



**GREGORY C. HARRELL**  
CLERK OF COURT AND COMPTROLLER – MARION COUNTY, FLORIDA

**Revenue Control Review of**  
**Southeastern Livestock Pavilion**  
**Parks and Recreation Department**  
**Report No. 2025-03**

October 22, 2025

*Issued To:*

The Honorable Board of County Commissioners  
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**REPORT ABBREVIATIONS AND TERMS**

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<b>Terminology</b>	<b>Abbreviation</b>
Board of County Commissioners	Board
Florida Department of Revenue	FDOR
Management of the Southeastern Livestock Pavilion	Management
Non-Profit Organization	NPO
Southeastern Livestock Pavilion	SELP
Standard License Agreement	SLA
Standard Operating Procedure	SOP
Tax Information Publication	TIP
Tourist Development Tax	TDT

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**EXECUTIVE SUMMARY**

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Pursuant to our annual audit plan for the calendar year 2024, we have completed an internal control review of the Southeastern Livestock Pavilion (SELP), which operates under the Marion County Parks and Recreation Department with emphasis on financial activities.

Overall, while foundational policies and controls exist at SELP for administration of financial related activities, we found that there are opportunities for improvement.

In our review of the processes and internal controls, we noted application of informal historical practices that did not align with the fee resolutions approved by the Board of County Commissioners (Board), lack of standardized documentation, limited staff understanding of policies and regulations. Strengthening the controls will improve compliance with the Board-approved resolutions, enhance financial effectiveness, and promote greater accountability and transparency.

We also evaluated the performance against the two departmental goals set by the SELP for FY 2024-2025: 1) 50% of events are agriculture related that are hosted at the facility; 2) Campground occupancy rate above 25%. We found that SELP exceeded Goal 1 but did not meet Goal 2. The newly-built RV campsite has been underutilized and has more revenue potential if the County could invest more in amenities and if the reservation system was more convenient for the users (See Observation 5 for more discussion).

The areas we reviewed are summarized in a table below.

<b>Areas Reviewed</b>	<b>Results</b>
Goal 1 - 50% of events are agriculture related that are hosted at the facility	No Exception
Goal 2 - Campground occupancy rate above 25%	Observation 5
Compliance with laws, rules and regulations: Fee Resolutions, Standard License Agreement (SLA), Tourist Development Tax, Sales Tax	Observation 1 Observation 2 Observation 3 Observation 4 Observation 6 Observation 9
Appropriate documentation of transactions – Transmittals and supporting documentation	Observation 8
Appropriate documentation of transactions – Tax exemption	Observation 7
Appropriate documentation of transactions –Void transactions	No Exception

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<b>Overview of Opportunities for Improvement</b>		
<b>#</b>	<b>Summary</b>	<b>Management Response and Status</b>
1	If the Board wishes to continue to waive the requirements historically provided to certain organizations, which are currently policy violations, it should be formalized to mitigate the County's risk and liability.	Agreed (Implementation in Progress)
2	Strengthening adherence to the Fee Resolutions and staff training will improve contract management, operational efficiency, and financial stewardship.	Agreed (Implementation in Progress)
3	Aligning Exhibit "A" Fee Schedule with its respective Fee Resolution leads to more accurate and appropriate charges for Non-Profit Organizations (NPOs).	Agreed (Implementation in Progress)
4	Compliance with the fee resolution for NPOs may lead to increased revenue retention and improved policy consistency.	Agreed (Implementation in Progress)
5	Investing in more amenities and making the reservation system more convenient for the users may increase the return on investment and the value delivered to the community.	Agreed (Not Yet Implemented)
6	Addressing invoicing discrepancies and tax miscalculations will lead to more reliable financial reporting, compliance with state tax codes, and stronger internal controls.	Agreed (Implementation in Progress)
7	Establishing proper tax exemption documentation will help ensure the appropriate approval thereby strengthening compliance and reducing the organization's exposure to financial risks such as penalties, fines, and retroactive tax liabilities.	Agreed (Implementation in Progress)
8	Enhancing transmittal review and documentation may lead to stronger internal controls and reduced financial risk.	Agreed (Implementation in Progress)
9	Enhancing documentation practices and consistently enforcing cancellation terms in the Campground License Agreement will lead to stronger policy compliance and more consistent and appropriate refund decisions.	Agreed (Implementation in Progress)

It is important to emphasize that this audit does not guarantee that all areas for improvement were noted. Our audit focus was on the adequacy of the internal controls. Non-compliance or irregularities, not included in this report, could exist because this audit did not include a review of all records and actions of the Department.

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We would like to thank the employees and management of the SELP, Parks & Recreation Department as well as the Finance Department for their cooperation during the audit.



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## **BACKGROUND**

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This audit was performed pursuant to our annual audit plan for the calendar year 2024. The Southeastern Livestock Pavilion (SELP), established in 1945, has been a landmark in Ocala and remains one of Marion County's premier agricultural showplaces. SELP serves as one of the County's premier venues for livestock exhibitions, equine events, and agricultural shows. The facility includes two covered arenas, an indoor sales arena with stadium seating for 800, a 226-stall concrete barn, a recreational hall, and the Extension Auditorium. SELP operates with a core objective of ensuring that at least 50% of its hosted events are agriculture-related, in line with its mission to support and promote the County's agricultural community.

In Fiscal Year 2024, SELP hosted 275 events, generating \$247,847 in rental revenue. These revenues include all fees collected from agricultural and equine shows, livestock sales, and special events held on the premises.

