

Agreed Upon Procedures

Terrebonne Parish Recreation District No. 11

Houma, Louisiana

For the years ended December 31, 2015, 2016, 2017

Independent Accountant's Report on Applying Agreed-Upon Procedures

Mr. Gordon Dove
Parish President
Terrebonne Parish Consolidated Government
P.O. Box 2768
Houma, Louisiana 70361

Re: Terrebonne Parish Recreation District 11

Dear Mr. Dove:

We have performed the procedures enumerated below, which were agreed to by the Terrebonne Parish Consolidated Government (the Parish), Terrebonne Parish Recreation District No. 11 (the District) and the Louisiana Legislative Auditor (the specified parties), on the concession stand operations and depreciable assets of the District, as of and for the years ended December 31, 2015, 2016, and 2017. The management of the District is responsible for their concession stand operations and depreciable assets. The sufficiency of these procedures is solely the responsibility of the Parish and the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. Obtain, read and review the District's policies concerning concession stand operations, purchases, receiving of concession products, payment for concession products, sales of concession products and cash deposits of sales.

Management provided us with a document titled "Concession Stands Practices/Procedures" that lists responsibilities of the location Managers and of an administrative individual. The responsibilities include handling funds of the concession stands, obtaining supplies, and handling paperwork for concession operations.

2. Obtain the District's General Ledgers as of and for the years ended December 31, 2015, 2016 and 2017.

Management provided us with the General Ledger transactions for the Concession Sales and Beer Sales accounts only for year 2015 and with the general ledger transactions for all accounts for the years 2016. Due to a change in accountants, the 2017 General Ledger we were provided did not contain details of all transactions but appeared to have year-to-date totals entered at the time of change.

3. Obtain detailed priced out inventory of concession product quantities on hand by location as of December 31, 2014, 2015, 2016 and 2017.

Management did not provide any inventories of concession product quantities on hand by location for any of the years under review.

4. Obtain a complete and accurate listing of concession product quantities and dollar value of purchases by location during the years ended December 31, 2015, 2016 and 2017.

Management provided copies of vendor invoices for concession stand purchases for the Adult Softball Complex in 2015, for the Adult Softball Complex and the Tony Cavallo Complex in 2016, and for the Adult Softball Complex, the Tony Cavallo Complex, and the West Houma outside concession stand for 2017. Concession and beer invoices in 2015 totaled \$19,238. Concession and beer invoices in 2016 totaled \$18,274. Concession and beer invoices in 2017 totaled \$13,319. See **Exhibit B**.

5. Using the inventories by product line and location as of December 31, 2015, 2016 and 2017, determine the quantities and dollar value of concessions sold by location during the years then ended.

Management did not provide any inventories of concession product lines by location for any of the years under review.

6. Using the quantities of concession products sold during the years ended December 31, 2015, 2016 and 2017, determine the dollar value of sales during each year.

Management provided daily reports of concession sales by location and summaries of concession sales by location for the years 2015, 2016, and 2017.

In 2015, concession sales from the Adult Softball Complex daily reports totaled \$37,831. The summary report showed sales of \$35,132.

In 2016, concession sales from the Adult Softball Complex daily reports were \$26,148, and concession sales from the Tony Cavallo Complex daily reports were \$4,010, for a total of \$30,158. The summary report for the Adult Softball Complex showed sales of \$26,956

and the summary report for the Tony Cavallo Complex showed sales of \$3,008, for a total of \$29,963.

In 2017, concession sales from the Adult Softball Complex daily reports were \$13,668, concession sales from the Tony Cavallo Complex daily reports were \$4,657, and concession sales from the West Houma outside concession stand daily reports were \$3,905, for a total of \$22,230. The summary report for the Adult Softball Complex showed sales of \$13,668, the summary report for the Tony Cavallo Complex showed sales of \$4,423, and the summary report for the West Houma outside concession stand showed sales of \$4,139, for a total of \$22,230.

7. Obtain and examine the purchase orders/requisitions, receiving reports, delivery tickets, vendor invoices and check copies to support the concession product purchases recorded in the general ledger for each period.

