

Sec. 138-23. - Audit.

(a) The permittee of each private club in the city, which has been in operation for at least six months prior to a December 31st calendar year, shall select and engage a certified public accountant ~~firm~~ to conduct an annual audit of the operations of such private club during such period. For purposes of this Article, "audit" shall mean a professional report and analysis of the permittee's gross receipts and sales; however it shall not mean a financial audit or audited financials as such are required under Generally Accepted Accounting Principles (GAAP) or Generally Accepted Auditing Standards (GAAS). The year upon which such audit shall be conducted shall begin January 1 and end December 31. The purpose of this audit shall be to determine whether or not the permittee has complied with the gross receipt requirements of section 138-22(a). The audit shall clearly reflect:

(1)

The total gross receipts of the permittee for the audit year from all operations on the premises for which the special use permit for a private club is issued;

(2)

The percentage of such gross receipts derived from the sale of food; and

(3)

The percentage of such gross receipts derived from the sale of alcoholic beverages.

(b) The audit shall indicate whether or not further inquiry should be made by the city into the permittee's operations to determine whether all other requirements for the operation of a private club were satisfied during the audit year.

(c) The audit shall be completed and a copy furnished to the city council through the city manager's office not later than April 1 of the year following the audit year. The audit shall be performed and a copy furnished to the city manager at the sole expense of the permittee.

(d) If not received by April 1, the city council shall have the right to select and engage a qualified accountant~~certified public accounting firm~~ to perform the audit described herein. The permittee shall reimburse the city for all expenses incurred in obtaining this audit.