



Audit of Dallas Love Field Airport Parking Revenue

February 6, 2026

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Executive Summary

The Department of Aviation (Aviation) oversees operations at Dallas Love Field Airport, including the management of parking revenue. Responsibilities include monitoring compliance with parking management contracts and ensuring accurate revenue collection and reporting.

Airport parking generated the following revenues.

- Fiscal Year 2023 - \$41,486,825
- Fiscal Year 2024 - \$44,491,683

Aviation contracted with Parking Concepts, Inc. and Parking Systems of America to manage parking operations at Dallas Love Field under agreements executed on October 24, 2018.

The objectives of this audit were to determine if (1) parking revenue management procedures are being followed by Aviation, (2) parking revenues are collected in accordance with the contract terms, (3) controls are in place to ensure that parking revenues received are accurate, and (4) parking related revenues are safeguarded.

The scope of the audit included parking revenues at Dallas Love Field Airport from October 1, 2022, through September 30, 2024.

Objectives and Conclusions

1. Are parking revenue management procedures being followed by the Department of Aviation?

No. The Department of Aviation procedures for monitoring parking contracts are out of date and cannot be followed (see [Observation B](#)). The Department of Aviation does not have procedures for reconciling parking revenue (see [Observation A](#)).

2. Are parking revenues collected in accordance with the contract terms?

Generally, no. Aviation reimbursed a contractor for expenses that should have been at no cost to the City. Additionally, Aviation did not ensure contractors provided required length-of-stay rate information, which is essential for effective parking revenue management (see [Observation B](#)).

3. Are controls in place to ensure that parking revenues received are accurate?

Generally, no. While contractors conduct internal reviews and Aviation reconciles cash payments with bank statements, there are no controls in place to verify the accuracy of credit card revenues processed through the Parking Access and Revenue Controls Systems¹ and the North Texas Tollway Authority² (see [Observation A](#)).

4. Are parking related revenues safeguarded?

Cash

Yes. Aviation has implemented several measures to safeguard cash collections.

Credit Card

Generally, No. There are weaknesses in safeguarding credit card revenue. Aviation does not reconcile credit card revenue to bank statements (see [Observation A](#) and see [Observation C - redacted confidential information](#).)

North Texas Tollway Authority

Generally, No. There are weaknesses in safeguarding North Texas Tollway Authority revenue. While the contractor reconciles the North Texas Tollway Authority transactions to revenue they receive, Aviation does not reconcile the contractor-reported revenue to bank statements (see [Observation A](#)).

Recommendations

Management should:

- Develop and implement formal procedures for parking revenue contract management and reconciliation.
- Require contractors to provide length-of-stay rate information to support accurate revenue calculations.
- Ensure that additional costs are reviewed against contract terms prior to reimbursement.

¹ Parking Access and Revenue Control System manages access, payment, and revenue collection for airport parking facilities. At Dallas Love Field, SKIDATA equipment is used for the parking garage, while TEZ Technology supports valet operations.

² The North Texas Tollway Authority provides Clearinghouse Services, which include collecting airport parking charges from TollTag account holders. These charges are billed to the users' credit cards linked to their North Texas Tollway Authority accounts.

Risk Summary

Risk classification is based on criteria outlined in the *Standards for Internal Control In the Federal Government*—Compliance, Operational, Financial, and citizen focused criteria of Public Image. The program is evaluated against these criteria, and the resulting risk classification reflects the program's alignment with departmental goals as well as its overall significance to the community.

Classification	Recommendations	Management's Response
● High	5	4 agree, 1 accept risk
● Moderate		
● Low		

Audit Results

Both City Council Resolution 88-3428 and Administrative Directive 4-09, Internal Control prescribes policy for the City to establish and maintain an internal control system. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A: Revenue Reconciliation