In the same year, SELP expanded its campground capacity by adding 66 new campsites to allow guests to stay on-site during events and offer visitors to Marion County a centralized location near downtown Ocala and nearby tourism attractions. These additions brought the total number of campsites to 122, complementing the 56 sites previously designated for event holders.

Marion County Administration allocated \$1.9 million to fund the project, with the goal of improving campground amenities for County residents and visitors. The Florida Department of Agriculture and Consumer Services supplemented this effort with a \$1 million grant.

Through this investment, SELP aims to meet the 25% campground occupancy rate outlined in its Fiscal Year 2025 Mission and Vision goals.



Figure 3: SELP Main Entrance

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The following graph depicts a five-year trend analysis of SELP (Fiscal Years 2020 - 2024):

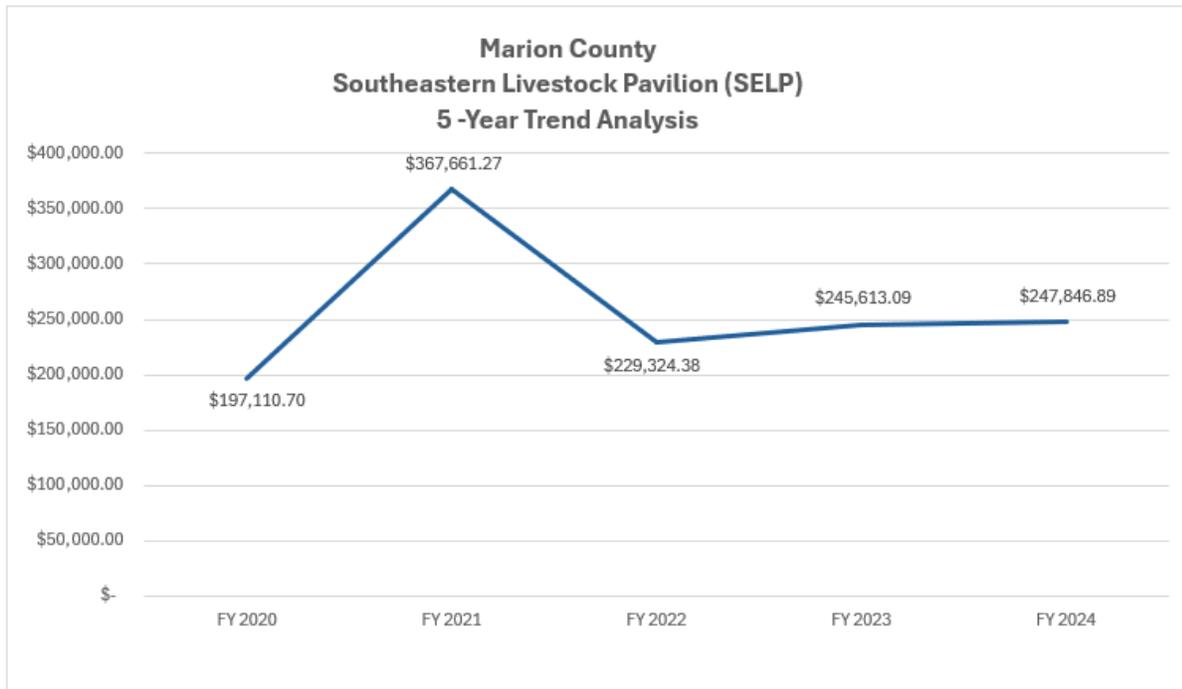


Figure 4: SELP five-year trend Analysis (Fiscal Year 2020-2024)

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**OBJECTIVE, SCOPE AND APPROACH**

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Our audit objectives were to determine whether 1) SELP, which operates under the Parks and Recreation Department, had adequate internal controls over collection and reporting of revenue; 2) SELP was in compliance with the applicable laws and regulations, County and departmental policies; and 3) SELP had met its established departmental performance goals.

The scope of the audit was from January 1, 2024 through March 31, 2025.

Our approach included reviews and tests of records, analyses, interviews with the employees, unannounced cash counts, as well as observations of the sites.

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**OPPORTUNITIES FOR IMPROVEMENT**

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***Observation 1 – If the Board wishes to continue to waive the requirements historically provided to certain organizations, which are currently policy violations, it should be formalized to mitigate the County’s risk and liability.***

We found that SELP has been waiving all obligations typically required by the event holders—including filling out an event agreement form, usage fees, security deposits, and insurance requirements—for certain event holders based on informal, undocumented, historical arrangements. There is no formal policy or written agreement in place to support or govern these arrangements that may justify these waivers. These exceptions are violations of the Board policy in place.

Best practices stipulate to strengthen internal control:

- Establish and formalize a clear, documented policy, including specific criteria and defined approval processes.
- Document all agreements.
- Implement a centralized system for recording, tracking, and archiving agreements.
- Conduct periodic reviews of agreements to ensure they remain valid and comply with applicable policies and/or resolutions.

SELP staff stated that three (3) NPOs have historically not been charged any fees nor required to have insurance, a practice that began prior to Management assuming responsibility for SELP operations in December 2014.

Management acknowledges that granting full waivers—including paperwork, usage fees, security deposits, and insurance requirements—to the three organizations must be properly documented and receive formal approval from the County Administrator and/or the Board. Such waivers represent a significant liability to the County.

Granting waivers—including filling out an agreement, usage fees, security deposits, and insurance requirements—without formal policy increases the County’s financial and liability exposure. These undocumented arrangements create potential inequities among event holders, reduce transparency, and weaken accountability. The lack of clear policy and oversight also raises the risk of inconsistent application of fees and possible misuse of County resources.

