



Special Request Report – Review of Topsy Turtle's Concession Agreement and Financial Records

Special Request

Why We Did This Memo

This request came from the City Manager's Office. Our goal was to determine if Topsy Turtle fulfilled the compensation obligation under the Concession Agreement at Beach Pocket Park #2.

What We did

To complete this special request, we:

- Interviewed the owner and bookkeeper of Topsy Turtle and two City Department heads that work with the organization.
- Reviewed Topsy Turtle's financial records and identified how the organization accounts for income received from customers.
- Reviewed Profit and Loss Reports, Bank Statements, Credit Card Statements, Forms 1099K, and Sales Tax returns for accuracy.

What We Found

We found inconsistencies with the amount of gross sales reported to the City in 2018 to the sales deposited to the bank. The City Auditor's Office determined that an additional amount of sixteen thousand five hundred ninety-seven dollars and seventy-eight cents \$16,597.78 was due to the City of Galveston.

Background

The City of Galveston entered into a concessionaire agreement with Topsy Turtle on June 11, 2018 to provide food, beverage, alcohol sales, beach equipment rentals, and watersport rental concessions at Beach Pocket Park #2.





City of Galveston

City Auditor's Office

Special Request Report

November 2019

SR-CITY2020-1

Special Request Report – Review of Topsy Turtle's Concession Agreement and Financial Records

The agreement calls for compensation to the City at a rate of thirty four thousand dollars \$34,000 or ten percent (10%) of the total gross sales after taxes, whichever is higher, per annum for the length of the agreement. The initial term of the agreement is for a period of three (3) years. The City, at its sole option, may exercise two (2) additional one (1) year options, to be served consecutively after the end of the initial term. The entire term of this agreement shall not last more than five (5) years.

Scope

The scope of this review was for gross sales received from June 11, 2018 through June 10, 2019, regardless of sales tax collected from customers.

End Results

The Topsy Turtle was in agreement with the City Auditor's results. A check was brought to the City for sixteen thousand five hundred ninety-seven dollars and seventy-eight cents \$16,597.78 on November 14, 2019.





City of Galveston

City Auditor's Office

Special Request Report

November 2019

SR-CITY2020-1