Management did not provide purchase orders, receiving reports, or delivery tickets for concession purchases at any of the locations for any of the years requested.

For the year 2015, the General Ledger provided by Management did not include the Concession Supplies account. Management provided copies of vendor invoices for the Adult Softball Complex concessions. Copies of Regions Bank statements were provided for the Maintenance and Operations checking account *****3602, including copies of checks issued.

For 2016, the General Ledger provided by Management included the Concession Supplies and Beer Purchases accounts. The Concession Supplies account did not identify purchases by location. The Beer Purchases account included purchases for the Adult Softball Complex. Concession purchases in 2016 totaled \$11,927, and beer purchases in 2016 totaled \$5,361. Management provided copies of vendor invoices for the Adult Softball Complex and the Tony Cavallo Complex concessions. Copies of Regions Bank and Coastal Commerce Bank statements were provided for the Maintenance and Operations checking accounts *****3602 (Regions) and ***4947 (Coastal Commerce), including copies of checks issued.

For 2017, the General Ledger provided by Management included the Concession Supplies and Beer Purchases accounts. The Concession Supplies account did not identify purchases by location. The Beer Purchases account included purchases for the Adult Softball Complex. Concession purchases in 2017 totaled \$12,347, and beer purchases in 2017 totaled \$2,372. Management provided copies of vendor invoices for the Adult Softball Complex and the Tony Cavallo Complex concessions. Copies of Regions Bank and Coastal Commerce Bank statements were provided for the Maintenance and Operations checking accounts *****3602 (Regions) and ***4947 (Coastal Commerce), including copies of checks issued.

8. Compare the dollar value of purchases recognized in the General Ledger to the listing obtained in step #4, above.

General Ledger purchase information was not provided for the years 2015. In 2016 and 2017, General Ledger purchases for concessions and beer totaled \$18,295 and \$14,719, respectively. Our calculation of purchases based on vendor invoices in 2016 and 2017 totaled \$18,274 and \$13,419, respectively. The differences between the General Ledger total and our calculation is \$21 and \$1,300, respectively. We determined management did not provide us with \$1,300 of invoices which were in the 2017 General Ledger.

9. Obtain cash deposit and sales documentation supporting the revenues recognized in the General Ledger.

Management provided us with General Ledger revenues from concession and beer sales for years 2015, 2016 and 2017.

General Ledger revenues in 2015 totaled \$37,831. Cash deposits in 2015 were \$26,734 and credit card sales in 2015 totaled \$11,097, totaling \$37,831. General Ledger revenues in 2016 totaled \$30,157. Cash deposits in 2016 were \$17,372 for the Adult Softball Complex and \$3,873 for the Tony Cavallo Complex. Credit card sales were \$8,782 for the Adult Softball Complex and \$137 for the Tony Cavallo Complex. The 2016 General Ledger revenue accounts are \$7 short of cash deposits and credit card sales. The General Ledger revenue accounts in 2017 totaled \$23,167. Cash deposits in 2017 were \$18,100 and credit card sales in 2017 totaled \$4,130 for a total of \$22,230 or \$937 less than reported revenues in the General Ledger.

10. Compare the dollar values of revenues recorded in the General Ledger to the dollar value of sales determined in step #6, above.

Adult Softball Complex concession and beer sales recorded in the General Ledger in 2015 were \$37,839. Concession sales reported in Item #6 above were \$37,831, a difference of \$8.

Adult Softball Complex and Tony Cavallo Complex concession sales were combined in the General Ledger in 2016. Concession and beer sales recorded in the General Ledger in 2016 were \$30,157. The combined total of concession sales for both locations as reported in Item #6 above is \$30,157, no differences reported..

Adult Softball Complex and Tony Cavallo Complex concession sales were combined in the General Ledger in 2017. Concession and beer sales recorded in the General Ledger in 2017 were \$23,167. The combined total of concession sales for both locations as reported in Item #6 above is \$22,230, a \$937 difference reported. As explained in **Exhibit C**, the 2017 General Ledger provided did not contain all transaction details and therefore a reconciliation was not performed.