We recommend that Management:

1. Consult the Legal Department to determine actions, processes and documentation requirement to mitigate the County’s risk and liability exposure to an appropriate level.
2. Once appropriate actions are identified, have the Board approve them as a policy.

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3. Provide staff training for the new policy.
4. Implement a centralized tracking system to record and archive all current and future fee waivers, including supporting documentation and approval records.
5. Conduct periodic reviews of all active fee waiver agreements to ensure they remain in compliance with County policies and address any potential liability concerns.

Update: SELP is currently working with each identified event holder and the County's Legal Department to create an appropriate agreement that will ensure compliance. The anticipated target date is September 30, 2025.

**Management Response:**

The historical contributions, in-kind donations, and ongoing support from the Cattlemen's Association, Cattlewomen's Association, and Roadbuilders Association have been essential in making SELP the facility it is today. These organizations bring an agriculture and educational component to SELP that has impacted this community for decades. Their continued partnership warrants unique consideration.

1. To address the policy concern, department staff will work with the event organizers, the County Attorney, and County Administration to determine the appropriate path forward.
2. All waivers will either be formally incorporated within the SELP Fee Resolution or authorized through separate written agreements approved by the Board. This will eliminate inadvertent violations and ensure policy compliance.
3. The SELP Manager will provide training to SELP staff for all new/updated policies, Resolutions, etc. upon their approval by the department Director or Board. SELP staff will review policies and Fees Resolution annually to ensure a thorough understanding and to determine if the policies/Resolution are all still current or if they require additional revision.
4. The SELP Manager will create and implement a tracking system in SharePoint to be utilized to track all events with fee waivers. SELP staff will be trained on the document. All supporting documentation for each event, including fee waivers will be stored in EventPro.
5. The SELP Manager will conduct a review of all fee waiver requests to ensure compliance with County policies. Any deficiencies in paperwork will be addressed by staff immediately before the event takes place.

**Implementation Status:** Implementation in Progress.

**Implementation Target Date:** August 31, 2026

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**OPPORTUNITIES FOR IMPROVEMENT**

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***Observation 2 – Strengthening adherence to the Fee Resolutions and staff training will improve contract management, operational efficiency, and financial stewardship.***

Resolution No. 24-R-51, effective February 20, 2024, and its successor, Resolution No. 25-R-36, effective January 21, 2025, specifies the following:

1. Event holders must submit a security deposit equal to 50% of the daily rental fee or \$1,000 for High Demand Events.
2. Specific entities which can be exempted from fees.
3. Fee waiver criteria for NPOs (weekday vs. weekend).
4. “High Demand” events criteria, which increases the security deposit requirement:
  - more complex setup;
  - assistance throughout the event duration;
  - attendance over 100 individuals;
  - more clean-up/tear-down process.

SLA specifies the following:

1. The deposit amount must either be the amount specified in the SLA or 25% of the total estimated usage charges, whichever is greater.
2. All payments are due no later than two (2) weeks prior to the scheduled event.
3. Certificate of Insurance has to be submitted at least 10 days prior to the event.
4. Minimum liability coverage of \$200,000 for Auditorium rentals and \$1,000,000 for Covered Arena rentals.
5. Designate the Board of County Commissioners as both “additional insured” and “a certificate holder.”
6. Failure to provide the required insurance certificate will result in automatic cancellation of the event and forfeiture of the security deposit.

**I. Refundable Security Deposit:**

We found that 60% (12 out of 20) of the sampled event hosts did not meet the security deposit requirements outlined in the applicable Fee Resolutions, which require either 50% of the daily rental fee or a \$1,000 deposit for High Demand Events. In six (6) cases, the deposit submitted was below the required amount. In the other six (6), the security deposit was entirely waived even though those event hosts did not meet the exemption criteria

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specified in Section 7 of the Fee Resolution.

We also identified a discrepancy between the security deposit requirements, as the Resolution stipulates either 50% of the daily rental fee or a \$1,000 deposit for High Demand Events, while the SLA specifies 25%, resulting in contradicting guidance.

**II. Timely Payments:**

We found that 55% (11 out of 20) of the sampled event hosts did not comply with the payment timeline outlined in the SLA, which requires the usage fee to be paid no later than two weeks prior to the event.

Of these 11 cases:

- 27% (3 of 11) submitted payment less than two (2) weeks before their scheduled event.
- 55% (6 of 11) submitted payment after the event, missing the two-week advance payment deadline by 17 to 70 days.
- In 18% of the cases (2 of 11), SELP waived the Usage Fee for the event hosts who did not meet the exemption criteria specified in Section 7 of the Fee Resolution.

**III. Insurance Requirements:**

We found that 65% (13 out of 20) of the events reviewed did not fully comply with the insurance documentation requirements outlined in the SLA.

**IV. Unexecuted SLA:**

We also found that SELP did not fully execute one of the License Agreements we sampled. The unexecuted agreement did not have the signatures of the SELP Manager and the Parks Director, along with the corresponding execution dates, but this appeared to be an isolated incident.

SELP provided the following as explanations:

1. SELP staff used a fee schedule from the SLA that did not align with the Fee Resolution thereby causing them to collect incorrect security deposit amounts.
2. The security deposit requirement discrepancy between the Resolution (50%) and the SLA (25%) was due to an oversight.
3. SELP staff misinterpreted that NPOs were required to pay only a set-up fee and waived a security deposit.
4. It is their practice to bill the organizers after the event was over as stalls, RV spots, and vendors are counted the day of the event.

