

CHRISTMAS IN THE PARK COMMISSION
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to the General-Purpose Financial Statements (Continued)

The Commission only uses one fund:

1. General Fund -- the general operating fund of the Commission and accounts for all financial resources.

D. FIXED ASSETS

Fixed assets purchased (capital outlay) by the Commission are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group of the City of Bogalusa as City owned property.

K. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the general fund. The general fund uses the following practices in recording revenues and expenditures:

Revenues

Donations from the public are recorded as income in the year the donations are received.

Tickets and passes are recorded as income when sold.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the liability is incurred.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Christmas in the Park Commission
Bogalusa, Louisiana

I have audited the accompanying general-purpose financial statements of the Christmas in the Park Commission, a component unit of the City of Bogalusa, Louisiana, as of and for the year ended December 31, 1998. These general-purpose financial statements are the responsibility of the Christmas in the Park Commission. 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 and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 Christmas in the Park Commission as of December 31, 1998 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated April 30, 1997 on my consideration of Christmas in the Park Commission's internal control structure and a report dated April 30, 1997 on its compliance with laws and regulations.

Robert M. Berg

Certified Public Accountant

Bogalusa, Louisiana
April 30, 1997

CHRISTMAS IN THE PARK COMMISSION
(A Component Unit of the City of Bogalusa, Louisiana)
GENERAL FUND

Balance Sheet
December 31, 1999

ASSETS

Cash	\$ 27,599
Accounts receivable	<u> 72</u>
Total assets	<u>\$ 27,671</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 12,584
Fund balance:	
Unreserved, undesignated	<u>15,077</u>
Total liabilities and fund balances	<u>\$ 27,661</u>

The accompanying notes are an integral part of this statement.

CHRISTMAS IN THE PARK COMMISSION
 (A Component Unit of the City of Bogalusa, Louisiana)
GENERAL FUND

**Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 1998**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Donations from the public	\$ 35,000	\$ 35,412	\$ (35,588)
Tickets and passes sold	30,000	30,550	(5,550)
Interest	1,000	226	(774)
Total revenues	<u>66,000</u>	<u>66,222</u>	<u>(33,750)</u>
Expenditures:			
Current:			
Culture and recreation:			
Christmas lights	38,000	18,220	14,771
Repairs & maintenance	1,000	---	1,000
Program costs	1,000	1,550	(550)
Supplies	700	3,068	(2,368)
Other	100	---	100
Total expenditures	<u>41,800</u>	<u>21,838</u>	<u>18,489</u>
Excess (deficiency) of revenues over expenditures	<u>24,200</u>	<u>44,384</u>	<u>(20,184)</u>
Other financing sources (uses):			
Operating transfers in(out) - City of Bogalusa - Parks and Recreation Commission	---	(300)	(300)
Total other financing sources(uses)	<u>---</u>	<u>(300)</u>	<u>(300)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>24,200</u>	<u>44,084</u>	<u>(18,484)</u>
Fund balance, beginning	<u>16,000</u>	<u>12,502</u>	<u>(3,498)</u>
Fund balance, ending	<u>\$ 40,200</u>	<u>\$ 56,586</u>	<u>\$ (16,386)</u>

The accompanying notes are an integral part of this statement.

CITYSTMAS IN THE PARK COMMISSION
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to the General-Purpose Financial Statements (Continued)

including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are financially dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Mayor appoints, with the approval of the City Council, the Commission's governing body and can impose its will, the Commission was determined to be a component unit of the City of Bogalusa, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Commission uses a fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

CHRISTMAS IN THE PARK COMMISSION
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to the General-Purpose Financial Statements (Continued)

F. BUDGETS

The Commission adopted its budget on November 9, 1995. Since total proposed expenditures were less than \$250,000, there were no public hearings.

The budget is prepared on the modified accrual basis of accounting. All appropriations lapse at year end. Budget amounts included in the accompanying financial statements include the original adopted budget; there were no amendments.

NOTE 2 - CASH

All deposits of the Commission were held by area financial institutions. At December 31, 1996, the book balance of the Commission's checking accounts was \$27,626, and the bank balance was \$17,351. All deposits were insured by the Federal Deposit Insurance Corporation.

NOTE 3 - LITIGATION AND CLAIMS

There are no pending or threatened litigation concerning the Commission, nor any asserted claims or assessments.

This report is intended for the information of the Board of Directors of the Christmas in the Park Commission, the Mayor, the City Council, and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Bogalusa, Louisiana
April 30, 1997

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
AS PART OF AN AUDIT OF THE GENERAL-PURPOSE
FINANCIAL STATEMENTS**

Board of Directors
Christmas in the Park Commission
Bogalusa, Louisiana

I have audited the general-purpose financial statements of the Christmas in the Park Commission, a component unit of the City of Bogalusa, Louisiana, as of and for the year ended, December 31, 1996 and have issued my report thereon dated April 30, 1997.