11. Identify all individuals responsible for (1) opening and closing the concession stands, (2) handling cash before, during, and after concession stand operations, and (3) making cash bank deposits.

According to the Concession Stands Practices/Procedures provided by management, the manager of the location is responsible for receiving the start-up funds at the start of the season and for depositing money at the bank for each day's sales on the day after the sales were made. The Concession Stands Practices/Procedures document does not specify who opens, operates, or closes the concession stands, nor does it specify who deposits the start-up funds at the end of the season into the District's checking account.

12. Obtain the periodic (weekly, bi-weekly, or monthly) schedule of concession operations by location, including employee names and days/hours of operations.

Management did not provide a schedule of operations by location, nor did it provide the names of employees operating the concession stands. We were provided with each location's Daily Sheets from operations. The Daily Sheets did not include the hours of operation.

13. Obtain inventory shrinkage reports for all locations for the years 2015, 2016 and 2017.

No inventory shrinkage reports were provided by Management for any of the locations.

14. Obtain documentation of physical safeguards in place to secure inventory when the concession stands are closed, and the names of all employees with authorized access.

Management did not provide documentation of physical safeguards in place for the concession stand locations, nor did it provide the names of employees with authorized access.

15. Select specific capital assets of the recreation district and perform a visual inspection of those assets.

We obtained the District's capital asset report as of December 31, 2017, and nineteen specific assets were selected for inspection. Visual inspection was performed on Wednesday, August 22, 2018. Of the assets selected for visual inspection, sixteen were on hand and inspected. Three assets were not inspected because one asset, a copier, had been disposed, a John Deere Tractor was in the repair shop and an ice maker purchased in 2013 for approximately \$1,900 was not identified. See **Exhibit D**.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the forensic investigation of concession stand operations and depreciable assets. Accordingly, we do

not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Terrebonne Parish Consolidated Government and Terrebonne Parish Recreation District No. 11 and is not intended to be and should not be used by anyone other than those specified parties.

Bourgeois Bennett, LLC
Metairie, Louisiana
August 27, 2018,

Exhibit A

Terrebonne Parish Recreation District No. 11
Concession Revenues, Costs, and Profits
For the Years Ended December 31, 2015 through 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Totals</u>
Concession Revenues	\$ 37,831	\$ 30,158	\$ 22,230	\$ 90,219
Costs of Revenues				
Alcohol	8,818	7,723	3,272	19,813
Coca Cola	5,057	4,081	4,043	13,181
Fanguy Bros.	1,052	1,796	896	3,744
Sam's Club	3,789	3,743	4,425	11,957
Walmart	522	931	66	1,519
Others	-	-	617	617
	<u>19,238</u>	<u>18,274</u>	<u>13,319</u>	<u>50,831</u>
Concession Profit	<u>\$ 18,593</u>	<u>\$ 11,884</u>	<u>\$ 8,911</u>	<u>\$ 39,388</u>

Exhibit A-1

**Terrebonne Parish Recreation District No. 11
Concession Revenues, Costs, and Profits by Location
For the Years Ended December 31, 2015 through 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Totals</u>
Adult Softball Complex				
Concession Revenues	\$ 37,831	\$ 26,148	\$ 13,668	\$ 77,647
Costs of Revenues	<u>19,238</u>	<u>15,164</u>	<u>6,796</u>	<u>41,198</u>
Concession Profit	<u>\$ 18,593</u>	<u>\$ 10,984</u>	<u>\$ 6,872</u>	<u>\$ 36,449</u>
Tony Cavallo				
Concession Revenues	\$ -	\$ 4,010	\$ 4,657	\$ 8,667
Costs of Revenues	<u>-</u>	<u>3,110</u>	<u>3,384</u>	<u>6,494</u>
Concession Profit	<u>\$ -</u>	<u>\$ 900</u>	<u>\$ 1,273</u>	<u>\$ 2,173</u>
West Houma				
Concession Revenues	\$ -	\$ -	\$ 3,905	\$ 3,905
Costs of Revenues	<u>-</u>	<u>-</u>	<u>3,139</u>	<u>3,139</u>
Concession Profit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766</u>	<u>\$ 766</u>
All Locations				
Concession Profit	<u>\$ 18,593</u>	<u>\$ 11,884</u>	<u>\$ 8,911</u>	<u>\$ 39,388</u>