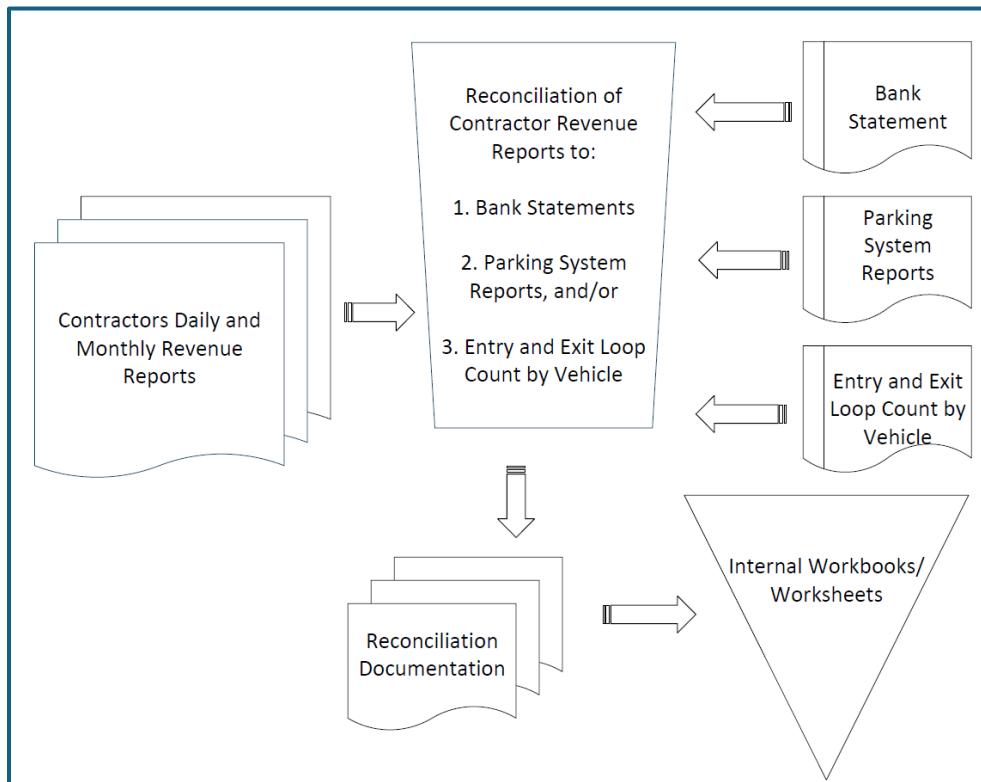
Risk Rating: ● High

The Department of Aviation has insufficient controls to ensure parking revenue is complete and accurate, mostly because there are no formal, documented procedures for revenue reconciliation. Because parking operations involve multiple third parties and several payment channels, Aviation cannot confirm that the revenue reported by its contractors is both correct and fully received by the City. Without this assurance, the City cannot hold third parties accountable or project future revenues.

When third parties are used in revenue collection on the City's behalf, reconciliation is the primary mechanism for verifying completeness and accuracy of reported revenue. Strengthening these controls, particularly by establishing a formal reconciliation process supported by accurate and centralized data, would allow Aviation to determine whether all parking revenue collected on behalf of the City has been received and properly recorded.

A proper reconciliation process involves comparing contractor-reported revenue data with independent sources such as bank statements, system-generated transaction logs (e.g. entry/exit counts), and financial system records. Discrepancies should be investigated and resolved, and documentation of the reconciliation should be maintained to ensure accountability and audit readiness.³ See **Exhibit 1**.

³ American Institute of Certified Public Accountants (AICPA), *Audit and Accounting Guide: Not-for-Profit Entities* defines reconciliation as the process of comparing and aligning account balances to ensure accuracy and completeness.

Exhibit 1: Expected Reconciliation Process for Aviation Parking Revenue

Source: Auditor prepared based on industry standards and walkthroughs.

To understand Aviation's current practices, we analyzed the internal reconciliation process for one day—April 15, 2025⁴, for all three payment types. Aviation was able to demonstrate that cash revenue (1.52 percent) was properly reconciled with supporting documentation. However, Aviation could not provide evidence showing that it had reconciled most of its revenue, including:

- Credit card transactions (52.5 percent) processed through the Parking Access and Revenue Control System, handheld terminals, and merchant banks. See **Exhibit 2**.
- North Texas Tollway Authority transactions (45.96 percent). See **Exhibit 2**.

Instead, Aviation primarily relies on bank statements and North Texas Tollway Authority revenue reports when recording revenue, without comparing these sources to contractor reported totals. This gap leaves the City without assurance that the amounts reported by the contractor are complete, accurate, or supported.

⁴ Audit procedures included testing of one day of cash reconciliation activity. The results of this testing identified a control design deficiency. Management was consulted regarding whether to expand testing, and management elected not to pursue additional audit procedures.