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

The management of the Christmas in the Park Commission 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 procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general-purpose financial statements of the Christmas in the Park Commission for the year ended December 31, 1998, I obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine my auditing procedures for the purpose of expressing my opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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 entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

L. HONORING SPECIFIC DONATIONS

Criteria - At various times during the year donations were received that specified a particular item be purchased in honor or in memory of someone.

Condition - During 1998 the Commission received a donation to purchase two 16" round hanging balls in memory of two people; the balls were not purchased. In addition, donations were received to purchase fifteen 34" stars; one was in honor of someone and twelve were in memory of someone. Only two of the fifteen stars were purchased. Apparently, the Board does not have or is not complying with a policy to honor specific donations.

Auditor's Recommendation - A donor that had requested a specific item be purchased in memory of a loved one might be upset that the request had not been honored. The Board should adopt a formal policy of honoring specific donations and establish the necessary controls to ensure compliance with the policy.

Prior Year Findings - This weakness was noted in the prior-year audit report. There has been no substantial improvement.

Management's Response - The Commission will adopt a formal policy of honoring specific donations and establish the necessary controls to ensure compliance. The Commission has voted to order two 16" round hanging balls and thirteen 34" stars to honor the donations received.

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 believe the reportable condition described above is a material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of the Christmas in the Park Commission for the year ended December 31, 1996.

This report is intended for the information of the Board of Directors of the Christmas in the Park Commission, the Mayor, the City Council and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountant

Bogalusa, Louisiana
April 26, 1997

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AS PART OF AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS

Board of Directors
Christmas in the Park Commission
Bogalusa, Louisiana

I have audited the general-purpose financial statements of the Christmas in the Park Commission, a component unit of the City of Bogalusa, Louisiana, as of and for the year ended December 31, 1994, and have issued my report thereon dated April 30, 1997.

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

Compliance with laws, regulations, and contracts applicable to the Christmas in the Park Commission is the responsibility of the Christmas in the Park Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Christmas in the Park Commission's compliance with certain provisions of laws, regulations, and contracts. However, the objective of my audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed the following instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

Criteria - The Commission is a governmental entity created by the City of Bogalusa, and is subject to many of the same Louisiana laws that apply to the City.

Condition - It was noted during the audit that certain Louisiana Revised Statutes were not complied with:

1. Management could not locate the advertisement of its proposed budget; R. S. 38:1301 requires that the budget be advertised.
2. Actual revenues for the year ended December 31, 1996 failed to meet budgeted revenues by 63%; R. S. 38:1310(A)(3) requires that the budget be amended if projected revenues for the year are failing to meet budgeted revenues by 5% or more.
3. The Commission did not obtain competitive bids for the purchase of lights which totaled \$18,329; R. S. 38:5212 requires that competitive bids be obtained for purchases over \$10,000.

Auditor's Recommendation - The Commission should become familiar with and comply with Louisiana laws.

Prior-Year Findings - The audit reports of the two prior years indicated material weaknesses in compliance with Louisiana laws. There has been no substantial improvement.

Management's Response - The budget will be advertised in accordance with Louisiana Law. If revenues fail to meet projected amounts, then the budget will be revised. In addition, the Commission will seek competitive bids for purchases over \$10,000 as per Louisiana Law.

I considered these instances of noncompliance in forming my opinion on whether Christmas is the Park Commission's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated April 30, 1997 on these general-purpose financial statements.

CHRISTMAS IN THE PARK COMMISSION
(A Component Unit of the City of Bogalusa, Louisiana)

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
December 31, 1998

INTRODUCTION

Christmas in the Park Commission (the Commission) was created by the City of Bogalusa on November 1, 1994 by ordinance number 1588, amended by ordinance number 1622. The Commission is a group of eleven persons who serve as board members and are appointed by the Mayor, with approval of the City Council. The Commission advises the Mayor and the City Council, stimulates public interest and accepts donations to enhance holiday lighting and activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Commission have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the City of Bogalusa (the City), for reporting purposes, the City is the financial reporting entity for the Christmas in the Park Commission. The financial reporting entity consists of (a) the primary government (the City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Bogalusa for financial reporting purposes. The basic criterion for

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CHRISTMAS IN THE PARK COMMISSION
(A Component Unit of the City of Bogalusa, Louisiana)

*General-Purpose Financial Statements and
Independent Auditor's Reports*

Year Ended December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 NOV 21 1997

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

CHRISTMAS IN THE PARK COMMISSION
(A Component Unit of the City of Bogalusa, Louisiana)

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