Exhibit B

Terrebonne Parish Recreation District No. 11
Summary of Vendor Invoices for Concessions
For the Years Ended December 31, 2015 through 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Totals</u>
Adult Softball Complex				
Alcohol	\$ 8,818	\$ 7,723	\$ 3,272	\$ 19,813
Coca Cola	5,057	2,611	1,418	9,086
Fanguy Brothers	1,052	1,424	228	2,704
Sam's Club	3,789	3,000	1,792	8,581
WalMart	522	406	86	1,014
	<u>\$ 19,238</u>	<u>\$ 15,164</u>	<u>\$ 6,796</u>	<u>\$ 41,198</u>
Tony Cavallo				
Coca Cola	\$ -	\$ 1,470	\$ 1,349	\$ 2,819
Fanguy Brothers	-	372	296	668
Sam's Club	-	742	1,498	2,240
WalMart	-	526	241	767
	<u>\$ -</u>	<u>\$ 3,110</u>	<u>\$ 3,384</u>	<u>\$ 6,494</u>
West Houma				
Coca Cola	\$ -	\$ -	\$ 1,276	\$ 1,276
Fanguy Brothers	-	-	372	372
Sam's Club	-	-	1,135	1,135
WalMart	-	-	356	356
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,139</u>	<u>\$ 3,139</u>
All Locations				
Costs of Revenues	<u>\$ 19,238</u>	<u>\$ 18,274</u>	<u>\$ 13,319</u>	<u>\$ 50,831</u>

Exhibit C

Terrebonne Parish Recreation District No. 11 Comparison of General Ledger Revenues to Register Revenues For the Years Ended December 31, 2015, 2016 and 2017

2015		2016	
General Ledger Revenues		General Ledger Revenues	
January-March	\$ 3,748	January-March	\$ -
April-June	\$ 14,213	April-June	15,641
July-September	\$ 11,345	July-September	8,073
October-December	\$ 8,534	October-December	6,443
Totals	\$ 37,839	Totals	30,157
Less Register total, Adult Softball Complex	\$ (37,831)	Less Register totals, Adult Softball Complex and Tony Cavallo Complex:	(30,157)
Difference	\$ 8	Difference	-

The 2017 General Ledger was split between a predecessor accountant and a successor. The successor accountant prepared the 2017 General Ledger using trail balance totals at the time of the split. Therefore certain detail 2017 were not available.

Exhibit D

Terrebonne Parish Consolidated Government Recreation District 11 Asset Inspection Date: Wednesday, August 22, 2018