Exhibit 2: April 15, 2025, Daily Credit Card Revenue

Customer Payment Type	Contractor Reported Revenues	City Recorded Revenues	Difference	Percentage Difference
Credit Card Revenue - Parking Garage	\$52,102	\$51,088	\$1,014	1.98
North Texas Tollway Authority TollTag Revenue Parking Garage	36,372	59,177	(22,805)	(38.54)
Credit Card Revenue - Love Connection Remote Lot	30	160	(130)	(81.25)

Source: CGI Advantage System and the Contractor Revenue Reports.

Some underlying issues further complicate Aviation's ability to confirm parking revenue completeness and accuracy are:

- **Fragmented data:** Revenue reported by the contractor is entered into multiple internal worksheets, with incomplete or inaccurate entries. This makes reconciliation difficult and reduces transparency.
- **Offline transactions:** Payments processed through handheld devices occur outside of the Parking Access and Revenue Control System. These “offline transactions” are included in the contractor’s totals but cannot be easily validated or reconciled to ensure that all amounts were collected and recorded correctly.

Additionally, Aviation does not reconcile daily entry and exit loop counts by vehicle, which would help verify totals reported by the contractor match actual parking activity.

Criteria

- ◆ American Institute of Certified Public Accountants (AICPA), *Audit and Accounting Guide: Not-for-Profit Entities*.
- ◆ *Standards for Internal Control in the Federal Government*: Principle 12—Implement Control Activities, Principle 16—Perform Monitoring Activities.

Recommendation

We recommend the Director of Aviation:

- A.1:** Develop and implement revenue reconciliation procedures to confirm that reported revenue from third parties is complete and accurate.
- A.2:** Reconcile report entries to include entry and exit loop count data to validate reported revenue and ensure alignment with vehicle volume and length of stay.

Management Response

No	Concurrence	Action Plan	Implementation/ Follow-Up Date
A.1	Agree	Aviation has met with third parties to develop and implement enhanced reconciliation procedures. The procedures will be implemented and tested over the upcoming quarter to confirm their effectiveness and ensure ongoing continuity within the revenue reconciliation process.	March 31, 2026 / September 30, 2026
A.2	Agree	Aviation is actively working with the existing vendors to obtain a standardized report to include entry and exit loop-count data. This information will be used to validate reported revenue and ensure alignment with vehicle volume and length of stay.	March 31, 2026 / September 30, 2026

Observation B: Third Party Monitoring

Risk Rating: ● High

Third-party monitoring to ensure compliance with contract terms for Parking Concepts Inc. and Parking Systems of America was not performed consistently. In several cases, Aviation allowed deviations from contract requirements without maintaining documentation to support decisions or following the City's formal approval process for incurring additional expenses. As a result, Aviation:

- Incurred expenses that were not part of the contract terms.
- Failed to obtain required information necessary to support revenue verification.
- Could not explain variances between contractor-reported and City-recorded revenue.

Unallowable Reimbursements

In Fiscal Years 2023 and 2024, Aviation reimbursed Parking Concepts Inc. for costs that the contract explicitly assigned to the contractor:

- \$41,493 for a valet parking management system (TEZ Technology), even though the contract requires contractors to bear costs for systems other than ZipPark. The contractor indicated that Aviation management verbally approved the reimbursement, and Aviation was unable to provide documentation to refute this claim.
- \$7,976 for broken gate arm repairs, despite the contract specifying that such repairs were the contractor's responsibility.

Additionally, Aviation could not provide reimbursement data for Parking Systems of America; therefore, no review of that contractor's reimbursements could be performed.

Unauthorized System Upgrade

Aviation also paid \$46,614 for an upgrade to the Parking Access and Revenue Control System at the contractor's request to improve operations. This expenditure was not included in the contract and was approved informally via email, bypassing the City's required Administrative Action approval process.

Incomplete Reporting

Contractors are required to submit detailed daily and monthly operating reports, including:

- Adjusted gross revenue.
- Revenue broken down by payment type.
- Deposit slips and cashier reports.
- Entry and exit loop counts, including transaction volumes by rate and type.
- Length-of-stay rate information.

