

2961

RECEIVED
LEGISLATIVE AUDITOR
2000 JUN 30 PM 2:31

OFFICIAL
FILE COPY
DO NOT SEND OUT
Xerox necessary
copies from this
copy and PLACE
BACK IN FILE

RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE

BATON ROUGE, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 08-30-00





RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE

BATON ROUGE, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999



C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
<u>Independent Auditors' Reports:</u>		
Financial Statements		1
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		2
<u>General Purpose Financial Statements:</u>		
Combined Balance Sheet – All Fund Types and Account Groups – December 31, 1999	A	3 – 5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for all Governmental Fund Types for the Year Ended December 31, 1999	B	6 – 7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances Budget (GAAP Basis) and Actual – All Governmental Fund Types for the Year Ended December 31, 1999	C	8 – 9
Statements of Revenues, Expenses, and Changes in Retained Earnings - Self Insurance Internal Service Fund -- Proprietary Fund Type - for the Years Ended December 31, 1999 and 1998	D	10
Statements of Cash Flows - Self Insurance Internal Service Fund - Proprietary Fund Type – for the Years Ended December 31, 1999 and 1998	E	11
Notes to the Financial Statements		12 -- 25
<u>Supplemental Information:</u>		
Combining Balance Sheet - Special Revenue Fund		26
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Fund		27





Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the
Board of Commissioners
Recreation and Park Commission for
the Parish of East Baton Rouge

We have audited the accompanying general purpose financial statements of the Recreation and Park Commission for the Parish of East Baton Rouge (the Commission) as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Commission'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 in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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. 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 Recreation and Park Commission for the Parish of East Baton Rouge as of December 31, 1999, and the results of its operations of the governmental funds for the year then ended, and results of its operations and the cash flows of its proprietary fund for each of the two years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2000, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining statements listed 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 Recreation and Park Commission for the Parish of East Baton Rouge. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
May 8, 2000



Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

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

The Honorable Members of the
Board of Commissioners
Recreation and Park Commission for
the Parish of East Baton Rouge

We have audited the general purpose financial statements of the Recreation and Park Commission for the Parish of East Baton Rouge (the Commission) as of December 31, 1999 and for the year then ended and have issued our report thereon dated May 8, 2000. 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 Commission'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*. However, we noted an instance of immaterial non-compliance that is reported to management in our separate letter to the Commission dated May 8, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission'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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Commission, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & Netterville
Baton Rouge, Louisiana
May 8, 2000

**RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA**

**COMBINED BALANCE SHEET- ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1999**

	Governmental Fund Types				Proprietary Fund Type			Account Groups			Total (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Projects Fund	Self Insurance Internal Service Fund	General Fixed Assets	Long -Term Debt	General				
ASSETS:											
Cash and cash equivalents	\$ 1,620,823	\$ 1,476,658	\$ 5,347,990	\$ 3,907,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,353,137
Revenue receivable	15,548,026	5,039	3,495,873	72,764	-	-	-	-	-	-	19,121,702
Due from other funds	342,530	27,363	1,601,992	36,883	-	-	-	-	-	-	2,008,768
Prepaid expenses and other	32,426	-	-	11,441	-	-	-	-	-	-	43,867
Merchandise inventory	140,996	-	-	-	-	-	-	-	-	-	140,996
Supply inventory	219,711	-	19,988	-	-	-	-	-	-	-	239,699
Marketable equity securities	-	-	2,021,434	-	-	-	-	-	-	-	2,021,434
Fixed assets	-	-	-	-	81,926,911	-	-	-	-	-	81,926,911
Amount to be provided for long term obligations	-	-	-	-	-	-	1,736,376	-	-	-	1,736,376
TOTAL ASSETS	\$ 17,904,512	\$ 1,509,060	\$ 12,487,277	\$ 4,028,754	\$ 81,926,911	\$ 1,736,376	\$ 1,736,376	\$ -	\$ -	\$ -	\$ 119,592,890

The accompanying notes are an integral part of this statement.

**RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA**

COMBINED BALANCE SHEET- ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1999

	Governmental Fund Types			Proprietary Fund Type		Account Groups			Total (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Projects Fund	Self Insurance Internal Service Fund	General Fixed Assets	Long -Term Debt	General		
LIABILITIES AND FUND EQUITY:									
Liabilities:									
Accounts payable	\$ 539,018	\$ -	\$ 116,929	\$ 15,101	\$ -	\$ -	\$ -	\$ -	\$ 671,048
Accrued expenses	107,646	-	51,492	-	-	-	-	-	159,138
Due to other funds	1,666,238	5,526	282,531	54,473	-	-	-	-	2,008,768
Bank loans payable	7,600,000	-	-	-	-	-	-	-	7,600,000
Deferred revenues	41,543	-	-	-	-	-	-	-	41,543
Compensated absences payable	-	-	-	-	-	1,528,376	-	-	1,528,376
Claims and judgments payable	-	-	-	355,607	-	-	-	-	355,607
Reserve for life insurance claims	-	-	-	-	-	208,000	-	-	208,000
Deductions from Ad Valorem taxes payable	394,989	-	88,806	-	-	-	-	-	483,795
Total Liabilities	\$ 10,349,434	\$ 5,526	\$ 539,758	\$ 425,181	\$ -	\$ 1,736,376	\$ -	\$ -	\$ 13,056,275

The accompanying notes are an integral part of this statement.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

COMBINED BALANCE SHEET- ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1999

	Governmental Fund Types			Proprietary Fund Type			Account Groups			Total (Memorandum Only)
	General Fund	Special Revenue Fund	Capital Projects Fund	Self Insurance Internal Service Fund	General Fixed Assets	Long -Term Debt	General	Debt		
FUND EQUITY:										
Retained earnings:										
Unreserved	\$ -	\$ -	\$ -	\$ 3,503,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,503,573
Reserved	-	-	-	100,000	-	-	-	-	-	100,000
Fund Balances:										
Reserve for:										
Inventory	360,707	-	19,988	-	-	-	-	-	-	380,695
Encumbrances	588,710	-	3,175,511	-	-	-	-	-	-	3,764,221
Designated for:										
Retirees' life insurance	208,000	-	-	-	-	-	-	-	-	208,000
Self insurance program	1,200,000	-	-	-	-	-	-	-	-	1,200,000
Botanical Garden	-	-	1,600	-	-	-	-	-	-	1,600
Independence Park Bldg.	-	-	2,000,000	-	-	-	-	-	-	2,000,000
Golf Course Construction	-	-	3,200,000	-	-	-	-	-	-	3,200,000
Undesignated, unreserved Equity and other credits:	5,197,661	1,503,534	3,550,420	-	-	-	-	-	-	10,251,615
Investments in fixed assets	-	-	-	-	81,926,911	-	-	-	-	81,926,911
Total Fund Equity	7,555,078	1,503,534	11,947,519	3,603,573	81,926,911	-	-	-	-	106,536,615
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,904,512	\$ 1,509,060	\$ 12,487,277	\$ 4,028,754	\$ 81,926,911	\$ 1,736,376	\$ 1,736,376	\$ 119,592,890	\$ 119,592,890	

The accompanying notes are an integral part of this statement.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types			(Memorandum Only)	
	General Fund	Special Revenue Fund	Capital Projects Funds	1999 Total	1998 Total
REVENUES					
Federal Sources:					
Project grant	\$ 51,185	\$ -	\$ 117,000	\$ 168,185	\$ 90,336
State Sources:					
Revenue sharing	961,425	-	224,129	1,185,554	1,139,545
Project grants	250,000	-	79,399	329,399	20,283
Parish Sources:					
Ad Valorem taxes	14,434,506	-	3,245,340	17,679,846	17,204,762
Recreation activity fees	5,463,680	-	-	5,463,680	5,690,417
Interest Income	84,122	77,775	402,954	564,851	435,772
Dividends from donated stocks	-	-	35,620	35,620	32,451
Increase in fair value of donated stocks	-	-	311,976	311,976	283,707
Donations and miscellaneous	80,204	12,385	69,886	162,475	143,209
TOTAL REVENUES	\$ 21,325,122	\$ 90,160	\$ 4,486,304	\$ 25,901,586	\$ 25,040,482

