theft. I would like to further discuss this option.

ADDENDUM I -Response from
Riverside Beach Restaurant Corporation

4. The Café will deposit all cash collections in a bank account on a regular basis. All deposit amounts indicated on the books of the Café will be reconciled with the deposit amounts indicated on the monthly bank statements.
5. Separate bank accounts will be established for each concession.
6. Beverage and food items that will be purchased and sold for each concession will be recorded separately.
7. The Café will submit a statement of gross receipts to Parks Department on a monthly basis, no later than the 15th day of the following month and pay the applicable fee amount when the threshold has been reached.

Re: Audit Findings and Conclusions

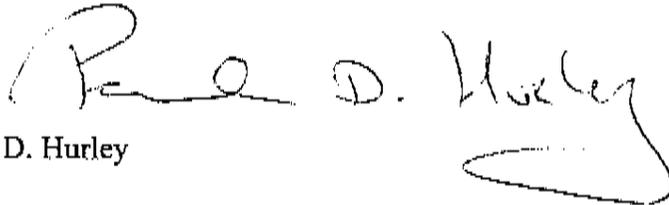
I disagree with your statement as to the fact that the figures could well be higher. At our meeting of February 15th, I indicated that an error was made by a double entry of tips. I am of the opinion that this will greatly reduce the over-reporting of figures in my journal.

Re: Cash Receipts Deposited in Bank Does Not Reconcile with Cash Sales Recorded

Table IV total (\$25,578) Difference between cash recorded and cash deposited. Attached please find copies of deposit slips for amounts deposited as follows:

November, 2004	\$10,576.40
December, 2004	\$10,906.04

Sincerely yours,



Paul D. Hurley

Att.



RIVERSIDE BEACH RESTAURANT CORP
DBA HUDSON BEACH CAFE
174 WEST 72ND STREET
NEW YORK NY 10023

Date 11/30/04 Page 1
Account Number 1241173
Enclosures 4

---- CHECKING ACCOUNTS ----

"SIMPLIFIED" BUSINESS CHECKING		Number of Enclosures	4
Account Number	1241173	Statement Dates	11/01/04 thru 11/30/04
Previous Balance	5,538.84	Days in the statement period	30
8 Deposits/Credits	10,576.40	Average Ledger	1-
19 Checks/Debits	15,996.70	Average Collected	224-
Service Charge	12.00		
Interest Paid	.00		
Ending Balance	106.54		

Deposits and Credits:

Date	Description	Amount
11/03	REVERSE NSF CHARGE	25.00 X
11/04	TELEPHONE TRANSFER	2,600.00
	1241173D- 1241173D	
11/05	CHECK RETURNED	2,782.16
11/08	REVERSE NSF CHARGE	25.00
11/08	DEPOSIT	2,000.00
11/12	CHECK RETURNED	2,782.16
11/29	HPS ACCT HEARTLDPMTSYS	181.04
	1223755714 11/26/04	
	ID #-650000001507352	
	TRACE #-041001033350521	
	ID #-650000001507352	
	TRACE #-041001033350521	
11/29	HPS ACCT HEARTLDPMTSYS	181.04
	1223755714 11/26/04	
	ID #-650000001507352	
	TRACE #-041001033350522	
	ID #-650000001507352	
	TRACE #-041001033350522	

ATM Transactions and Other Charges:

Date	Description	Amount
11/01	AUTO NSF CHARGES	50.00 X
11/02	COLLECTION AMERICAN EXPRESS	4.50
	1134992250 11/02/04	
	ID #-6311624670	
	TRACE #-021000020880581	
11/02	MC/V DISC HRTLND PMT SYS	132.89
	1431778351 11/02/04	
	ID #-000000001507345	
	TRACE #-041001032943678	
11/02	AUTO NSF CHARGES	50.00 X

P 70 + 105



Date 11/30/04 Page 2
Account Number 1241173
Enclosures 4

"SIMPLIFIED" BUSINESS CHECKING 1241173 (Continued)

ATM Transactions and Other Charges:

Date	Description	Amount
11/04	TELEPHONE TRANSFER 1241173D- 1241173D	2,600.00 X
11/04	TELEPHONE TRANSFER 1241173D- 1205194D	2,600.00
11/04	AUTO NSF CHARGES	25.00 X
11/05	AUTO NSF CHARGES	50.00 X
11/10	HRTLD CHBK HRTLND PMT SYS 1431778351 11/10/04 ID #-000000001507352 TRACE #-041001031487420	26.00
11/10	AUTO NSF CHARGES	25.00 X
11/26	HPS ACCT HEARTLDPMTSYS 1223755714 11/26/04 ID #-650000001507352 TRACE #-041001033350521 ID #-650000001507352 TRACE #-041001033350521	181.04
11/26	HPS ACCT HEARTLDPMTSYS 1223755714 11/26/04 ID #-650000001507352 TRACE #-041001033350522 ID #-650000001507352 TRACE #-041001033350522	181.04
11/26	AUTO NSF CHARGES	50.00 X
11/30	SERVICE CHARGE	12.00

Checks in Serial Number Order:

Date	Check No.	Amount	Date	Check No.	Amount	Date	Check No.	Amount
11/04	1309	2,782.16	11/05	1312*	2,294.44	11/01	1314	1,320.00
11/10	1309*	2,782.16	11/01	1313	618.07	11/05	1315	224.40

*Indicates Skip in Check Number

Daily Balance Information:

Date	Balance	Date	Balance	Date	Balance
11/01	3,550.77	11/05	1,805.46-	11/26	243.54-
11/02	3,363.38	11/08	219.54	11/29	118.54
11/03	3,388.38	11/10	2,613.62-	11/30	106.54
11/04	2,018.78-	11/12	168.54		

COUNTRY BANK

Contact Help Online Agent Exit

NetTeller

Main | Transactions | Download | Statements | Stop Payments

Country Bank

View Statement Notice

RIVERSIDE BEACH RESTAURANT CORP Date 12/31/04 Page 1
 DBA HUDSON BEACH CAFE Account Number @XXXXXXXXXX@
 174 WEST 72ND STREET Enclosures 6
 NEW YORK, NY 10023

---- CHECKING ACCOUNTS ----
 ---- CHECKING ACCOUNTS ----

"SIMPLIFIED" BUSINESS CHECKING	Number of Enclosures	6
Account Number @XXXXXXXXXX@	Statement Dates 12/01/04 thru 12/31/04	
Previous Balance 106.54	Days in the statement period	31
5 Deposits/Credits 10,906.04	Average Ledger	854-
19 Checks/Debits 10,899.84	Average Collected	1,122-
Service Charge 12.00		
Interest Paid .00		
Ending Balance 100.74		
Deposits and Credits:		

12/13	HPS ACCT HEARTLDPMTSYS	625.00
	1223755714 12/10/04	
	ID #-650000001507345	
	TRACE #-041001034854811	
	ID #-650000001507345	
	TRACE #-041001034854811	
12/13	DEPOSIT	7,000.00
12/15	HPS ACCT HEARTLDPMTSYS	181.04
	1223755714 12/14/04	
	ID #-650000001507352	
	TRACE #-041001031694682	
	ID #-650000001507352	
	TRACE #-041001031694682	
12/24	DEPOSIT	2,600.00
12/28	DEPOSIT	500.00
ATM Transactions and Other Charges:		

12/02	MC/V DISC HRTLAND PMT SYS	10.00
	1431778351 12/02/04	
	ID #-000000001507352	
	TRACE #-041001035637552	
12/07	HRTLD CHBK HRTLAND PMT SYS	53.80
	1431778351 12/07/04	
	ID #-000000001507352	
	TRACE #-041001035587502	
12/09	HRTLD CHBK HRTLAND PMT SYS	74.05
	1431778351 12/09/04	
	ID #-000000001507352	
	TRACE #-041001033296780	
12/09	AUTO NSF CHARGES	25.00