However, reports submitted during Fiscal Years 2023 and 2024 did not include length-of-stay rate information, which is essential for validating revenue accuracy and supporting strategic pricing and capacity management.

A likely cause for ineffective third-party monitoring is the absence of updated revenue reconciliation procedures that reflect current contract requirements, internal workflows, and reimbursement expectations. The existing procedures are based on a prior contract, which expired in 2017 and used a different revenue model. Under the old agreement, the contractor remitted a percentage of revenue to the City. The current contract compensates contractors through fixed management fees, regardless of the revenue collected. Aviation has not updated its procedures to align with this new operational model, contributing to inconsistent monitoring and unsupported decisions.

Criteria

- ◆ Parking Concepts Inc. Contract VS0000046449 executed on October 24, 2018.
- ◆ Parking Systems of America Contract VS0000023416 executed on October 24, 2018.
- ◆ Towne Park, *Parking as a Source of Revenue for Hotels: Strategies for Success*.
- ◆ Administrative Directive 4-05, Contracting Standards and Procedures, Section 5.3.11—Contract Monitoring.
- ◆ *Standards for Internal Control in the Federal Government*, Principle 10—Design Control Activities, Principle 12 — Implement Control Activities.

Recommendations

We recommend the Director of Aviation:

B.1: Develop and implement procedures that support:

- Formal contract monitoring plan to ensure contractor compliance with updated revenue model.
- Reviewing and approving contractor reimbursement requests, including documentation.
- Reimbursements and allowable cost criteria.
- Reporting requirements.

B.2: Establish a process to regularly review and revise procedures in response to contract changes or operational updates.

Management Response

No	Concurrence	Action Plan	Implementation/ Follow-Up Date
B.1	Agree	<p>Aviation has recently hired an Aviation Operations Administrator responsible for overseeing contract compliance. This position will conduct regular performance reviews and ensure consistency by developing comprehensive contract monitoring procedures.</p> <p>Additionally, Aviation will update the revenue model, allowable cost criteria, and reporting requirements in the upcoming solicitation for a new parking management services contract scheduled for 2026.</p>	June 30, 2026 / December 31, 2026
B.2	Agree	Aviation will conduct an annual internal review to ensure processes are accurately described in response to contract modifications or operational changes.	December 31, 2026 / March 31, 2027

Observation C: Redacted Confidential Information

Observation C is to remain confidential and is protected from disclosure in accordance with the Texas Public Information Act, Texas Government Code 552.139, Confidential Government Information Related to Security or Infrastructure Issues for Computers.

Background

Dallas Love Field Airport parking operations are managed by third-party contractors under a management fee model, through which the City pays a fixed monthly fee.

On October 24, 2018, the City entered a five-year contract with Parking Concepts, Inc. and Parking Systems of America to provide garage and valet parking services, and employee lot management, respectively. Although the contract included starter transportation services, this component was excluded from the audit, which focused solely on parking revenue. On September 27, 2023, the City Council approved a two-year contract extension through November 30, 2025.

Under the terms of the contracts, the contractors are responsible for:

- Collecting daily and/or monthly parking fees as directed by the City.
- Depositing collected amounts daily.
- Safeguarding all collected funds.

Dallas Love Field currently offers four public parking options—Garages A, B, C, and Valet—with approximately 12,021 spaces. An additional 1,800 employee parking spaces are available at the Love Connection Remote Lot (6814 Harry Hines Boulevard). All facilities operate 24/7.

Parking Operations Revenue

Parking revenue totaled \$41,486,825 in Fiscal Year 2023 and \$44,491,683 in Fiscal Year 2024 representing 16.68 percent and 15.92 percent of total Department of Aviation revenue, respectively. The primary source of revenue is parking garages, and the primary payment type is credit cards. See **Exhibits 3 and 4**.

Exhibit 3 – Estimated Revenue Collection by Payment Type for Fiscal Year 2025

Payment Type	Fiscal Year 2025	Percentage
Cash/Check	\$711,247	1.5
Credit Card	24,319,526	52.5
TollTag	21,291,908	46.0
Total Parking Revenue	\$46,322,681	100

Source: Estimated based on April 2025 Contractor Revenue Reports.