The accompanying notes are an integral part of this statement.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types			(Memorandum Only)	
	General Fund	Special Revenue Fund	Capital Projects Funds	1999 Total	1998 Total
EXPENDITURES					
Administrative and Planning	\$ 3,985,362	\$ -	\$ 88,806	\$ 4,074,168	\$ 2,946,129
Recreation Department Administrative	396,943	-	-	396,943	493,492
Maintenance Department Operations	6,752,735	-	-	6,752,735	7,098,362
Recreation Program Operations	9,220,509	5,488	-	9,225,997	9,302,765
Community Outreach	619,738	-	-	619,738	238,418
Capital Outlay	-	-	2,166,150	2,166,150	1,145,855
TOTAL EXPENDITURES	20,975,287	5,488	2,254,956	23,235,731	21,225,021
EXCESS OF REVENUES OVER EXPENDITURES	349,835	84,672	2,231,348	2,665,855	3,815,461
OTHER FINANCING SOURCES (USES)					
Interfund transfers	(30,000)	30,000	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(30,000)	30,000	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	319,835	114,672	2,231,348	2,665,855	3,815,461
FUND BALANCE, beginning of year	7,235,243	1,388,862	9,716,171	18,340,276	14,524,815
FUND BALANCE, end of year	\$ 7,555,078	\$ 1,503,534	\$ 11,947,519	\$ 21,006,131	\$ 18,340,276

The accompanying notes are an integral part of this statement.

**RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<u>REVENUES</u>			
Ad Valorem Taxes	\$ 15,000,000	\$ 14,434,506	\$ (565,494)
Recreation Activity Fees	5,424,000	5,463,680	39,680
Intergovernmental Revenues:			
State Grants	200,000	250,000	50,000
Federal Grants	50,000	51,185	1,185
State Revenue Sharing	939,000	961,425	22,425
Investment Income	250,000	84,122	(165,878)
Donations and Miscellaneous	83,000	80,204	(2,796)
TOTAL REVENUES	21,946,000	21,325,122	(620,878)
<u>EXPENDITURES</u>			
Administrative and Planning	3,648,000	3,985,362	(337,362)
Recreation Department Administrative	463,000	396,943	66,057
Maintenance Department Operations	7,259,000	6,752,735	506,265
Recreational Program Operations	9,494,000	9,220,509	273,491
Community Outreach	590,000	619,738	(29,738)
Capital Outlay	-	-	-
TOTAL EXPENDITURES	21,454,000	20,975,287	478,713
EXCESS OF REVENUES OVER EXPENDITURES	492,000	349,835	(142,165)
<u>OTHER FINANCING SOURCES (USES)</u>			
Interfund transfers	(30,000)	(30,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(30,000)	(30,000)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	462,000	319,835	(142,165)
FUND BALANCE, beginning of year	7,235,243	7,235,243	-
FUND BALANCE AT END OF YEAR	\$ 7,697,243	\$ 7,555,078	\$ (142,165)

The accompanying notes are an integral part of this statement.



Special Revenue Fund			Capital Projects Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 3,370,000	\$ 3,245,340	\$ (124,660)
-	-	-	-	-	-
-	-	-	50,000	79,399	29,399
-	-	-	300,000	117,000	(183,000)
-	-	-	220,000	224,129	4,129
45,000	77,775	32,775	120,000	750,550	630,550
6,000	12,385	6,385	72,000	69,886	(2,114)
51,000	90,160	39,160	4,132,000	4,486,304	354,304
-	-	-	85,000	88,806	(3,806)
-	-	-	-	-	-
-	-	-	-	-	-
6,000	5,488	512	-	-	-
-	-	-	-	-	-
-	-	-	3,000,000	2,166,150	833,850
6,000	5,488	512	3,085,000	2,254,956	830,044
45,000	84,672	39,672	1,047,000	2,231,348	1,184,348
30,000	30,000	-	-	-	-
30,000	30,000	-	-	-	-
75,000	114,672	39,672	1,047,000	2,231,348	1,184,348
1,388,862	1,388,862	-	9,716,171	9,716,171	-
\$ 1,463,862	\$ 1,503,534	\$ 39,672	\$ 10,763,171	\$ 11,947,519	\$ 1,184,348



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
SELF INSURANCE INTERNAL SERVICE FUND - PROPRIETARY FUND TYPE
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>Operating Revenues:</u>		
Auto Liability Premiums	\$ 160,000	\$ 165,000
Workers Comp. Premiums	385,069	388,521
General Liability Premiums	18,000	10,000
	<u>563,069</u>	<u>563,521</u>
Total Operating Revenues		
<u>Operating Expenses:</u>		
Claims Expenses	237,998	292,236
Insurance Expense	117,187	69,080
Administration Expense	61,697	119,112
	<u>416,882</u>	<u>480,428</u>
Total Operating Expenses		
<u>Operating Income:</u>	<u>146,187</u>	<u>83,093</u>
<u>Non-Operating Revenues:</u>		
Interest Income	215,357	157,789
	<u>215,357</u>	<u>157,789</u>
Total Non-Operating Revenues		
<u>Net Income</u>	361,544	240,882
<u>Retained earnings at Beginning of year</u>	<u>3,242,029</u>	<u>3,001,147</u>
<u>Retained earnings at End of year</u>	<u>\$ 3,603,573</u>	<u>\$ 3,242,029</u>

