

BCC Meeting
Audit Report 2011-3
Freedom Memorial



May 28, 2013
Dwight E. Brock

Introduction

- **The Freedom Memorial monument is a project established by the Board of County Commissioners (BCC) to pay tribute to those who died in the September 11, 2001 terrorist attacks.**
- **This audit does not address the merit of the project. The audit focused on management oversight and controls.**
- **The project involved many well-meaning citizens, but the project has not received the guidance or the project oversight from County management, that was required for proper control.**

Background

- On May 25, 2004, the Board of County Commissioners (BCC) proclaimed September and every September thereafter to be Freedom Month.
- On June 8, 2004, the BCC created the Freedom Memorial Task Force to coordinate activities that will promote awareness of the project and work toward the completion of the ultimate goal.
 - The Communication and Customer Relations Department and the Parks and Recreation Department were to coordinate the activities.
- The Freedom Memorial has been partially constructed and fundraising events are still active.

Freedom Memorial Project Details for FY 2005 – May 9, 2013

Estimated Project Cost	\$2,000,000.00
Total Collected Donations	\$367,082.89
Tourist Development Tax	140,700.00
Interest Earnings	10,208.30
Taxpayer Funds	<u>143,128.37</u>
Total Revenue	\$661,119.66
Total Approximate Expenditures	\$522,319.54

Freedom Memorial Design



Freedom Memorial as of December 5, 2012



Audit Objectives

1. Determine whether the funding for Freedom Memorial was eligible for Category C-2 grant awards
2. Determine whether the use of Tourist Development Tax funds were in compliance with applicable regulations
3. Determine whether the solicitation and collection of donations were/are properly controlled and in compliance with applicable regulations



Summary of Findings

- In FY 2009 & 2010 Tourist Development Tax funds were improperly awarded by the BCC to the Freedom Memorial Task Force as a 501(c)3 non-profit, non-County owned and operated Museum.
 - The Freedom Memorial Task Force is not a registered non-profit organization with the State of Florida or the IRS.
 - The Freedom Memorial project is a County owned and operated project.
 - \$140,700 of Tourist Development Tax category C-2 funds were used for the Freedom Memorial.
- Tourist Development Tax Ordinance Violation for category of funding.
 - C-2 Funding used rather than C-1.
- Violation of TDC category C-2 guidelines.
 - Construction costs are ineligible.

FL Statute 125.0104(5)(a)1

To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public.

Collier County Ordinance

C-1: County owned or operated Museums.

C-2: Municipal owned museums and museums owned and operated by not for profit organizations open to the public.

Continued...

- Cash collected on behalf of the County's Freedom Memorial project has been commingled with personal funds.
- Deposits do not reconcile with Activity Reports.
 - Receipts were not consistently issued.
 - 13 of 33 deposits (39%) had exceptions.

Continued...

- Solicitation and collection of donations for the Freedom Memorial project lacks County oversight to ensure all funds collected are deposited into Fund 620.
- Sales tax on merchandise sales has not been properly collected or reported to Finance or the Florida Department of Revenue.
- Inventory has not been tracked and lacks supporting documentation.

County Management Responses

“Management will work with the County Attorney for resolution and implement any necessary controls as a result of final resolution.”

Freedom Memorial Task Force Responses

“The Freedom Memorial Task Force will follow the Clerk of Courts and County Attorney’s recommendations and establish controls so the project can be successfully completed.”

Conclusion

- Proper controls should be in place to ensure donations for the Freedom Memorial monument are tracked and deposited to the Freedom Memorial fund to ensure the project receives all intended resources to continue the construction and completion of the project.
- The County is not properly overseeing the Freedom Memorial project.
- The County does not have control, tracking, or monitoring mechanisms in place for donation collections, merchandise sales, or inventory for the Freedom Memorial project.
- County funds should **only** be collected by County. Private funds may be collected by private entities and donated to the County.

Corrective Action

- Make Fund 193 Museum (C-2)
“whole” \$140,700.00

Thank you



Executive Summary June 8, 2004 Item 16D1

Activities to be undertaken between now and September include:

- Artistic conceptual submissions will be solicited for design of a permanent memorial recognizing freedom in the vicinity of the W. Harmon Turner Building (Administration Building F). These will be requested from the community and reviewed by a selection panel (membership to be determined). A design will be presented to the BCC at a future date.
- Speaker groups comprised of volunteers will address schools, civic organizations, etc., on the topic of freedom.
- A fund-raising committee will be formed to raise monies for the permanent Freedom Memorial.
- A poster contest for elementary school students on the theme "What Freedom Means to Me" will be conducted.
- An essay contest for middle, high school students and the general public on the theme "What Freedom Means to Me" will be conducted.
- An edition of *County Highlights* television show about Freedom Month for broadcast on Channel 11/16.
- Television public service announcements (PSAs) will be produced by County staff and aired on the County's Channel 11/16.
- An Adopt-A-Military-Unit-In-Iraq program will be created through Collier County community will send letters and items to make life a little easier for military personnel.

Agenda Item No. 16D1
June 8, 2004
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The Communication and Customer Relations Department and the Parks and Recreation Department will coordinate the above activities cooperatively.