Exhibit 4 – Net Parking Revenue Fiscal Years 2023 and 2024

Revenue Source	Fiscal Year 2023	Fiscal Year 2024
Parking Garage	\$ 37,376,628	\$39,488,791
Valet	3,282,891	3,943,414
Love Connection	827,306	1,059,478
Total Parking Revenue	41,486,825	44,491,683
<i>Parking Contract Expense</i>	(3,226,212)	(3,713,808)
Net Parking Revenue	\$38,260,614	\$40,777,875
Total Aviation Revenue	\$229,385,544	\$256,171,343
<i>Parking Revenue as a Percentage of overall Aviation Revenue</i>	16.68%	15.92%

Source: CGI Advantage System, Parking Concepts, Inc. and Parking Systems of America Contracts.

Parking Revenue Systems

SKIDATA

Parking Concepts, Inc. uses the SKIDATA Parking Access Revenue Control System to manage parking revenue and data at garages. The City owns the contract with the system. Parking Concepts, Inc. operates all system components, including license plate recognition and exit control features, and is required to report daily transactions.

SKIDATA garage readers capture North Texas Tollway Authority TollTag user data. SKIDATA processes entry/exit data, calculates charges, and transmits the information to North Texas Tollway Authority.

Parking Systems of America utilizes SKIDATA and issues proximity cards to employees with monthly parking access at the Love Connection Remote Lot.

TEZ Technology Valet Devices

Parking Concepts, Inc. owns and operates TEZ Technology valet devices to collect revenue data for valet services. The system is contactless and ticketless, using text messaging to streamline operations.

Clover System

Parking Systems of America, Inc. uses the Clover System to collect parking revenue and maintain revenue data for the Love Connection Remote Lot. The City owns the Clover System and grants

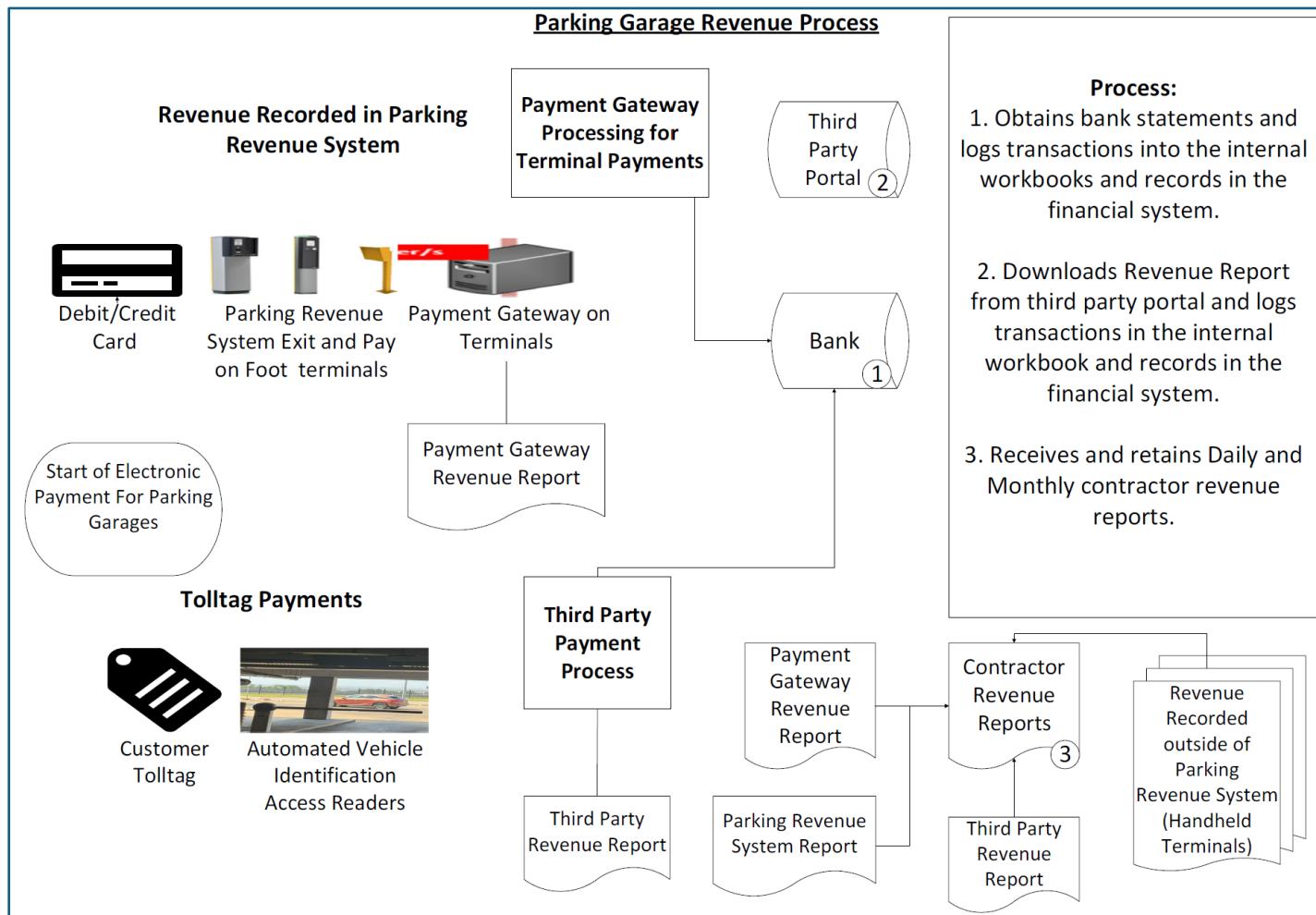
Parking Systems of America, Inc. access to charge monthly fees to employee parkers. A proximity card is issued to each parker for lot entry and exit.