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5. Non-compliance with the insurance requirements was due to an oversight and lack of system generated automatic reminders.
6. One (1) unexecuted SLA was due to an oversight.
7. The events that we sampled did not represent high demand events.

We believe insufficient oversight and enforcement mechanisms, such as the lack of an event compliance checklist or centralized monitoring system, caused weaknesses in contract management.

The inconsistent applications and lack of enforcement of various requirements expose SELP and the County to financial and reputational risks.

Accepting payments from event holders after the event date increases the risk of uncollected receivables, especially if the event holder refuses to pay or challenges the final amount. This also opens the door to disputes over services provided, damage charges, or cleanup costs that are more difficult to enforce after the fact.

Non-compliance with the insurance requirements exposes SELP to liability for medical costs, legal claims, or repair expenses in the event of accidents, injuries, or property damage during events.

Inconsistent enforcement of the requirements may increase a reputational risk for the county such as being accused of favoritism.

The discrepancy between the Fee Resolution and the SLA causes confusion for the staff and the customers. This misalignment has led to inconsistent charges to event holders and delayed invoicing.

We recommend the following:

1. Conduct a thorough review of the Fee Resolution and SLA to identify and resolve any discrepancies.
2. Implement a standardized security deposit matrix that aligns with the Fee Resolution.
3. Provide comprehensive training to staff involved in event scheduling, invoicing processes, and managing the SLA requirements.
4. Require documented approval for any exceptions to the security deposit requirement, with written justification maintained in the corresponding event file.
5. Abide by and enforce the requirements stated in the SLA.
6. If available and cost beneficial, upgrade or configure the EventPro event management software to enable real-time tracking of fees, security deposits, and insurance compliance, ensuring timely follow-up and reducing manual oversight errors.

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**Management Response:**

1. The SELP Manager will provide training to SELP staff for all new/updated policies, Resolutions, etc. upon their approval by the department Director or Board. SELP staff will review policies and Fees Resolution annually to ensure a thorough understanding and to determine if the policies/Resolution are all still current or if they require additional revision.

The Fees Resolution will be reviewed annually by the SELP administrative team, in cooperation with senior leadership within the Parks & Recreation Department. In addition to this review process, the Fees Resolution will also be reviewed by the Parks & Recreation Advisory Council moving forward to add an additional layer of review before it is presented to the Board for approval.

The Fees Resolution and Fee Schedule will be enforced and all requests for exceptions will follow established policies, which will include obtaining signed approval from either the SELP Manager or department Director.

2. The Fee Resolution and fee schedule will be updated to more clearly define high-demand events and the process for security deposits for both non-profit and for-profit organizations. The standard practice is to waive security deposits for non-profit organizations. This practice will be incorporated within the revised Fee Resolution to ensure compliance, consistency, and formal authorization by the Board.
3. The department will implement mandatory annual staff training on Fee Resolutions and contract procedures, beginning Fiscal Year 2026. Attendance will be documented to demonstrate compliance.
4. Documentation for all security deposit exceptions or deposits being rolled over will be documented customers file in Event Pro.
5. The SELP Manager will provide training to SELP staff for all new/updated policies, Resolutions, etc. upon their approval by the department Director or Board. SELP staff will review policies and Fees Resolution annually to ensure a thorough understanding and to determine if the policies/Resolution are all still current or if they require additional revision.
6. Additional EventPro modules are being researched and purchased to streamline processes, create automated reminders, generate checklists, store documents, and manage booking requests. The SELP facility application has also been added to the County website with event hosting details

**Implementation Status:** Implementation in Progress.

**Implementation Target Date:** August 31, 2026

**OPPORTUNITIES FOR IMPROVEMENT**

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***Observation 3 – Aligning Exhibit "A" Fee Schedule with its respective Fee Resolution leads to more accurate and appropriate charges for NPOs.***

We found that SELP's Fee Resolution 25-R-36 *Exhibit "A" Fee Schedule* does not align with that resolution's Section 8 regarding how much to charge an NPO.

According to the Resolution:

- Section 8 states:
  - The NPO shall pay a \$300 set up fee for the Auditorium and 50% of the current rate for the arenas.
  - Fee waivers apply to weekday rentals only.
  - Rentals taking place during the weekend will pay the full rate.
- Exhibit "A" Fee Schedule table, the NPO is to be charged a flat \$300 regardless of the venue or day of the week.

Management stated that this was due to an oversight and were unaware of the inconsistency between Section 8 of the Fee Resolution and Exhibit "A" of the Fee Schedule regarding charges for NPOs using SELP facilities.

The inconsistency between SELP's Fee Resolution 25-R-36 Section 8 and Exhibit "A" Fee Schedule has resulted in incorrect invoicing practices for NPOs, mostly undercharging for events. The misalignment creates a risk of noncompliance with board-approved policies, potential financial loss, and fairness in fee administration.

We recommend that Management:

1. Conduct a full review of the current Fee Resolution and Fee Schedule to identify and correct inconsistencies.
2. Submit a formal request to the Board of County Commissioners to approve an updated Fee Resolution.
3. Implement an additional review layer for all future resolutions to prevent similar oversights and ensure consistency across documents.

**Management Response:**

1. The language regarding Non-Profit Organizations within the Fee Resolution and Fee Schedule will be revised to clearly align with standard operating procedures. The revised verbiage will specify that non-profits are exempt from paying a security deposit, except in cases where the event is classified as a high-demand event.
2. The revised Fees Resolution and Fee Schedule will be presented to the Board for

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approval during the second meeting of January 2026.