Date 12/31/04 Page 2
 Account Number @XXXXXXXXXX@
 Enclosures 6

"SIMPLIFIED" BUSINESS CHECKING @XXXXXXXXXX@ (Continued)
 ATM Transactions and Other Charges:

12/10	HPS ACCT HEARTLDPMTSYS	625.00
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ADDENDUM I - Response from
Riverside Beach Restaurant Corporation

	1223755714	12/10/04	
	ID #-650000001507345		
	TRACE #-041001034854782		
12/10	HPS ACCT HEARTLDPMTSYS		625.00
	1223755714	12/10/04	
	ID #-650000001507345		
	TRACE #-041001034854811		
	ID #-650000001507345		
	TRACE #-041001034854811		
12/10	AUTO NSF CHARGES		75.00
12/14	HPS ACCT HEARTLDPMTSYS		181.04
	1223755714	12/14/04	
	ID #-650000001507352		
	TRACE #-041001031694682		
	ID #-650000001507352		
	TRACE #-041001031694682		
12/14	AUTO NSF CHARGES		25.00
12/20	HPS ACCT HEARTLDPMTSYS		181.04
	1223755714	12/20/04	
	ID #-650000001507352		
	TRACE #-041001032342717		
12/20	AUTO NSF CHARGES		25.00
12/23	AUTO NSF CHARGES		100.00
12/27	AUTO NSF CHARGES		25.00
12/31	SERVICE CHARGE		12.00

Checks in Serial Number Order:

12/10	1318	6,315.91	12/23	1320	115.00	12/23	1323*	600.00
12/23	1319	214.00	12/27	1321	430.00	12/23	1324	1,200.00

*Indicates Skip in Check Number

Daily Balance Information:

12/01	106.54	12/13	72.22-	12/24	67.74
12/02	96.54	12/14	278.26-	12/27	387.26-
12/07	42.74	12/15	97.22-	12/28	112.74
12/09	56.31-	12/20	303.26-	12/31	100.74
12/10	7,697.22-	12/23	2,532.26-		



City of New York
Parks & Recreation

Adrian Benepe
Commissioner

The Arsenal
Central Park
New York, New York 10021

Joanne G. Imohiosen
Assistant Commissioner
Revenue

(212) 360-3404
joanne.imohiosen@parks.nyc.gov

March 11, 2005

BY FAX AND MAIL

Mr. Greg Brooks
Deputy Comptroller
The City of New York
Office of the Comptroller
Executive Offices
1 Centre Street
New York, NY 10007

**Re: Comptroller's Draft Audit Report on Riverside Beach Restaurant Corporation
D.B.A. Hudson Beach Café April 1, 2003 to October 31, 2004 MH05-075A,
Dated February 28, 2005**

Dear Mr. Brooks:

This letter represents the Parks Department's ("DPR's"), response to the recommendations contained in the subject audit of Riverside Beach Restaurant Corporation doing business as Hudson Beach Café ("the Café").

DPR has issued the attached "Notice To Cure" (NTC) to the Café requesting that it satisfy **Recommendation 1** by paying outstanding late fees totaling \$1,178.19. The Café had previously remitted two checks totaling \$5,648 to settle the estimated amount assessed in the audit report. Also, the Café is required to implement record keeping, internal control and reporting **Recommendations 2 through 7**. Furthermore, we have requested that DPR's Internal Auditor perform a follow-up examination in June 2005 to verify that the Café has implemented all of the above referenced recommendations.

The remaining recommendations state that Parks should:

Recommendation 8. Better monitor the concessionaire overall to ensure that the terms of the permit agreement are followed.

DPR will continue to "Notice" the Café to remedy permit violations and based on the audit findings, will ensure that proper accounting and internal control procedures are implemented. The Café operation will be monitored very closely.

Greg Brooks
March 11, 2005
Page 2

Recommendation 9. Ensure that the correct legal provisions rider is attached to this permit agreement.

Recommendation 10. Consider adding a penalty clause to the Agreement if back-up documentation is destroyed prior to the six years requirement for retention.