Data Flowchart

See **Exhibits 5,6,7** (next page(s))

Exhibit 5: Parking Garage Revenue Process

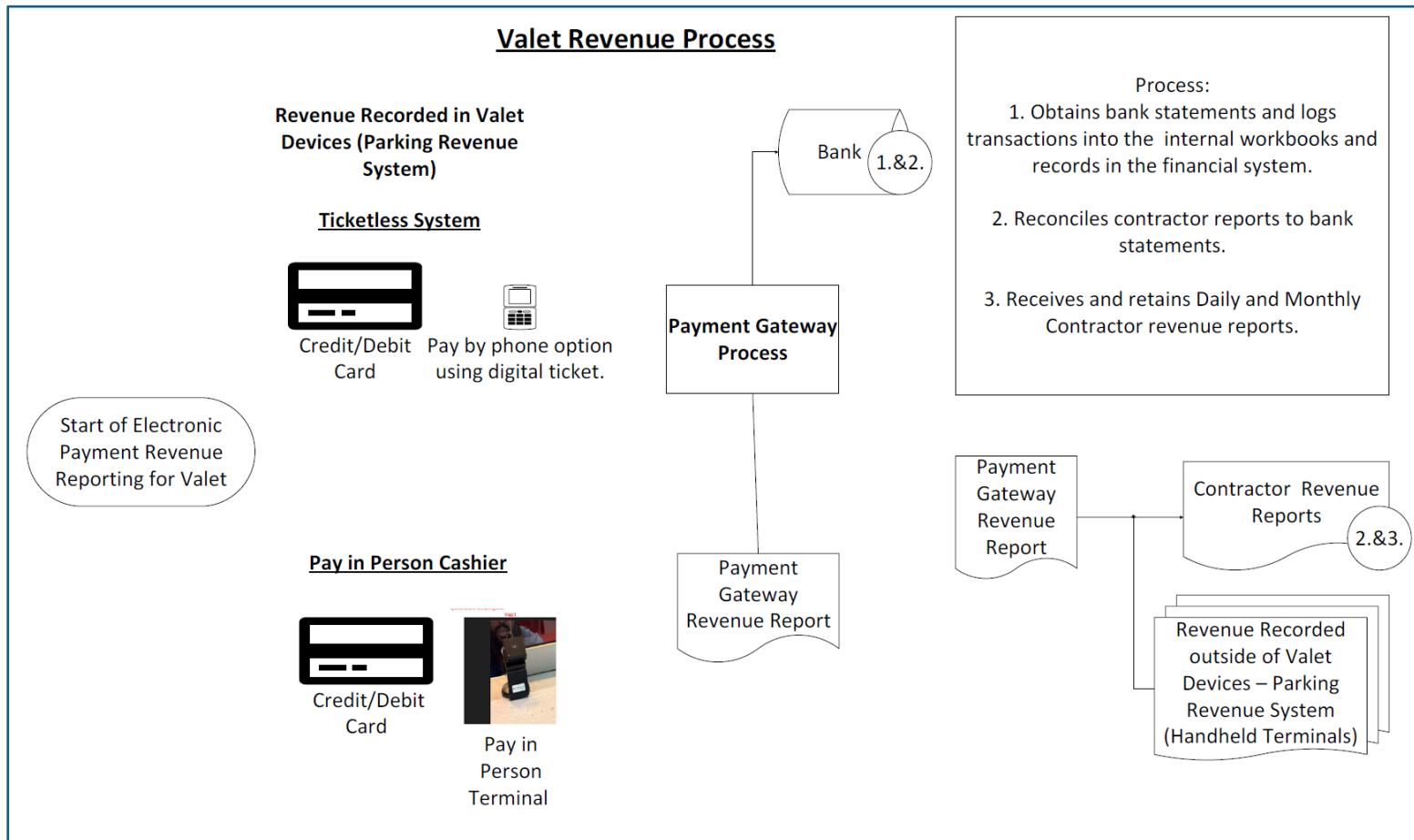
For garage parking, the primary payment methods include credit/debit card transactions processed through the Parking Access Revenue Control System and TollTag payments processed by the North Texas Tollway Authority. Additional offline payments are collected outside of these systems, including credit/debit card transactions processed via handheld terminals.