The accompanying notes are an integral part of these statements.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
SELF INSURANCE INTERNAL SERVICE FUND
PROPRIETARY FUND TYPE
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Operating income	\$ 146,187	\$ 83,093
Adjustments to reconcile operating income to net cash provided by operating activities:		
<u>Net changes in:</u>		
Claims payable	(43,832)	25,333
Accounts payable	15,101	(19,220)
Prepaid insurance	22,882	(24,488)
Due to/from other funds	17,590	-
Net cash provided by operating activities	<u>157,928</u>	<u>64,718</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on investments	<u>228,699</u>	<u>101,792</u>
Net cash provided by investing activities	<u>228,699</u>	<u>101,792</u>
Net increases in cash	386,627	166,510
<u>Cash and cash equivalents, Beginning of year</u>	<u>3,521,039</u>	<u>3,354,529</u>
<u>Cash and cash equivalents, End of year</u>	<u>\$ 3,907,666</u>	<u>\$ 3,521,039</u>

The accompanying notes are an integral part of these statements.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Recreation and Park Commission for the Parish of East Baton Rouge (the Commission) is a corporate body created by Act 246 of the 1946 Session of the Legislature and reorganized by Act 95 of the 1985 Legislature. The Commission has the power to sue and be sued, and to purchase and operate parks and recreation facilities not inconsistent with the laws of the State of Louisiana or the ordinances of the governing authority of East Baton Rouge Parish. The Commission is composed of nine members who serve without compensation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commission complies with Generally Accepted Accounting Principles (GAAP). The Commission's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following is a summary of the Commission's significant policies.

A. Financial Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Commission is considered a *primary government*, since it is a special purpose government that is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Commission may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or sets rates or charges, and issue bonded debt. The Commission also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected commission members are financially accountable. There are no other primary governments with which the Commission has a significant relationship.

Certain units of local government over which the Commission exercises no authority, such as the City-Parish government and other independently elected officials, are excluded from the accompanying financial statements. These units of government are considered separate from those of the parish Commission. The Commission is not a component unit of any other entity and does not have any component units which require inclusion in the general purpose financial statements.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **Fund Accounting**

The accounts for the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Recreation and Park Commission for the Parish of East Baton Rouge. It accounts for all financial resources, except those accounted for in other funds.

Special Revenue Funds

(Senior Citizens, Mineral Endowment, Dream Daycamp)

Special revenue funds account for the proceeds of specific revenue sources that are restricted by Commission policy to expenditures for specified purposes.

Capital Projects Fund

Capital projects fund accounts for financial resources used for the acquisition of land for parks and construction of major capital facilities.

Internal Service Funds (Self-Insurance)

The Self-Insurance Fund accounts for all expenses of a worker's compensation self-insurance plan, vehicle liability and general liability; and is supported by cash transfers from the General Fund equivalent to full coverage premiums.

C. **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The proprietary fund is presented on the accrual basis of accounting. The governmental funds are reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

C. **Basis of Accounting** (continued)

Revenues

Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they become susceptible to accrual, that is, when they become measurable and available to pay current period liabilities.

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recognized in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The Sheriff in East Baton Rouge Parish collects these taxes and forwards the collections to the Commission. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Federal and State grant revenues are recognized when the related reimbursable expenditure has been incurred.

Interest income on time deposits is recognized as earned.

Revenues from mineral leases, park user fees, merchandise sales, donations and substantially all other revenues are recognized when received.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). Other financing sources (uses) are recorded at such time that cash transfers are made.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

D. **Budget Practices**

Annually, the Commission adopts budgets for all funds. The proposed budget for the year ended December 31, 1999 was prepared using the modified accrual basis of accounting and was completed and made available for public inspection at the Superintendent's office on October 27, 1998. The budget for 1999 was adopted at a public budget hearing on November 24, 1998. Amendments to the budget were presented to the Commission and approved at public meetings on April 27, 1999, June 22, 1999 and December 13, 1999.

All appropriations lapse at year end. Formal budget integration is employed as a management control device during the year for the General Fund. Budgeted amounts included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. The board of commissioners reserves all authority to change the budgets.

E. **Encumbrances**

The Commission uses a manual encumbrance accounting system for reporting purchase orders placed late in the year for which goods were not received by December 31st. At year end, outstanding purchase orders are established as a reservation of fund balance for reporting purposes only, since they do not constitute expenditures or liabilities.

