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Financial Report

Terrebonne Parish Recreation District No. 9

Houma, Louisiana

December 31, 1997

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 Jan 27 1998

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December 31, 1997

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
Houma, Louisiana.

We have audited the accompanying general purpose financial statements of Terrebonne Parish Recreation District No. 9 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Parish Recreation District No. 9 as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 1998 on our consideration of the Terrebonne Parish Recreation District No. 9's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bourgeois Bennett, LLC

Certified Public Accountants

Houma, La.,
February 23, 1998.

COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP

Terrebonne Parish Recreation District No. 9

December 31, 1997

	<u>Governmental Fund Type</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>General Fixed Assets</u>	
Assets			
Cash	\$ 40,733	\$ -	\$ 40,733
Investments	40,000	-	40,000
Receivables - taxes	10,833	-	10,833
Due from other governmental units	179,338	-	179,338
Fixed assets	<u>-</u>	<u>985,175</u>	<u>985,175</u>
Total assets	<u>\$ 270,906</u>	<u>\$ 985,175</u>	<u>\$ 1,256,081</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 5,602		\$ 5,602
Due to Terrebonne Parish Consolidated Government	<u>385</u>		<u>385</u>
Total liabilities	<u>5,987</u>		<u>5,987</u>
Equity and Other Credits			
Investment in general fixed assets	-	\$ 985,175	985,175
Fund balance - unreserved	<u>264,919</u>	<u>-</u>	<u>264,919</u>
Total fund equity and other credits	<u>264,919</u>	<u>985,175</u>	<u>1,250,094</u>
Total liabilities, equity and other credits	<u>\$ 270,906</u>	<u>\$ 985,175</u>	<u>\$ 1,256,081</u>

See notes to financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES**

Terrebonne Parish Recreation District No. 9

For the year ended December 31, 1997

	<u>General</u>	<u>Debt Service</u>	<u>Total (Major funds) Only</u>
Revenues			
Taxes	\$ 181,520	-	\$ 181,520
Intergovernmental:			
State of Louisiana:			
State revenue sharing	18,436		18,436
Charges for services	21,510		21,510
Miscellaneous:			
Interest	4,938		4,938
Other	842		842
Total revenues	<u>227,246</u>		<u>227,246</u>
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	8,373		8,373
Ad valorem tax deductions	9,292		9,292
Total general government	<u>17,665</u>		<u>17,665</u>
Culture and Recreation:			
Personal services	51,409		51,409
Supplies and materials	9,090		9,090
Other services and charges	52,388		52,388
Repairs and maintenance	31,234		31,234
Capital expenditures	109,584		109,584
Total culture and recreation	<u>253,665</u>		<u>253,665</u>
Total expenditures	<u>271,330</u>		<u>271,330</u>
Deficiency of Revenues Over Expenditures	(44,084)		(44,084)
Fund Balances			
Beginning of year	283,823	\$ 15,180	309,003
Residual equity transfers in (out)	<u>15,180</u>	<u>(15,180)</u>	-
End of year	<u>\$ 264,919</u>	<u>\$ -</u>	<u>\$ 264,919</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL
FUND TYPE - GENERAL FUND**

Terrebonne Parish Recreation District No. 9

For the year ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 160,700	\$ 181,520	\$ 20,820
Intergovernmental:			
State of Louisiana:			
State revenue sharing	20,000	18,496	(1,504)
Charges for services	19,800	21,510	1,710
Miscellaneous:			
Interest	3,500	4,938	1,438
Other	850	842	(8)
Total revenues	<u>204,850</u>	<u>227,246</u>	<u>22,396</u>
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	2,000	8,573	(6,573)
Ad valorem tax deductions	-	9,292	(9,292)
Total general government	<u>2,000</u>	<u>17,865</u>	<u>(15,865)</u>
Culture and Recreation:			
Personal services	48,200	51,409	(2,109)
Supplies and materials	9,200	9,050	150
Other services and charges	61,500	52,588	9,112
Repairs and maintenance	37,500	31,254	6,246
Capital expenditures	110,500	108,584	916
Total culture and recreation	<u>266,900</u>	<u>253,665</u>	<u>14,235</u>
Total expenditures	<u>270,000</u>	<u>271,530</u>	<u>(1,530)</u>
Deficiency of Revenues Over Expenditures	(65,150)	(44,284)	21,066
Fund Balance			
Beginning of year	293,823	293,823	-
Residual equity transfer in	15,150	15,180	30
End of year	<u>\$ 243,823</u>	<u>\$ 264,919</u>	<u>\$ 21,096</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 9**

December 31, 1997

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Terrebonne Parish Recreation District No. 9 (the District) conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and as such, these component unit financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 1997.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Fund Accounting

The District uses funds and account groups 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Account Group

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds.

c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All valorem taxes and the related state revenue sharing (intergovernmental revenue) are considered "measurable" at the time of levy. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, did not obtain public participation in the process of adopting the original budget. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

f) Bad Debts

The financial statements of the District contain no allowance for bad debts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the Funds.

g) Investments

Investments are stated at cost, which approximates market.

h) Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Fixed Assets (Continued)

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounted to approximately \$28,000 or 3% of the total General Fixed Assets Account Group.

i) Vacation and Sick Leave

The District has one full-time employee. There is no material accumulated unpaid vacation and sick leave at December 31, 1997.

j) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.

k) Residual Equity Transfers

Residual equity transfers are nonaccounting or nonroutine transfers of equity between funds.

l) Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision. In accordance with state law all cash and deposits were collateralized.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agents but not in the District's name and deposits which are uninsured or uncollateralized.