Source: Office of the City Auditor using information gathered for the audit.

Exhibit 6: Valet Revenue Process

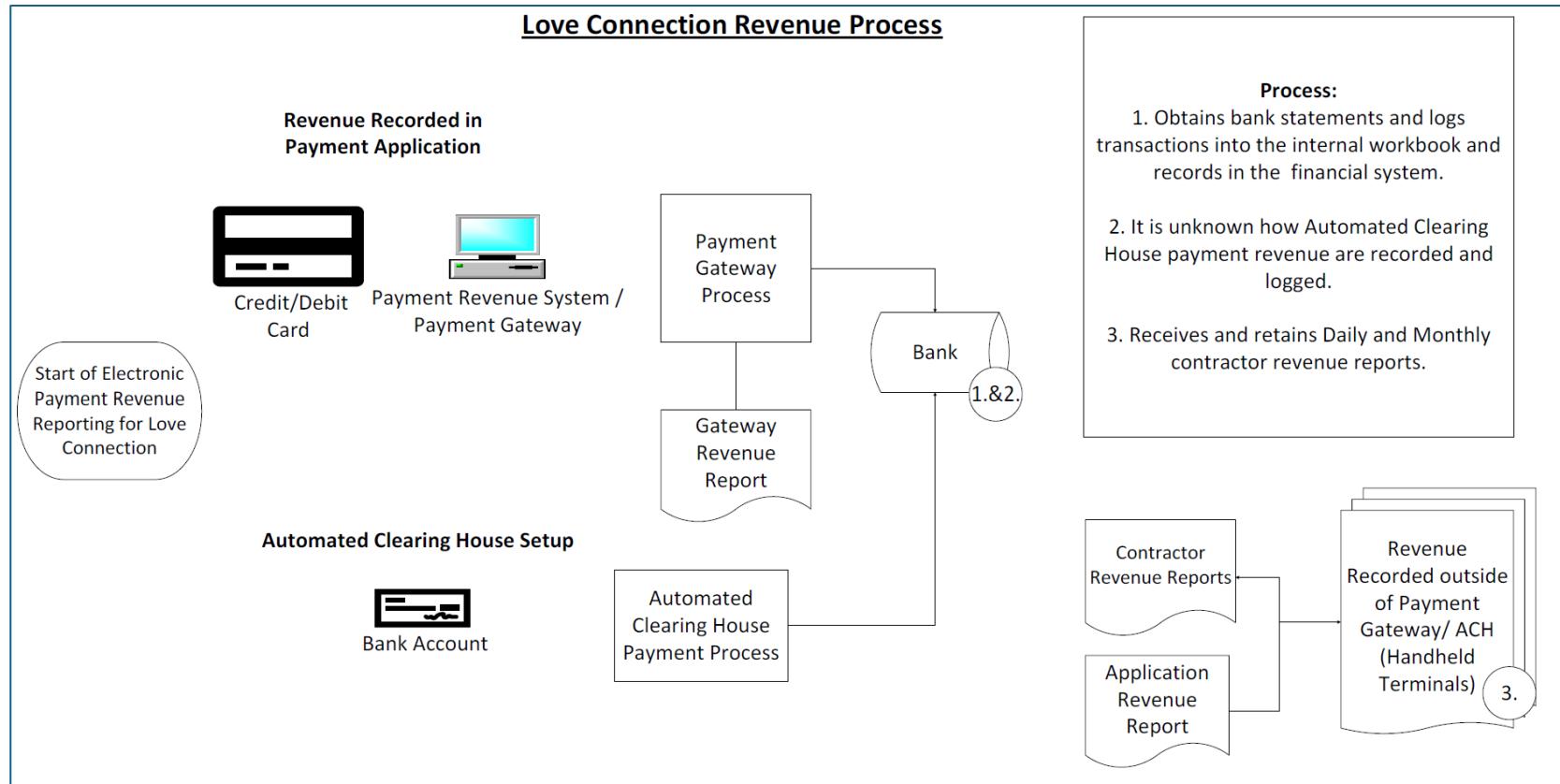
Valet parking revenue is primarily collected through credit/debit card payments processed via parking system that is a ticketless system, as well as in-person payments using valet technology devices. Additional offline payments, not processed through valet devices, are also accepted via handheld terminals.



