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CAMERON PARISH RECREATION
DISTRICT NO. 7

FINANCIAL STATEMENTS

DECEMBER 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date ~~SEP 17 1996~~

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W. Michael Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Cameron Parish Recreation District No. 7
Cameron, Louisiana:

I have audited the accompanying general-purpose financial statements of the Cameron Parish Recreation District No. 7 as of and for the year then ended as listed in the table of contents. These general-purpose financial statements are the responsibility of the Cameron Parish Recreation District No. 7. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cameron Parish Recreation District No. 7 as of and for the year ended December 31, 1995, and the results of its operations and changes in financial position for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Cameron Parish Recreation District No. 7. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Elliott & Assoc. "APAC"
Leesville, Louisiana
June 28, 1996

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REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON
AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Cameron Parish Recreation District No. 7
Cameron, Louisiana:

I have audited the general-purpose financial statements of the Cameron Parish Recreation District No. 7, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 28, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

In planning and performing my audit of the general-purpose financial statements of the Cameron Parish Recreation District No. 7 for the year ended December 31, 1995, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general-purpose financial statements and not to provide assurance on the internal control structure.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Accounting Controls

- Cash receipts
- Accounts payable
- Cash disbursements
- Property, plant and equipment

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Recreation District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

The reportable condition is as follows:

Finding The District did not acquire and retain invoices or other supporting documentation for all expenditures in 1995. Proper supporting documentation for expenditures is required to provide a proper audit trail and to insure compliance with legally required budgetary practices. Additionally, it provides documentation that management of the District is adequately and responsibly discharging its obligation of accountability for and stewardship toward public resources.

Impact The impact upon the financial statements cannot be determined.

Management Response The District will begin immediately maintaining a monthly file of all paid invoices.

Finding Our cash receipts testwork revealed that during the summer months an imprest beginning cash balance was not utilized at the pool or baseball complex; therefore, an accurate reconciliation of cash sales and disbursements could not be performed for any particular day.

Impact The impact upon the financial statements cannot be determined.

Management
Response

Effective immediately, an imprest balance will be utilized at the beginning of each business day to better facilitate accurate income and expense reporting from pool and concessions.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following reportable condition that I believe to be a material weakness.

The District does not have an adequate overall internal control structure design which includes a proper segregation of duties, procedures for safeguarding assets, procedures for appropriately assessing and applying accounting principles, and procedures for identifying applicable laws and regulations regarding the District's operation. An inadequate internal control structure results in an unacceptably high level of risk that errors or irregularities in amounts that would be material to the financial statements being audited may occur and not be detected. The failure to have a properly designed internal control system is a result of an absence of a sufficient level of control consciousness within the District's management.

This report is intended for the information of the Cameron Parish Recreation District No. 7's management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Elliott & Assoc. "APAC"
Leesville, Louisiana
June 28, 1996

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W. Micheal Elliott, CPA

REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS
REQUIRED BY THE GAO'S GOVERNMENT AUDITING STANDARDS

Cameron Parish Recreation District No. 7
Cameron, Louisiana:

I have audited the general-purpose financial statements of the Cameron Parish Recreation District No. 7, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 28, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Cameron Parish Recreation District No. 7 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general-purpose financial statements are free of material misstatement, I performed tests of the Cameron Parish Recreation District No. 7's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

My examination did, however, disclose two matters which are listed below:

Finding We were not able to determine if there were minutes kept at any board meetings in 1995 since no written or typed minutes were available for our review to determine if board policy was followed in 1995.

Impact The impact upon the financial statements cannot be determined.

Management Response The District will type and properly file any minutes of Board meetings conducted in 1996 and have them available for review for the December 31, 1996 audit.

Finding The District did not adopt or publish a budget for the year ended December 31, 1995.

Impact There was no effect upon the financial statements.

Management

Response Due to the size of the District, the Board was not aware that a budget was required. The District will adopt a 1996 budget immediately and will revise it as necessary in late 1996.