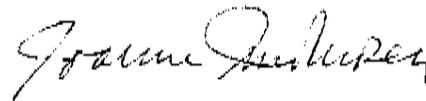
By copy of this letter to Alessandro Olivieri, DPR General Counsel, I am requesting that he draft more suitable "Records of Sales" contract language to substitute in future "Snack Bar," and "Restaurant," permits/licenses as replacement for the current boilerplate. Also, we request that the legal division examine the feasibility of implementing a penalty clause that would be applicable if records are not retained for the required six-year period.

Recommendation 11. Ensure that Riverside Beach Restaurant Corporation implements the report's recommendations. If Riverside Beach does not implement the recommendations, Parks should consider not renewing its agreement with them.

This recommendation has been addressed by issuance of the attached NTC and the planned internal audit follow-up.

We wish to thank the Comptroller's audit staff for their work and efforts in performing this review.

Sincerely,



Joanne Imohiosen

cc: Alessandro Olivieri
David Stark
Francisco Carlos
Susan Kupferman, Mayor's Office of Operations



City of New York
Parks & Recreation

Adrian Benepe
Commissioner

ADDENDUM II –Response from
New York City Parks & Recreation
The Assefal
Central Park
New York, New York 10021

Joanne G. Imohiosen
Assistant Commissioner
Revenue

(212) 360-3404
joanne.imohiosen@parks.nyc.gov

March 11, 2005

BY FAX AND MAIL

Mr. Paul Hurley
Riverside Beach Restaurant Corporation
174 West 72nd Street
New York, NY 10023

Re: **NOTICE TO CURE**

**Comptroller's Draft Audit Report on Riverside Beach Restaurant Corporation
D.B.A. Hudson Beach Café April 1, 2003 to October 31, 2004 MH05-075A,
Dated February 28, 2005**

Dear Mr. Hurley:

This letter addresses the findings and recommendations contained in the subject draft audit report on Riverside Beach Restaurant Corporation, doing business as Hudson Beach Café ("the Café"). Generally, the Comptroller's audit disclosed that the Café has inadequate internal controls over its cash receipts and as a result may not have properly calculated total gross receipts and may not have submitted the correct amount of fees due to the City. The auditors were unable to verify the accuracy of the Café's gross revenue reported to the Parks Department (DPR) because, except for one month (September 2004), all requested source documents, such as cashier's closeout sheets, guest checks, cash register closeout tapes, credit-card, tip, and batch reports had been discarded.

Furthermore, the auditors could not determine the gross profits of the Café. The purchases of food and beverage supplies of the Café were commingled with the purchases for Pier 70, a second concession awarded to Riverside Beach Restaurant Corporation, and you did not maintain separate inventory records indicating beginning and ending balances for each entity.

Specifically, the audit report requires that the Café should:

Recommendation 1. Immediately pay the City any additional fees due, including any accrued late fees from the operation of the Café during the 2003 and 2004 season.

Paul Hurley
March 11, 2005
Page 2

The Comptroller's report disclosed that the Café understated gross revenue reported to DPR by \$13,335 for 2003 and \$38,010 for 2004. As a result the auditors calculated that the Café owed the City estimated additional fees totaling \$5,648. DPR has received two checks from the Café for \$1,467 and \$4,181 in full payment of the estimated audit assessment. However, in accordance with the attached Schedule 1, the Café owes a remaining balance of \$1,178.19 representing late fees on the additional amounts assessed. The Café is afforded thirty (30) days from the date of this letter to remit a check for the remaining balance of \$1,178.19 to clear this item.

Recommendation 2. Retain all records of operation, including cash receipt tapes; credit card batch tapes, guest checks, purchase invoices, etc. for at least six years.

The audit report states that the Café discarded all backup documentation supporting gross receipts after the cash sales and credit card information were entered into the sales journal. As a result, the auditors could not determine whether the amounts recorded in the sales journal reflected all income generated by the Café during the entire 2003 and 2004 seasons. Even for the one month (September 2004) of supposedly available records, the documentation was incomplete, unrecorded in the sales journal and never reported to DPR. In fact, on many occasions during the audit period you indicated to the auditors that supporting documents were readily available. However, after many attempts to obtain the records failed it became evident that there was no "audit trail" to verify the Café's income, and whether the revenue reported and fees paid to DPR was correct.