3. The Fees Resolution will be reviewed annually by the SELP administrative team, in cooperation with senior leadership within the Parks & Recreation Department. In addition to this review process, the Fees Resolution will also be reviewed by the Parks & Recreation Advisory Council moving forward to add an additional layer of review before it is presented to the Board for approval.

**Implementation Status:** Implementation in Progress.

**Implementation Target Date:** August 31, 2026

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**OPPORTUNITIES FOR IMPROVEMENT**

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***Observation 4 – Compliance with the fee resolution for NPOs may lead to increased revenue retention and improved policy consistency.***

According to Section 2 of Resolution Numbers 24-R-51 and 25-R-36, “[t]he Parks & Recreation Director, with approval from the County Administrator, may reduce fees and provide discounts toward the fees for use of the Southeastern Livestock Pavilion for the purpose of marketing and promotion. The reduction of fees for other purposes may be approved by the County Administrator or designee.”

We found that SELP was inconsistent in applying fees to non-profit organizations, inaccurately granting 57% of the time (4 out of 7) either full waivers or 50% discount, none of which has documented approval by the County Administrator, as required by Section 2 of the Fee Resolution. We calculated \$10,100 in lost revenue from the seven (7) samples alone due to non-compliance with the Fee Resolution.

For three (3) organizations that received full fee waivers for which there was no documented approval by the County Administrator, Management indicated that the SELP staff were unaware or did not understand the importance of the policies in place in addition to lack of oversight.

For one (1) entity that received a 50% discount during the weekend, SELP staff explained that this was approved by the County Commissioners; however, they could not provide any document or a meeting date to support the approval.

Inconsistent application of fee waivers and discounts to non-profit organizations, without documented approval from the County Administrator as required by the Fee Resolution, undermines the established financial controls and oversight, increases the risk of unauthorized fee reductions, and exposes SELP to revenue loss.

We recommend that Management:

1. Provide formal training to SELP staff on applicable policies and procedures, including the approval process for fee waivers, criteria for non-profit qualification, and how to determine appropriate fee rates based on event dates.
2. Establish a standardized documentation process for all fee waivers and discounts, enforcing written approval from the Park's Director and from the County Administrator before applying any reductions.
3. Implement a verification step to confirm that all fee adjustments are supported by appropriate documentation before finalizing event License Agreements.
4. Require SELP staff maintain records of all approvals of exceptions from the Fee Resolution, including those by County Commissioners, with corresponding dates and authorization details for audit and compliance purposes.

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**Management Response:**

1. The SELP Manager will provide training to SELP staff for all new/updated policies, Resolutions, etc. upon their approval by the department Director or Board. SELP staff will review policies and Fees Resolution annually to ensure a thorough understanding and to determine if the policies/Resolution are all still current or if they require additional revision.
2. Department staff will revise the Fees Resolution to more clearly define standard practices and ensure they are formally authorized.
3. All fee waiver and fee adjustment requests received by SELP staff must be reviewed and approved by the Director or his/her designee prior to finalizing any event License Agreement. Each request must include written justification outlining the reason for the waiver or adjustment, the amount or percentage being waived, and any supporting documentation. Once approval has been granted, these communications must be dated and stored in the customer's EventPro file to ensure a clear and traceable record. To promote consistency, transparency, and accountability, SELP staff are also required to complete a Fee Waiver and Adjustment Review Checklist for each request. The checklist will serve as verification that all required documentation has been submitted, that the request aligns with departmental policy and established fee schedule guidelines, that formal approval by the Director or designee was obtained before the License Agreement is finalized, and that all relevant records have been properly uploaded into EventPro. The completed checklist shall be retained electronically within the corresponding customer file and made available for review during internal audits or quality assurance evaluations.
4. The tracking of waived fees will include all requests, including those for official County use, requests from other municipal organizations, non-profits, private businesses, etc.

The SELP Manager will create and implement a tracking system in SharePoint to be utilized to track all events with fee waivers. SELP staff will be trained on the document. All supporting documentation for each event, including fee waivers will be stored in EventPro.

**Implementation Status:** Implementation in Progress.

**Implementation Target Date:** August 31, 2026

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**OPPORTUNITIES FOR IMPROVEMENT**

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***Observation 5 – Investing in more amenities and making the reservation system more convenient for the users may increase the return on investment and the value delivered to the community.***

According to the Fiscal Year 2025 Adopted Budget Book, one of SELP’s departmental goals is to exceed a 25% campground occupancy rate for the available 122 Recreational Vehicle campsites.

We found that SELP’s campsites occupancy rate for October 2024 through March 2025 stands at 0.95% for the total campsites, significantly below the 25% targeted rate.

The low campground occupancy rate results in low revenue which in turn affects SELP’s overall financial performance and its ability to self-sustain ongoing operational and maintenance costs. If the revenue was not sufficient to self-sustain, dependency on the General Fund for running the campsites would become inevitable.

We performed a return on investment<sup>1</sup> analysis of the newly built 66 Campsites which represented a 0.82% occupancy rate (first 6 months since the opening). With an assumption that fixed annual expenses would be 40% of the annual revenue, the analysis projected it could take over 300 years to recover the capital invested to build the sites (\$1 million via a State grant, \$1.9 million by the County). Contrarily, if SELP could meet the 25% occupancy rate, the recovery period could be less than 11 years. At a 50% occupancy rate, the recovery period may be as short as 5.4 years.

SELP staff listed the following contributing factors for not meeting the goal:

- lack of marketing
- lack of signage
- lack of online reservation system (currently, customers can make reservations during the business hours only when staff are available)
- lack of amenities
- no Wi-Fi
- no showers or restrooms

The cause for not implementing actions to mitigate the contributing factors is lack of funding, especially to build infrastructures.