F. **Cash, Cash Equivalents and Investments**

For reporting purposes, cash and cash equivalents include petty cash, interest bearing and non-interest bearing demand deposits, time certificates of deposit, and money market accounts. Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. Further, the Commission may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The commission may invest in securities of the United States government and its agencies. The Commission may also invest in mutual funds whose underlying investments consist solely of the securities of the United States Government or its agencies.

G. **Inventories**

Merchandise inventories (items held for resale), and supplies inventories are valued at the lower of cost or market, using a moving weighted average. The cost is recorded as an expenditure at the time the items are issued or sold. Inventory balances at year-end are equally offset by fund balance reserves.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. General 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 the governmental funds. No depreciation is provided on general fixed assets. Purchased and constructed fixed assets are valued at historical cost or estimated cost if historical cost is not available. Donated fixed assets are valued at fair market value at the time of donation. Costs incurred on construction in progress, including associated interest costs, if any, are capitalized.

Cost of purchases and construction costs associated with fixed assets in the form of land acquisition, building and facility improvements, and procurement of moveable equipment are expensed in the appropriate governmental fund incurring the expense at the time of purchase; and the related assets are capitalized in the general fixed assets account group.

Account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

I. Compensated Absences

Full-time employees earn vacation leave at the rate of 12-1/2 working days (100 hours) to 17-1/2 working days (140 hours) each year, depending upon length of service. A maximum of 45 days (360 hours) may be carried over from one year to the next. Upon resignation, retirement, or death, a maximum amount equal to 45 days (360 hours) of earned vacation leave is paid to the employee (or heirs) at the employee's current rate of pay.

Full-time employees earn 15 working days (120 hours) of sick leave each year, which may be accumulated without limit. Accumulated sick leave is not paid to an employee leaving service prior to retirement. A full-time employee (or heirs) may be paid for a maximum of 120 days (960 hours) of sick leave (or a combination of sick and vacation leave not to exceed 120 days) upon the employee's retirement (or death, if retirement eligible).



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

I. **Compensated Absences** (continued)

At December 31, 1999, employees of the Recreation and Park Commission for the Parish of East Baton Rouge have accumulated and vested \$1,528,376 of employee leave benefits, computed in accordance with GASB Codification Section C60. The cost of leave privileges is recognized as a current-year payroll expenditure in the General Fund when leave is actually taken, or when employees or their heirs are paid for accrued unused leave. The sum of all accumulated leave balances available at December 31st is recorded as a general long-term obligation in the accompanying financial statements.

J. **Long Term Obligations**

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligations account group, not in the governmental funds.

Account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

K. **Fund Equity**

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designations

Designated fund balance represents tentative plans for future use of financial resources.

L. **Risk Management**

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees. Due to the cost of coverage, the Commission stopped purchasing certain types of insurance for risk of loss. Risk management activities are reported in the Self Insurance Fund, including worker's compensation, vehicle liability and general liability lawsuits and claims.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

M. **Total Columns on Statements**

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting procedures. In addition, such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. **LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 1999:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Parishwide taxes:		
Maintenance and operations	8.94	8.94
Capital improvements	<u>2.01</u>	<u>2.01</u>
Total	<u>10.95</u>	<u>10.95</u>

4. **CASH AND CASH EQUIVALENTS**

At December 31, 1999 the agency has cash and cash equivalents as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
Petty Cash	\$ -	\$ 14,605
Demand Deposits with banks (interest bearing)	2,753,930	2,381,518
Time Deposits with banks	<u>10,012,793</u>	<u>9,957,014</u>
 TOTAL:	 <u>\$ 12,766,723</u>	 <u>\$ 12,353,137</u>



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

4. **CASH AND CASH EQUIVALENTS** (continued)

Under state law, the bank deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Of the bank balance, \$500,000 was covered by federal depository insurance and \$12,266,723 was covered by collateral held by the pledging bank's agent in the Commission's name. The pledged securities plus related federal deposit insurance provided on the agency accounts exceed the collected deposits at all banking institutions that have agency accounts.

A certificate of deposit in the amount of \$100,000 is held jointly in trust with the Louisiana Office of Workers Compensation.