The results of my tests indicate that, with respect to the items tested, the Cameron Parish Recreation District No. 7 complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of the District's management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Elliott & Assoc. "APAC"
Leesville, Louisiana
June 28, 1996

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Exhibit A

CAMERON PARISH RECREATION DISTRICT NO. 7

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
December 31, 1995

	Governmental <u>Fund Type-</u> Special Revenue <u>Fund</u>	Account <u>Group-</u> General <u>Fixed Assets</u>	Total (Memorandum Only)
ASSETS			
Cash and cash equivalents	\$ 748	\$ ---	\$ 748
Receivables (Note 2)	18,227	---	18,227
Fixed assets (Note 3)	<u>---</u>	<u>13,522</u>	<u>13,522</u>
Total assets	<u>\$ 18,975</u>	<u>\$ 13,522</u>	<u>\$ 32,497</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 7,158	\$ ---	\$ 7,158
Retirement deductions payable	<u>573</u>	<u>---</u>	<u>573</u>
Total liabilities	<u>7,731</u>	<u>---</u>	<u>7,731</u>
Fund equity:			
Investment in general fixed assets (Note 3)	---	13,522	13,522
Fund balance - Unreserved (Note 7)	<u>11,244</u>	<u>---</u>	<u>11,244</u>
Total fund equity	<u>11,244</u>	<u>13,522</u>	<u>24,766</u>
Total liabilities and fund equity	<u>\$ 18,975</u>	<u>\$ 13,522</u>	<u>\$ 32,497</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH RECREATION DISTRICT NO. 7
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 SPECIAL REVENUE FUND - GOVERNMENTAL FUND TYPE
 For the Year Ended December 31, 1995

Revenues:	
Ad valorem tax	\$ 17,092
Federal revenue sharing	336
Rentals	5,795
Pool fees	2,788
Concessions	2,841
Police Jury	420
Miscellaneous	<u>22</u>
Total revenues	<u>29,294</u>
Expenditures:	
Personnel expenditures	9,647
Operating expenditures	25,000
Materials and supplies	83
Capital outlay (Note 3)	<u>616</u>
Total expenditures	<u>35,346</u>
Excess (deficiency) of revenues over expenditures	<u>(6,052)</u>
Fund balance, beginning	20,129
Prior period adjustment (Note 7)	<u>(2,833)</u>
Fund balance restated, beginning	<u>17,296</u>
Fund balance, ending as restated	<u>\$ 11,244</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH RECREATION DISTRICT NO. 7

NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Police Jury is a political subdivision of the State of Louisiana. Cameron Parish Police Jury is the reporting entity for Cameron Parish as defined by NCGA Statement 3, (Defining the Governmental Reporting Entity).

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transaction of state and local governments. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

Recreation District No. 7 of the Parish of Cameron, Louisiana was created by the Cameron Parish Police Jury on March 7, 1989 under the authority of Louisiana Revised Statute 33:4562. The District is governed by a board of commissioners appointed by the Cameron Parish Police Jury. The board's commissioners are not compensated nor are they paid a per diem for serving on the board. The District maintains and operates recreational facilities located in Creole, Louisiana which are owned by the Cameron Parish Police Jury. The District is the primary beneficiary of a 1.48 mill property tax assessed on each dollar valuation of property subject to taxation within the boundaries of the District. The tax is authorized to be collected for a period of ten years beginning with the year 1989 for the purpose of maintaining and operating recreational facilities within and for the District.

A. FINANCIAL REPORTING ENTITY

The financial reporting entity consists of the primary government of the parish, organizations for which the primary government is financially accountable, and any other organization that is so closely related with the primary government that exclusion of its financial statements from that of the primary government would cause the reporting entity's financial statements to be incomplete or misleading. Generally accepted accounting principles applicable to governmental organizations include certain criteria for determining the primary government and its component units. The basic criteria for including a potential component unit's financial statements within the financial reporting entity's

CAMERON PARISH RECREATION DISTRICT NO. 7

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

financial statements is financial accountability of the primary government for the component unit. The criterion used to determine financial accountability includes;

- A. Appointing a voting majority of an organization's governing body and the ability of the primary government to impose its will on that organization or the potential for the organization to provide financial benefits to or impose financial burdens on the primary government.
- B. Organizations that are fiscally dependent on the primary government without regard to the appointment of a voting majority to the unit's governing board.
- C. Organizations that are so closely related to the primary government that exclusion of the organizations financial statements from the reporting entity would cause the reporting entity's financial statements to be misleading.

The Cameron Parish Police Jury appoints all board members of the District and can impose its will on the board. Accordingly, under the criterion above, the District is determined to be a component unit of the Cameron Parish Police Jury which is the primary government of the financial reporting entity.

The accompanying financial statements include only those funds and accounts maintained by and directly under the control of the District. They do not include any funds or accounts of the Police Jury or any other governmental organization. The total columns on the combined statements are presented only to facilitate financial analysis and do not present consolidated information.

B. FUND ACCOUNTING

The Cameron Parish Recreation District No. 7 is organized and operated on a fund basis whereby a separate self-balancing set of accounts (Special Revenue Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures. Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

CAMERON PARISH RECREATION DISTRICT NO. 7

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

C. FIXED ASSETS AND LONG-TERM LIABILITIES

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. This account group is not a "fund". It is concerned only with the measurement of financial position not with the measurement of results of operations. There are no long-term obligations at December 31, 1995.