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<sup>1</sup> The return on investment analysis:

- 1) assumed the nightly rate would not increase;
- 2) did not account for additional capital required for site improvements.

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We recommend that Management secure more funding to develop and implement an action plan to attract more customers by:

1. Advertising the campground campsites.
2. Adding adequate campsite signage.
3. Establishing an online reservation system.
4. Evaluating potential amenities.

These efforts will help increase the occupancy rates, improve revenue generation, and ensure more effective use of the County assets.

**Management Response:**

The Department will implement a phased improvement plan for the RV Campground to enhance the guest experience, increase occupancy, amenities and highlight SELP's location as the closest campground to downtown Ocala's events, restaurants, and amenities. In addition, safety and convenience will be addressed by installing a pedestrian access gate and enhanced security lighting. Updated campground rules, pricing, and cancellation policies will be published, and customer feedback will be collected through online surveys and reviewed quarterly to guide future improvements.

Staff will launch an updated online booking portal through EventPro with an interactive map for site selection, update the SELP website and marketing materials to emphasize proximity to downtown Ocala, and install improved signage throughout the campground. Updated campground rules, pricing, and cancellation policies will be published, and customer feedback will be collected through online surveys and reviewed quarterly to guide future improvements.

**Implementation Status:** Not Yet Implemented.

**Implementation Target Date:** November 30, 2027

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**OPPORTUNITIES FOR IMPROVEMENT**

**Observation 6 – Addressing invoicing discrepancies and tax miscalculations will lead to more reliable financial reporting, compliance with state tax codes, and stronger internal controls.**

The Administrative Code 12A-1.0161(6) requires transactions to be identified separately and clearly between taxable and non-taxable items when there are different tax treatments.

The collected taxes should be based on the following State of Florida tax rates:

**1. Mixed Transaction Rule Summary**

Topic	Summary
Taxable & Non-Taxable Mix	Charges must be separately identified and stated for taxable and non-taxable components.
Presumption of Taxability	If charges are not separated, the entire transaction is presumed taxable.
Burden of Proof	The seller or purchaser must provide documentary evidence (e.g., time sheets, receipts) to prove exempt portions.
Department Authority	The Florida Department of Revenue (FDOR) can adjust taxable/exempt portions if inaccurately stated, using substantial competent evidence.

**2. Campsite Rental – Applicable Tax Rates in Marion County**

Tax Type	Rate	Effective Date	Reference
TDT (Tourist Development Tax)	4.0%	November 1, 2015	FDOR DR-15TDT R.03/25
State Sales Tax	6.0%	Ongoing	2021 Fla. Stat. § 212.03(1)(a)
Local Option Surtax	1.5%	January 1, 2025	FDOR TIP (Tax Information Publication) No: 24A-01-18 (1% before 1/1/2025)
<b>Total (2025 forward)</b>	<b>11.5%</b>	January 1, 2025	Combined: 6% + 4% + 1.5%

**3. Auditorium/Arena Rental – Applicable Tax Rates in Marion County**

Tax Type	Rate	Effective Date	Reference
State Sales Tax Rate	5.5%	Before Dec 1, 2023	2020 Revision: Fla. Stat. § 212.031
State Sales Tax Rate (Amended)	4.5%	December 1, 2023	FDOR TIP No: 23A01-20
State Sales Tax Rate (Amended)	2.0%	June 1, 2024	FDOR TIP No: 24A01-02
Local Option Surtax	1.5%	January 1, 2025	FDOR TIP No: 24A01-18 (1% before 1/1/2025)
<b>Total (2025 forward)</b>	<b>3.5%</b>	January 1, 2025	Combined: 2.0% + 1.5%

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We found that:

1. SELP's invoices contained errors that remained unfixed in EventPro but were corrected on the transmittals, which created disagreement between the two documents.
2. Invoice structures were not compliant with the Florida Administrative Code which requires identifications of taxable transactions from non-taxable one.
3. SELP inaccurately calculated the TDT and Sales Tax reported on the transmittals to Finance. For the sample we reviewed, it resulted in undercharged \$56.80 for TDT and \$36.10 for sales tax for rented campsite sales. Additionally, SELP overcharged \$225 in sales taxes on a usage fee for an event holder.

Inaccurate invoices, incorrect tax calculations, and non-compliance with the state tax rules have led to both undercharges and overcharges. These errors create discrepancies between invoices and transmittals, delay revenue recognition, and place an added burden on Finance to correct reporting. They also reflect weak controls, insufficient staff training, and lack of communication between SELP and Finance Department.

Best practices stipulate to strengthen internal control:

- Correct invoice errors promptly and clearly document each correction.
- Maintain a detailed audit trail showing all identified errors and the actions taken.
- Cross-reference each corrected transmittal with the original invoice to ensure consistency and traceability.

Management explained the following:

1. They were unaware that the taxable and non-taxable sales needed to be separated, and they had not confirmed whether EventPro supports this functionality.
2. For the inaccurately calculated TDT and Sales Taxes, the tax rates were incorrect because Finance did not communicate bed taxes being mandated until after the fact, and SELP staff was unaware of this tax. Additionally, the prior SELP manager entered bed tax incorrectly into the transmittals causing some of these issues.
3. They often remain unaware of changes in tax rates because Finance does not consistently provide updates. This ongoing lack of communication between SELP and Finance contributes to recurring discrepancies in tax reporting.