5. **INVESTMENT SECURITIES**

At December 31, 1999 the Commission had investment securities consisting of:

	<u>Cost</u>	<u>Fair Value</u>
Marketable Equity Securities	\$ 299,378	\$ 2,021,434

Marketable equity securities at December 31, 1999 consist of 27,678 shares of publicly traded common and preferred stock in various corporations. The stock was originally acquired by donation in 1985. Additional shares have been acquired due to splits and stock dividends. The stock certificates are held by a brokerage firm in the Commission's name. Fair values are based upon quoted prices of the New York Stock Exchange as of the close of business on December 31, 1999.

The Commission applies Governmental Accounting Standards Board statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* in accounting for its investment securities. Under this pronouncement, the marketable equity securities are reported at fair value and the corresponding change in value is recognized in the statement of revenues, expenditures and changes in fund balances.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

6. RECEIVABLES

The following is a summary of receivables at December 31, 1999:

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Special Revenue Funds</u>
Ad valorem taxes	\$ 14,771,058	\$ 3,321,008	\$ -
Intergovernmental revenues:			
State revenue sharing	640,950	149,420	-
Federal grants receivable	50,000	-	-
Accounts receivable	72,894	-	-
Miscellaneous receivables	4,839	1,200	-
Interest receivable	<u>8,285</u>	<u>24,245</u>	<u>5,039</u>
 TOTALS	 <u>\$ 15,548,026</u>	 <u>\$ 3,495,873</u>	 <u>\$ 5,039</u>

7. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Animals and Equipment</u>	<u>Total</u>
Balance, December 31, 1998	\$ 16,645,872	\$ 50,411,326	\$ 11,680,309	\$ 78,737,507
Additions	432,372	1,826,918	1,300,875	3,560,165
Deletions	<u>-</u>	<u>-</u>	<u>(370,761)</u>	<u>(370,761)</u>
 Balance, December 31, 1999	 <u>\$ 17,078,244</u>	 <u>\$ 52,238,244</u>	 <u>\$ 12,610,423</u>	 <u>\$ 81,926,911</u>



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLANS

Substantially all of the Commission's employees participate in the City of Baton Rouge and Parish of East Baton Rouge Employees Retirement System (EBRERS), a multiple employer public employee retirement system. The system was created under City of Baton Rouge Ordinance No. 235 on December 31, 1953, and is governed by a board of trustees consisting of seven members. Four members are elected by the general membership, one being the city-parish finance director, and two are appointed by the mayor-president.

Plan Description. The EBRERS provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The EBRERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System, P. O. Box 1471, Baton Rouge, Louisiana 70802, or by calling (504) 389-3272.

Funding Policy. Plan members are required to contribute 9.5% of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The current rate is 16.13% of annual covered payroll. Member contributions and employer contributions for the Commission are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

The Commission's contributions for the years ending December 31, 1999, 1998, and 1997 were \$754,218, \$729,222, and \$642,038, respectively, equal to the required contributions for each year.

9. OTHER POSTEMPLOYMENT BENEFITS

The Commission provides certain life insurance and other benefits and continuing health care benefits for retired employees. All of the Commission's full-time employees become eligible for these benefits if they reach normal retirement age while working for the Commission. The Commission provides a \$4,000 to \$5,000 term life benefit at no cost to retired employees, which is payable to the survivors upon the retiree's death. Retirees are also given the option to continue coverage under the Commission's major medical and hospitalization insurance policy at the same rate as active employees. Health care benefits are provided through an insurance company whose monthly premiums are paid jointly by the retiree and the Commission. The Commission's costs of providing these benefits are recognized as expenditures when the payments or monthly premiums are paid. Cost to the Commission for these retiree benefits was \$118,509 in 1999.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the general long-term obligation transactions for the year ended December 31, 1999:

	<u>Compensated Absences</u>	<u>Reserve for Life Insurance</u>	<u>Total</u>
Long-term obligations payable at December 31, 1998	\$ 1,517,653	\$ 191,000	\$ 1,708,653
Additions	403,354	17,000	420,354
Retirements	(392,631)	-	(392,631)
Long-term obligations payable at December 31, 1999	<u>\$ 1,528,376</u>	<u>\$ 208,000</u>	<u>\$ 1,736,376</u>

11. LITIGATION AND CLAIMS

The Commission is a defendant in various lawsuits. For those lawsuits whose ultimate losses could be reasonably estimated, \$100,000 has been recorded as a liability in self insurance fund. Management and legal counsel for the Commission believe that the potential unrecorded claims against the Commission would not materially effect the Commission's financial position.