Section 22 (g) of the "General Provisions" of the Café's Permit requires that, "Related records of the operation should be retained for a period of at least six (6) years." It was poor business practice and a violation of your permit not to retain the records of the Café's operation.

The Café must immediately implement procedures to comply with Recommendation 2.

Recommendation 3. Look into the feasibility of installing a point-of-sale cash register. This register would automatically record all cash and credit-card transactions and will eliminate the need for a manual system of entries.

At the exit conference you indicated that you could not implement this recommendation because there was no available phone line at the site. As an alternative,

Paul Hurley
March 11, 2005
Page 3

if the recommended point-of-sale equipment is not feasible, the Café should record transactions using cash registers with a "locked tape" feature. To properly account for all sales it is critical that transactions be accurately recorded at the point-of-sale and that a secure historical record is produced. The Café should obtain such equipment suitable to their operation.

Recommendation 4. Deposit all cash collections in a bank account on a regular basis. All deposit amounts indicated on the books of the Café should be reconciled with the deposit amounts indicated on the monthly bank statements.

The audit report disclosed that cash deposits from the Café operation were not regularly deposited in the bank. Also, the cash recorded in the sales journal never matched the amount of cash and checks deposited in the bank during each month. As a result the auditors could not reconcile the cash sales recorded in the sales journal with the bank deposits. Section 22 (e) of the "General Provisions" of the Café's Permit requires that, "Cash receipts from the operation under this Permit must be deposited regularly . . . and reconciled with the sales reports."

The Café is required to immediately take the necessary action to implement this recommendation.

Recommendation 5. Maintain separate bank accounts for each concession.

The auditors found that cash receipts for the Café were commingled with the cash receipts of another operation and were deposited in one bank account. Section 22 (e) of the "General Provisions" of the Café's Permit requires that Cash Receipts must be deposited in a separate bank account.

The Café is required to take immediate action to comply with Recommendation 5.

Recommendation 6. Maintain inventory records of all beverages and food items purchased and sold. The inventory records should be maintained separately for each concession.

The report stated that you do not maintain any inventory records of food and beverages bought and sold by the Café. Section 22 (b) of the "General Provisions" of the Café's Permit requires that physical inventory records be kept. Also, the auditors revealed that food and beverage supplies for the Café and another concession were commingled.

Paul Hurley
March 11, 2005
Page 4

The Café is required to take immediate action to implement this record-keeping requirement.

Recommendation 7. Submit statement of gross receipts to Parks on a monthly basis no later than the 15th day of the following month, and pay the applicable fee amount when the threshold has been reached.

For the audit period the Café was delinquent in submitting the required monthly statements of gross receipts. DPR sent monthly Notice to Cure statements requiring the Café to remit the income reports. During the course of the audit you submitted the delinquent documents and since then have been compliant with this recommendation. The Café should make certain that it continues to submit the required gross receipts reports on a timely basis.

To ensure that the Café has implemented the internal control and record keeping recommendations cited above, by copy of this letter to Francisco Carlos, I am requesting that he schedule a follow-up examination of the Café in June 2005. Failure of the Café to implement the corrective action recommended in the audit report will result in the termination of your permit.

DPR anticipates the Café's full and prompt cooperation in addressing and implementing the above noted recommendations.