Source: Office of the City Auditor using information gathered for the audit.

Exhibit 7: Love Connection Revenue Process

Love Connection parking revenue is primarily collected through credit/debit card payments processed through the gateway system and Automated Clearing House (ACH). Additional offline payments are also accepted via handheld terminals.



Source: Office of the City Auditor using information gathered for the audit.

Methodology

The audit methodology included: (1) interviewing personnel from Aviation; (2) reviewing procedures, applicable Administrative Directives, and best practices; and (3) performing various analyses, including reconciling reported revenue and considering risk of fraud, waste, and abuse. In addition, all five components of Standards for Internal Control in the Federal Government were considered.

Government Auditing Standards Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Report Classification

Final Report—For Public Use

A portion of this report was deemed confidential and distributed internally in accordance with Texas Local Government Code.

CONFIDENTIAL: In accordance with the Texas Public Information Act, Texas Government Code § 552.139, Confidential Government Information Related to Security or Infrastructure Issues for Computers, the information related to Payment Card Industry Data Security Standards is to remain confidential and is redacted from the public report.

This report is a product of the Office of the City Auditor and is issued in accordance with the Texas Public Information Act, Texas Government Code, Chapter 552.

Major Contributors

Shino Knowles, CPA —Engagement Manager

Kenneth Elliott, CPA —In-Charge Auditor

Appendix A – Acknowledgement Letter

See next page(s)

Memorandum



CITY OF DALLAS

DATE: February 3, 2026

TO: Mark S. Swann – City Auditor

SUBJECT: Response to Audit of Dallas Love Field Airport Parking Revenue

This letter acknowledges the City Manager's Office received the *Audit of Dallas Love Field Airport Parking Revenue* and submitted responses to the recommendations in consultation with the Department of Aviation.

We appreciate the auditor's work in reviewing the Department of Aviation's processes related to managing parking revenue. While the Department of Aviation acknowledges the audit's findings, we respectfully do not concur with certain aspects of the methodology used and believe it may have affected the conclusions reached, particularly regarding the risk classification.

Since the audit scope period has concluded, the Department of Aviation has begun working to implement the agreed recommendations as outlined in greater detail in the accompanying management response.

Specifically, the Department of Aviation agrees to:

- Establish enhanced, formal written procedures for the reconciliation of revenue collected from third-party vendors;
- Obtain more comprehensive reporting that includes entry and exit loop-count data to validate reported revenue;
- Develop comprehensive contract monitoring procedures; and
- Implement a process for conducting an annual internal review of procedures to ensure they accurately reflect any contractual modifications or operational changes.

The Department of Aviation will accept the risk associated with Observation C and will continue to take steps to mitigate the potential risks in alignment with City procedures; however, it is unable to commit to a specific date by which those risks will be fully mitigated.

Please let me know if you need additional information.

Service First, Now!

Kimberly Bazor Tolbert
City Manager

C: Jack Ireland, Chief Financial Officer
Dev Rastogi, Assistant City Manager
Patrick Carreno, Director, Department of Aviation