12. RISK MANAGEMENT

All funds participate in the Self Insurance Fund. Amounts payable to the fund are based on estimates of the total claim liability. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

12. RISK MANAGEMENT (continued)

The uninsured risk retention is as follows:

Worker's Compensation:

The worker's compensation limit is the statutory amount. The Commission has purchased insurance that pays claims in excess of \$250,000 per occurrence. The maximum cumulative exposure to worker's compensation claims over the two-year term of the policy is \$866,963 based on payroll estimates provided to the insurer.

Auto Liability:

The Commission has purchased insurance to cover claims in excess of the self insured retention. The combined coverage for property damage and bodily injury is \$500,000 per occurrence. The maximum cumulative exposure to vehicle accident claims in 1999 was \$50,000 per occurrence.

General Liability:

The Commission is completely self insured.

An analysis of the claims liability of the self insurance fund is as follows:

	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Auto Liability</u>	<u>Total</u>
Claims Liability at December 31, 1998	\$ 115,706	\$ 141,000	\$ 142,733	\$ 399,439
Claims Incurred in 1999	127,104	11,255	99,639	237,998
Claims Paid in 1999	(171,712)	(52,255)	(57,863)	(281,830)
Claims Liability at December 31, 1999	<u>\$ 71,098</u>	<u>\$ 100,000</u>	<u>\$ 184,509</u>	<u>\$ 355,607</u>



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

13. RESERVED AND DESIGNATED FUND EQUITY

Portions of the fund balance of the General Fund have been designated by the Commission for the following purposes:

Retirees' Life Insurance

The Commission has established a self-insured life insurance program for retired employees. At the time of an employee's retirement, \$4,000 or \$5,000 (depending on date of retirement) of the fund balance of the General Fund is set aside. The beneficiary is paid \$4,000 (or \$5,000) upon the death of the retiree. At December 31, 1999, there were 51 such retirees, and fund balance designated for these retirees total \$208,000.

Self-Insurance Program

The Commission has designated a portion of the fund balance of the General Fund for a worker's compensation and general liability self-insurance program. Insurance for theft, fire and other building hazards, vehicle liability, and various accident policies covering certain recreational activities sponsored by the Commission are provided by insurance companies.

The following is an analysis of changes in designations of the fund balance of the General Fund and Capital Improvements Fund:

	Balance at December 31, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>1999</u>
Designated fund balances:				
General Fund				
Retirees Life Insurance	\$ 191,000	\$ 17,000	\$ -	\$ 208,000
Self-Insurance Program	4,100,000	-	(2,900,000)	1,200,000
Zoo Train Equipment	140,000	-	(140,000)	-
Maintenance Equipment	200,000	-	(200,000)	-
Building Repairs	250,000	-	(250,000)	-
Capital Improvement				
Golf Course Construction	-	3,200,000	-	3,200,000
Independence Park Building	-	2,000,000	-	2,000,000
Botanical Garden	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>1,600</u>
	<u>\$ 4,882,600</u>	<u>\$ 5,217,000</u>	<u>(\$ 3,490,000)</u>	<u>\$ 6,609,600</u>



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

13. RESERVED AND DESIGNATED FUND EQUITY (continued)

Portions of the fund balance and retained earnings of the General Fund, Capital Improvements Fund, and Proprietary Fund have been reserved by the commission as reported on Statement A and are composed of the following:

General Fund:		
Encumbrances	\$	588,710
Inventories and Supplies		<u>360,707</u>
Total: General Fund		<u>949,417</u>
Capital Improvements Fund:		
Encumbrances		3,175,511
Inventory and Supplies		<u>19,988</u>
Total: Capital Improvements Fund		<u>3,195,499</u>
Self-Insurance Fund:		
Amounts pledged to and held in joint custody with the Louisiana Office of Workers Compensation		<u>100,000</u>
Total reserved fund equity	\$	<u>4,244,916</u>

14. NOTES PAYABLE

At December 31, 1999, the Commission had outstanding debt in the principal amount of \$7,600,000 as follows:

<u>Financial Institution</u>	<u>Principal</u>	<u>Origination Date</u>
Whitney National Bank	\$ 7,600,000	October 12, 1999

The note bears interest payable to City National Bank at an interest rate of 3.925%. The note is secured by the pledge of ad valorem tax revenues to be collected in 2000. The amount of debt authorized by the Louisiana State Bond Commission for issuance as of December 31, 1998 was eight million dollars. Subsequent to the date of these financial statements, this obligation was paid in full.