Sincerely,



Joanne Imohiosen

cc: F. Carlos
D. Stark
P. Burbank

TOTAL FEES DUE PARKS
RIVERSIDE BEACH RESTAURANT CORPORATION AUDIT

DUE	TYPE	AMOUNT	BALANCE
10/15/2003	% FEE	\$ 3,074.62	\$ 3,074.62
10/25/2003	LATE FEE	61.49	3,136.11
11/25/2003	LATE FEE	62.72	3,198.83
12/25/2003	LATE FEE	63.98	3,262.81
1/25/2004	LATE FEE	65.26	3,328.07
2/25/2004	LATE FEE	66.56	3,394.63
3/25/2004	LATE FEE	67.89	3,462.52
4/25/2004	LATE FEE	69.25	3,531.77
5/25/2004	LATE FEE	70.64	3,602.41
6/25/2004	LATE FEE	72.05	3,674.46
7/25/2004	LATE FEE	73.49	3,747.94
8/15/2004	JULY %	220.24	3,968.18
8/25/2004	LATE FEE	79.36	4,047.55
9/15/2004	AUG. %	5,200.80	9,248.35
9/25/2004	LATE FEE	184.97	9,433.32
10/15/2004	SEPT. %	3,987.50	13,420.82
10/25/2004	LATE FEE	268.42	13,689.23
10/26/2004	PAYMENT	(2,026.08)	11,663.15
11/15/2004	OCT. %	755.26	12,418.41
11/25/2004	LATE FEE	248.37	12,666.78
12/9/2004	PAYMENT	(6,234.31)	6,432.47
12/25/2004	LATE FEE	128.65	6,561.12
1/25/2005	LATE FEE	131.22	6,692.34
2/25/2005	LATE FEE	133.85	\$ 6,826.19

FEES DUE PARKS FROM RIVERSIDE AUDIT 2003

DUE	TYPE	AMOUNT	BALANCE
10/15/2003	% FEE	\$ 3,074.62	\$ 3,074.62
10/25/2003	LATE FEE	61.49	3,136.11
11/25/2003	LATE FEE	62.72	3,198.83
12/25/2003	LATE FEE	63.98	3,262.81
1/25/2004	LATE FEE	65.26	3,328.07
2/25/2004	LATE FEE	66.56	3,394.63
3/25/2004	LATE FEE	67.89	3,462.52
4/25/2004	LATE FEE	69.25	3,531.77
5/25/2004	LATE FEE	70.64	3,602.41
6/25/2004	LATE FEE	72.05	3,674.46
7/25/2004	LATE FEE	73.49	3,747.94
8/25/2004	LATE FEE	74.96	3,822.90
9/25/2004	LATE FEE	76.46	3,899.36
10/25/2004	LATE FEE	77.99	3,977.35
10/26/2004	PAY % FEES	(1,607.77)	2,369.58
10/26/2004	PAY LATE FEES	(418.31)	1,951.27
11/25/2004	LATE FEE	39.03	1,990.29
12/25/2004	LATE FEE	39.81	2,030.10
1/25/2005	LATE FEE	40.60	2,070.70
2/25/2005	LATE FEE	41.41	\$ 2,112.12

FEES DUE PARKS FROM RIVERSIDE AUDIT 2004

DUE	TYPE	AMOUNT	BALANCE
8/15/2004	JULY %	220.24	\$ 220.24
8/25/2004	LATE FEE	4.40	224.64
9/15/2004	AUG. %	5,200.80	5,425.44
9/25/2004	LATE FEE	108.51	5,533.95
10/15/2004	SEPT. %	3,987.50	9,521.45
10/25/2004	LATE FEE	190.43	9,711.88
11/15/2004	OCT. %	755.26	10,467.14
11/25/2004	LATE FEE	209.34	10,676.49
12/9/2004	PAY % FEES	(5,982.74)	4,693.75
12/9/2004	PAY LATE FEES	(251.57)	4,442.18
12/25/2004	LATE FEE	88.84	4,531.02
1/25/2005	LATE FEE	90.62	4,621.64
2/25/2005	LATE FEE	92.43	\$ 4,714.07

OUTSTANDING BALANCE SUMMARY

	TOTAL DUE	PAID	BALANCE @ 3/4/05
AUDIT '03 DUE	\$ 2,112.12	\$ (1,467.00)	\$ 645.12
AUDIT '04 DUE	4,714.07	(4,181.00)	533.07
TOTAL	\$ 6,826.19	\$ (5,648.00)	\$ 1,178.19