Finance Department, however, provided the documentation to show that they had informed the County management of the tax rate changes timely.

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We recommend that:

1. SELP staff be trained on proper tax rates, classification and reporting, including separating taxable and non-taxable sales.
2. SELP staff confirm that EventPro has the capability to segregate sales types and configure the system as needed.
3. Management revise internal procedures to ensure accurate entry of tax rates on transmittals, including a secondary review process to identify errors before submission.
4. Finance implement a communication protocol to notify tax changes in a timely and documented manner.

**Management Response:**

1. SELP staff completed tax calculation training in September of 2025. This training was provided by the Florida Department of Revenue and facilitated in cooperation with the County's Finance department. Additionally, SELP will be implementing newly developed standard operating procedures (still currently in development) by the County's Finance department. Quarterly reconciliations will be performed with the Finance department to ensure adherence to these policies.
2. SELP Staff confirmed with EventPro support staff that the software does have the capability to segregate sales types and configure the system, as needed.
3. Department staff are prioritizing corrective measures to address discrepancies, tax miscalculations, financial reporting, and internal controls. Communication with the Finance Department has been increased to reduce errors and to strengthen understanding of County financial policies. Staff are also working with Finance to evaluate invoicing and tax procedures to identify and correct errors related to tax calculations, deposit collections, and reporting. Newly purchased EventPro modules will further improve financial tracking and recordkeeping.

**Implementation Status:** Implementation in Progress.

**Implementation Target Date:** August 31, 2026

**Finance Response:**

Finance will create a written Standard Operating Procedure (SOP) that addresses appropriate tax documentation, calculating tax rates, and options for receiving tax related communication. Finance will continue to email Tax Information Publications (TIP) to County Administration. In addition, the TIPs will be emailed to the affected departments as well.

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Finance recommends that all staff members responsible for tax collections register to receive email updates directly from the Florida Department of Revenue (FDOR) at <https://floridarevenue.com/Pages/subscribe.aspx>.

The Finance Director has initiated a request to FDOR to conduct a training session for staff in the month of September 2025 to address the following topics as it relates to county park operations: sales tax, local surcharge tax, bed tax (tourist development tax), commercial rental tax, appropriate documentation to support tax collections, tax exempt organizations, and TIP notifications.

**Implementation Status:** Implementation in Progress.

**Target Implementation Date:** October 31, 2025

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**OPPORTUNITIES FOR IMPROVEMENT**

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***Observation 7 – Establishing proper tax exemption documentation will help ensure the appropriate approval thereby strengthening compliance and reducing the organization’s exposure to financial risks such as penalties, fines, and retroactive tax liabilities.***

We found that SELP did not attach proper documentation to each transmittal for the sales tax exemptions claimed for non-profit organizations:

1. Four (4) out of four (4) transmittals, or 100%, examined for the validity of the sales tax exemptions taken did not have an invoice or a sales tax exempt certificate attached.
2. The transmittals indicated that the payments made were classified as a non-taxable item with the description of "audio visual"; however, the SELP receipts attached to the transmittals specified that the payments represented venue rentals.
3. Two (2) out of four (4) sales tax exemptions taken, or 50%, were invalid due to:
  - i. One event holder was a profit organization per the State of Florida's Division of Corporations and presented a tax exempt card applicable only for agricultural materials and supplies.
    - The Florida Farm Tax Exempt Agricultural Materials (TEAM) Card is for farmers to claim exemptions for certain agricultural materials but does not expand or create agricultural exemptions beyond those provided in Section 212.08 of the Florida Statutes.
  - ii. For another event holder, the sales tax exempt certificate expired, on 08/31/2024, before the event date of 09/07/2024. SELP staff did not request a valid exempt certificate.

In addition, the Finance Department did not require SELP to submit invoices or sales tax exempt certificates along with the respective transmittals. Instead, the Finance Department delegated the responsibility of retaining and verifying these documents to SELP.

Best practices stipulate to strengthen internal control:

- Management directs to document all transactions in a manner that allows the documentation to be readily available for examination.
- Management creates operating manuals.
- Documentation and records are properly managed and maintained.

The Association of the Florida Court Clerks & Comptrollers recommends that the Clerk formally adopt financial policies as the Clerk’s Office has an inherent responsibility to

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provide guidance to the County.

SELP staff provided the following explanations:

1. Finance requires to submit the transmittal only and nothing else.
2. They have used the same template for several years and that Finance never informed them of any misclassification. Furthermore, SELP staff did not fully understand the process for identifying and collecting the proper documentation required to approve tax exemptions.

The Finance Department does not have a policy on what documents are required from each department and delegated the responsibility of retaining and verifying these documents to SELP.

Not obtaining valid tax exemption documentation may lead to SELP being liable for uncollected taxes as the State of Florida's Department of Revenue may deem the transactions taxable without proper documentation.

We recommend that the Finance Department create a policy which provides guidance to each department for consistency and sufficiency of documentation requirements.

We recommend that Management establish a manual and a checklist for the SELP staff to ensure that they obtain valid documentation and follow the consistent process.

**UPDATE:** SELP staff updated the transmittal template by removing the "Audio Visual" line item. Additionally, SELP recovered the unpaid sales tax by deducting the amount from the event holder's security deposit.

**Management Response:**

To address identified risks, department staff will ensure non-profit paperwork is dated during the event, verify SunBiz registration for tax-exempt status, and provide staff training to identify deficiencies in documentation. Deficiencies will be escalated to the Livestock Pavilion Manager.