	Acquisition date	Description	Cost	Did you see it?	Serial number or unique marking	Name of the Gym	Description of location	Condition
1	11/10/1997	Utility Trailer - Unit T1	1,255.00	Yes	IC9UT1621VL347165	Don Diamond Field	Between fields	Rusted
2	9/12/2002	Utility Trailer 6.5' Wide x 16' Long	1,580.00	Yes	1Z9UB162828C061023	East Houma	Next to tennis court	Rusted
3	4/28/2008	John Deere Lawn Tractor	3,719.20	Yes	1LV3005GKAG410043	Don Diamond Field	Between fields	Good
4	10/27/2008	Image Runner C2550 Copier and Cabinet	6,928.67	No	-	-	-	Disposed of the week of 8/13/18. Need paper work
5	3/11/2010	John Deere Unit # 16 *	5,505.00	Yes	7C0757B066831	East Houma	Shed next to tennis courts	Worn
6	3/11/2010	John Deere Unit #99	5,424.25	No	-	-	-	Karl said it was in the shop
7	6/10/2010	Playcover Sun Shade - ASC	12,146.02	Yes	n/a	ASC	Hanging over play set	Good
8	7/8/2010	Robotic Pool Cleaner	4,829.00	Yes	310I8FTX35916	East Houma	Shed next to pool	Good
9	3/14/2013	Gravely Proturn 260 29 EFI Kohler Lawn Mower Unit #17	7,799.25	Yes	21003	TC	Shed between fields	Good
10	8/8/2013	Gravely Pro Turn 60 with 24 HP Unit #18	5,799.20	Yes	21546	ASC	Shed	Good
11	11/14/2013	Trailer for Front End Loader - Unit T4	3,600.00	Yes	129ES22203LO63091	Don Diamond Field	Between fields	A little bit worn
12	12/14/2017	Kubota 4x4 diesel tractor w/loader & 60" drive over deck	15,825.60	Yes	11551	WH	Shed on side of WH	New
13	5/31/2005	Manitowiak Ice Machine (E. Hma Field)	2,275.00	Yes	1120263592	TC	Shed by field	Worn
14	5/27/2005	Lifeguard chairs for Dumas pool	1,518.57	Yes	n/a	Dumas Pool	Next to pool	A little bit worn
15	2/9/2012	Self contained ice machine - ASC	1,588.68	Yes	310310361	ASC	Concession stand	Good
16	8/8/2013	Mim 250 Naxx Ice maker at E. Houma Shed	1,899.05	No	-	-	-	Not in the location indicated by management at time of observation.
17	6/8/2016	Three Lifeguard Chairs	4,589.00	Yes	n/a	East Houma Pool	Next to pool	Good
18	12/12/2013	1998 Dodge Ram 1500 - U 695	2,179.75	Yes	License plate - 146633	Mechanicville Rec. Center	Parking Lot	Worn
19	5/5/2017	2017 Dodge Durango	23,508.94	Yes	License plate - 255220	WH	Parking Lot	New

* Unit inspected was labeled Unit # 12. Manager indicated that Unit # 12 was the only one like it in their possession.

Legend:

ASC = Adult Softball Complex

TC = Tony Cavallo Complex

WH = West Houma Gym

Mr. Gordon Dove
Parish President
Terrebonne Parish Consolidated Government
P. O. Box 2768
Houma, LA 70361

Dear Mr. Dove

In performing our agreed upon procedures engagement for the Terrebonne Parish Consolidated Government, Terrebonne Parish Recreation District No. 11 (the District) and the Louisiana Legislative Auditor as of and for the years ended December 31, 2015, 2016 and 2017 in accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we considered the District's internal control over concession sales, concession product purchasing and capital assets (internal control) for the purpose of performing the agreed upon procedures but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the District's internal control. However, during our agreed upon procedures engagement we became aware of opportunities for strengthening internal controls and improving operating efficiencies.

The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This communication is intended solely for the information and use of management, the Board of Directors of the District and the Terrebonne Parish Consolidated Government and is not intended to be and should not be used by anyone other than those specified parties. However, this report is distributed by the Louisiana Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accounts

Metairie, LA
September 12, 2018

Concession Stand Activities

In the performance of the concession stand procedures, we did not receive original data for products remaining at the end of the day. As a result, the District cannot determine the amount of inventory shrinkage or amounts of inventory disposed of by means other than sales.

We recommend that the Board include in its concession stand operating policies and procedures the counting of quantities for products on hand at the end of the day. Close out summaries for products sold should allow for reconciliation to inventory on hand at the end of day. In addition, we recommend the strengthening of over-night inventory safe guards and security.

Capital Assets

In completing the agreed upon procedures related to capital assets we obtained Terrebonne Parish Recreation District No. 11's capital assets listing. The listing is broken down into 6 categories: 1) buildings, 2) equipment, 3) furniture and fixtures 4) improvements, 5) land and 6) vehicles. The procedures addressed the movable assets, equipment, furniture and fixtures and vehicles. As noted in our report we were unable to identify an ice maker on the listing. In addition, the asset listing does not contain locations or tracking tag numbers for assets.

To overcome these deficiencies in the capital asset listing, we suggest additional data respective of each asset be entered on the listing such as enhanced descriptions of the assets including model and serial numbers where possible. The asset listing should also contain the tag number and location of each asset. We also recommend capital asset policies and procedures include an annual physical inspection of all capital assets and a reconciliation to the asset listing.