D. BASIS OF ACCOUNTING

Accounting within the general fund is based on the measurement of current financial resources and utilizes the modified accrual method of accounting. Accordingly, only current assets and current liabilities are recorded on the balance sheet with the difference represented as the fund's equity or accumulated deficit. Ad valorem taxes, representing the District's primary resource for funding its activities, are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis and become due and payable on the date tax rolls are filed with the recorder of mortgages. Louisiana revised statute 47:1993 requires the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. Ad valorem taxes are normally collected in December of the current year and January and February of the subsequent year. All other revenues are recorded when received. Expenditures are recorded when the related liability is incurred.

CAMERON PARISH RECREATION DISTRICT NO. 7

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

E. BUDGETARY PRACTICES

The District does not use a budget nor has it adopted any budgetary practices. Political subdivisions of the state of Louisiana are legally required to adopt budgets for general funds. General accepted accounting principles require a combined statement of revenues, expenditures, and changes in fund balance-budget and actual for complete presentation when budgets have been legally adopted.

F. CASH AND CASH EQUIVALENTS

The District considers all cash and demand deposits to be cash and equivalents. Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the United States or individual states. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The District's cash and equivalents at the end of each period presented on the combined balance sheet was fully insured by FDIC.

G. VACATION AND SICK LEAVE

The District does not have any full time employees; therefore, the District does not have a policy on vacation and sick leave.

H. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CAMERON PARISH RECREATION DISTRICT NO. 7

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4--PENSION PLAN

The District does not participate in any pension plans or social security.

NOTE 5--LITIGATION

The District is not involved in any type litigation nor does it have any asserted claims against it.

NOTE 6--CONTINGENCIES

The District employs, on a part time basis, a pool director and lifeguards assigned to work at the pool during the summer. Additionally, certain unincorporated businesses perform services for the District. The District does not treat the pool director or lifeguards as employees for payroll tax purposes and, accordingly, has not withheld and remitted employment taxes to various taxing authorities nor has it complied with reporting requirements for payments to individuals for services as employees or independent contractors. Uncertainty exists over whether these individuals should be considered employees for payroll tax purposes. If it is determined that these individuals are employees for employment tax purposes, it is probable that a liability to unpaid taxes, penalties and interest exists. The District has not made any provision for losses in these financial statements nor is it able to estimate a range of potential loss pending a final determination of the correct classification of these workers for employment tax purposes.

NOTE 7--PRIOR PERIOD ADJUSTMENT

During the audit period ended December 31, 1994, accounts payable was understated by \$2,833. The appropriate adjustment has been recorded this period as a prior period adjustment.

SUPPLEMENTARY INFORMATION

CAMERON PARISH RECREATION DISTRICT NO. 7

SUPPLEMENTARY INFORMATION

For the year ended December 31, 1995

Schedule 1--Compensation of Board Members

During the year ended December 31, 1995, the Recreation District board members did not receive any compensation.

Schedule 2--Questioned Costs

During the year ended December 31, 1995, I noted no questioned costs arising from my examination.

Schedule 3--Exit Conference

An exit conference was held with Tina Horn, Cameron Parish Police Jury Administrator, on July 3, 1996 and with the appropriate Recreation District board members, to discuss the proposed audit report and the fact that no questioned costs were discovered during my examination.

Schedule 4--Corrective Action Taken on Prior Year Findings

Prior Year Finding:

During the two years ended December 31, 1994, the District did not deposit all of its cash collections from concessions and pool fees. Certain daily expenditures were paid directly from the available cash and a log was not maintained, for a part of the two year period, to note the amount of cash used for such purposes. I was given certain paid invoices, but had no assurance that all cash transactions were provided for inclusion in total income and expenses.

CAMERON PARISH RECREATION DISTRICT NO. 7

SUPPLEMENTARY INFORMATION (Continued)

For the year ended December 31, 1995

Corrective Action:

The District paid for substantially all of its expenditures by check in 1995 thus reducing the probability that all expenditures were not properly recorded. A log for cash expenditures was maintained for 1995 but these transactions were nominal.

Prior Year Finding:

The audit report for the two years ended December 31, 1994 was not issued within the six months of the close of its December 31, 1994 fiscal year-end. This is a violation of LA R.S. #24:513(A)(5)(a).

Corrective Action:

The audit report for the year ended December 31, 1995 is being issued within the statutory six month period in accordance with LA R.S. #24:513(A)(5)(a).