Copies of all exemption documentation will be retained in customer files for a minimum of 5 years in accordance with County record retention policies. Staff will also attend FDOR training on September 30, 2025.

**Implementation Status:** Implementation in Progress.

**Implementation Target Date:** August 31, 2026

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**Finance Response:**

Finance will create a written SOP that addresses the appropriate documentation to be attached to each transmittal, including, but not limited to, dual verification signatures on the transmittal coversheet, invoices for each event, tax exempt certificates, rental agreements, Z reports from point-of-sale systems, and settlement reports, if applicable.

Once created, Finance staff will meet with SELP staff to review the SOP.

**Implementation Status:** Implementation in Progress.

**Target Implementation Date:** October 31, 2025

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**OPPORTUNITIES FOR IMPROVEMENT**

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***Observation 8 – Enhancing transmittal review and documentation may lead to stronger internal controls and reduced financial risk.***

Administrative Policy 17-03 Section 3(D) stipulates that “[T]he department director or departmental designee will review transmittal to Finance for accuracy”. Additionally, according to best practices in cash handling and internal controls, all transmittals should include complete supporting documentation, such as invoices, and be subject to supervisory review to ensure accuracy, accountability, and to reduce the risk of mistakes or mishandling of cash.

We found that SELP staff did not consistently attach the corresponding invoices to the transmittals submitted to Finance and that none of the transmittals included evidence of supervisory review.

SELP Management stated that they did not:

1. attach invoices to the transmittal because Finance requires only the transmittal.
2. sign the "reviewed by" line on the transmittal because they were informed that it was unnecessary.

Finance did not require them because there are no policies regarding documentation requirements for each County Department.

The absence of supporting invoices and supervisory review on transmittals reduces transparency and weakens internal controls over cash handling. Without adequate documentation and oversight, errors or irregularities may go undetected, increasing the risk of misreporting, misappropriation, or noncompliance with established best practices. Additionally, conflicting guidance between Finance and SELP creates confusion and contributes to inconsistent practices.

We recommend that:

1. Finance create a policy to ensure consistent practices among the County departments and provide guidance to meet the best practices for handling of cash.
2. SELP staff consistently attach supporting invoices to all transmittals submitted to Finance, regardless of current minimum requirements to ensure proper documentation and audit readiness.
3. SELP implement a formal supervisory review process for all transmittals, including a signed review line, to reinforce accountability and reduce the risk of errors.

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**Management Response:**

We are taking immediate action to enhance transmittal review and documentation. Interim controls include requiring secondary review of all transmittals by the Livestock Pavilion Manager until SOPs are finalized.

We will formalize procedures through a new SELP Policies and Procedures Manual, strengthen recordkeeping, and provide staff training. Finance is developing SOPs which SELP staff will adopt to reinforce internal processes.

**Implementation Status:** Implementation in Progress.

**Implementation Target Date:** August 31, 2026

**Finance Response:**

Finance will create a written SOP that addresses the appropriate documentation to be attached to each transmittal. Finance staff will review each transmittal to ensure that the newly created SOP is being followed and communicate with SELP staff, as needed, to resolve any noted discrepancies.

**Implementation Status:** Implementation in Progress.

**Target Implementation Date:** October 31, 2025

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**OPPORTUNITIES FOR IMPROVEMENT**

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***Observation 9 – Enhancing documentation practices and consistently enforcing cancellation terms in the Campground License Agreement will lead to stronger policy compliance and more consistent and appropriate refund decisions.***

According to Marion County’s Southeastern Livestock Pavilion Campground Standard Facility License Agreement, paragraph 12, “TENANT may immediately cancel the RENTAL and terminate this Agreement no later than two (2) days prior to the date the RENTAL is scheduled to begin, upon receiving written approval from the Facilities Manager...” Furthermore, this Agreement stipulates that “[i]f TENANT cancels the RENTAL without written approval from the Facilities Manager within two (2) calendar days prior to the scheduled date of the RENTAL, any and all fees shall be retained by the COUNTY as liquidated damages.”

We found that during a six-month sample period of October 2024 through March 2025, five (5) event hosts submitted applications for a refund. We observed that one (1) out of five (5) applicants, or 20%, did not submit his/her request within the two (2) days’ timeframe required by the Campsite Disclaimer.

SELP staff stated that an employee made the decision to allow the cancellation without penalty due to the renter’s horse being injured and therefore unable to participate in the event. The decision also took into account that the renter was a repeat customer. This decision was made during a phone conversation and was not formally documented.

The verbal decision to waive cancellation penalties without obtaining written approval or maintaining proper documentation has resulted in SELP’s inability to demonstrate consistent compliance with the Campground License Agreement. This lack of formal approval and record-keeping increases the risk of inconsistent enforcement of cancellation policies, compromises accountability, and may lead to financial losses or disputes.

We recommend that SELP Management:

1. Implement a process to document and retain the submission dates for refund requests, ensuring compliance with the required two-day timeframe and promoting a consistent application of the policy.
2. Ensure that the Facilities Manager provides written approval for any waived penalties or exceptions as required by the License Agreement.

**Management Response:**

Department staff will improve compliance in handling campground cancellations through increased training and clear enforcement procedures. Refund and cancellation terms will be reviewed and updated across contracts, Fee Resolution, and website messaging.

All cancellation requests must be submitted in writing or email and retained in the customer’s file. Additionally, refund and cancellation requests will be logged in EventPro

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and reviewed monthly by SELP management to ensure compliance.

**Implementation Status:** Implementation in Progress.

**Implementation Target Date:** August 31, 2026

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**REPORT DISTRIBUTION LIST**

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