The year-end bank balances of deposits and the carrying amounts as shown on the combined balance sheet are follows:

	Bank Balances			Book Balance
	Category			
	1	2	3	
Cash	\$41,642	\$ -	\$ -	\$41,733
Investments:				
Certificates of deposit	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Totals	<u>\$81,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$81,733</u>

Note 2 - DEPOSITS (Continued)

At December 31, 1997, cash and certificates of deposit were not in excess of the FDIC insurance.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the list of January 1, 1996. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 1997 was \$10 per \$1,000 of assessed valuation on property within Recreation District No. 3 for the purpose of maintaining and operating recreational facilities within the District.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1997 consisted of the following:

	<u>General Fund</u>
State of Louisiana -	
State revenue sharing	\$ 18,435
Terrebonne Parish Tax Collector -	
December, 1997 collections remitted	
to the District in January, 1998:	
Ad valorem taxes	<u>160,993</u>
Total	<u>\$179,428</u>

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January <u>1, 1997</u>	Additions	Balance December <u>31, 1997</u>
Land	\$ 45,000	\$ -	\$ 45,000
Building and improvements	637,834	97,431	735,265
Office furniture, fixtures and equipment	37,041	-	37,041
Machinery and equipment	<u>145,696</u>	<u>12,152</u>	<u>157,848</u>
Totals	<u>\$875,591</u>	<u>\$109,584</u>	<u>\$985,175</u>

Note 6 - RESIDUAL EQUITY TRANSFER

During 1997, the equity balance in the Debt Service Fund was transferred to the General Fund and the proceeds were then used in accordance with the original bond issue to construct a storage building.

Note 7 - LEASE COMMITMENTS

The District is leasing a four acre tract of land located near the District's premises. The lease is accounted for as an operating lease and provides for minimum rental payments of \$10 a year recurring yearly for the next 2 years. Rental expenditures under the lease totaled \$10 during the year.

Note 8 - COMPENSATION OF BOARD MEMBERS

The District did not pay any compensation to its Board Members for the year ended December 31, 1997.

Note 9 - RISK MANAGEMENT

The District participates in the Parish's risk management internal service fund for general liability and workers' compensation. The District pays monthly premiums to the Parish for workers' compensation based on a fixed percentage of payroll. The District's premiums for general liability are based on various factors such as operations and maintenance budget, exposure and claims experience. The Parish handles all claims filed against the District. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$6,500,000
Workers' Compensation	Statutory

Coverage for claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$2,481,697 at December 31, 1996, then secondly by the District and other participating funds and agencies. At December 31, 1997, the District had no claims in excess of the above coverage limits.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



Georgakis Bennett

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
Broussard, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Parish Recreation District No. 9 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1997, and have issued our report thereon dated February 23, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements

in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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

Bourgeois Bennett, LLC

Certified Public Accountants.

Monroe, La.,
February 23, 1988.

SCHEDULE OF FINDINGS

Terrebonne Parish Recreation District No. 9

For the Year ended December 31, 1997

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 9 as of and for the year ended December 31, 1997, and have issued our report thereon dated February 23, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the general purpose financial statements as of December 31, 1997 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a) Report on Internal Control and Compliance Material to the General Purpose Financial Statements:

Internal Control

No material weaknesses were noted for the year ended December 31, 1997.
No reportable conditions were noted for the year ended December 31, 1997.

Compliance

No compliance findings material to the general purpose financial statements were noted during the year ended December 31, 1997.

b) Federal Awards:

Terrebonne Parish Recreation District No. 9 did not receive federal awards during the year ended December 31, 1997.

c) Identification of Major Programs:

CFDA Number(s)

Name of Federal Program (or Cluster)

Not applicable

Section II Financial Statement Findings

No financial statement findings were reported for the year ended December 31, 1997.

Section III Federal Award Findings and Questioned Costs

Not applicable.

SCHEDULE OF PRIOR YEAR FINDINGS

Terrebonne Parish Recreation District No. 9

For the Year ended December 31, 1997

Section I Internal Control and Compliance Material to the General Purpose Financial Statements

Internal Control

No material weaknesses were noted for the year ended December 31, 1996.
No reportable conditions were noted for the year ended December 31, 1996.

Compliance

No compliance findings material to the general purpose financial statements were noted during the year ended December 31, 1996.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 9 did not receive federal awards during the year ended December 31, 1996.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1996.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 9

For the Year ended December 31, 1997

Section I Internal Control and Compliance Material to the General Purpose Financial Statements

Internal Control

No material weaknesses were noted for the year ended December 31, 1997.
No reportable conditions were noted for the year ended December 31, 1997.

Compliance

No compliance findings material to the general purpose financial statements were noted during the year ended December 31, 1997.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 9 did not receive federal awards during the year ended December 31, 1997.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1997.



Burgess & Bennett

COMMUNICATIONS WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
Bozoma, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 9 (the District) for the year ended December 31, 1997, and have issued our report thereon dated February 23, 1998. Professional standards require that we provide you with the following information related to our audit.

1) OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

2) SIGNIFICANT ACCOUNTING POLICIES

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies

2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

was not changed during 1997. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

3) ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements relate to the historical value of certain fixed assets, collectibility of accounts receivable and valuation of accrued expenditures. We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole. Management has provided us with representations concerning estimates.

4) SIGNIFICANT AUDIT ADJUSTMENTS

We did not initiate any significant audit adjustments during our recent audit.

This information is intended solely for the use of the Board of Commissioners and management of Terrebonne Parish Recreation District No. 9 and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.



Certified Public Accountants.