15. SUBSEQUENT EVENT

Subsequent to the date of these financial statements, the Commission received title to a tract of land. In consideration of this "donation", the Commission has agreed to construct and operate an eighteen hole public golf course on the land. In anticipation of the donation of land, the Commission had designated \$3.2 million for the construction of the golf course as of December 31, 1999.



SUPPLEMENTAL INFORMATION



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

SPECIAL REVENUE FUND
COMBINING BALANCE SHEET, DECEMBER 31, 1999
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998)

ASSETS

	Senior Citizens Fund	Mineral Endowment Fund	Dream Daycamp Fund	Totals	
				1999	1998
Demand deposits	\$ 45,499	\$ 35,000	\$ 339,145	\$ 419,644	\$ 471,862
Time deposits	-	1,057,014	-	1,057,014	821,767
Due from other funds	700	10,956	15,707	27,363	
Interest receivable	-	5,039	-	5,039	97,258
Total Assets	\$ 46,199	\$ 1,108,009	\$ 354,852	\$ 1,509,060	\$ 1,390,887

LIABILITIES AND FUND BALANCE

Due to other funds	\$ 5,526	\$ -	\$ -	\$ 5,526	\$ 2,025
Total Liabilities	5,526	-	-	5,526	2,025
Fund Balance:					
Undesignated, unreserved	40,673	1,108,009	354,852	1,503,534	1,388,862
Total Liabilities and Fund Balance	\$ 46,199	\$ 1,108,009	\$ 354,852	\$ 1,509,060	\$ 1,390,887



RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE
BATON ROUGE, LOUISIANA

SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1999
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998)

REVENUES

	Senior Citizens Fund	Mineral Endowment Fund	Dream Daycamp Fund	Totals	
				1999	1998
Craft Sales	\$ 8,287	\$ -	\$ -	\$ 8,287	\$ 5,375
Miscellaneous Revenue	1,011	-	-	1,011	3,166
Oil Lease Revenue	-	3,087	-	3,087	22,478
Interest Revenue	2,100	59,968	15,707	77,775	61,290
Total Revenues	11,398	63,055	15,707	90,160	92,309

EXPENDITURES

Cost of Goods Sold	5,488	-	-	5,488	7,837
Travel Expenditures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Expenditures	5,488	-	-	5,488	7,837
Excess Revenues Over Expenditures	5,910	63,055	15,707	84,672	84,472

OTHER FINANCING SOURCES (USES)

Interfund transfers	-	-	30,000	30,000	30,000
Total other financing sources (uses)	-	-	30,000	30,000	30,000
Excess Revenues Over Expenditures and Other Financing Sources	5,910	63,055	45,707	114,672	114,472
Fund Balance, beginning of year	34,763	1,044,954	309,145	1,388,862	1,274,390
Fund Balance, end of year	\$ 40,673	\$ 1,108,009	\$ 354,852	\$ 1,503,534	\$ 1,388,862





Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

RECEIVED
LEGISLATIVE AUDITOR
2000 JUN 30 PM 2:31

May 8, 2000

To the Management of
The Recreation and Park Commission for the
Parish of East Baton Rouge
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of the Recreation and Park Commission of East Baton Rouge (BREC) as of and for the year ended December 31, 1999, we obtained an understanding of BREC's internal control structure over financial reporting. The purpose of obtaining this understanding was to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, and was not for the purpose of providing assurance on the internal control structure.

In performing our audit, we also performed tests of BREC's 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. Although our tests did not uncover any instances of material noncompliance, there was an instance of immaterial noncompliance noted. The instance, along with our suggestions for correcting the noncompliance are set forth below:

Compliance requirement: LA Revised Statute 38:2212 states that all purchases of \$7,500 or more, but less than \$15,000 shall be made by obtaining not less than three telephone or facsimile quotations.

Condition: On one of the purchases tested (the amount of which fell between \$7,500 and \$15,000) only two quotations were obtained.

Suggestion: Compliance with bid law purchase requirements should be practiced at all times.

We would like to thank BREC personnel for their cooperation during the audit. Should management or members of the Commission wish to discuss any of these items further, please feel free to contact us.

Postlethwaite & Netterville

**Recreation and Park Commission
for the Parish of East Baton Rouge**

3140 N. Sherwood Forest Drive
P.O. Box 15887, Baton Rouge, Louisiana 70895
Telephone (225) 272-9200 - TTD (225)273-6408
FAX (225) 273-6404



June 29, 2000

Mr Freddy Smith, CPA
Postlethwaite and Netterville, APAC
8550 United Plaza Blvd, Ste 1001
Baton Rouge LA 70809

Dear Sir:

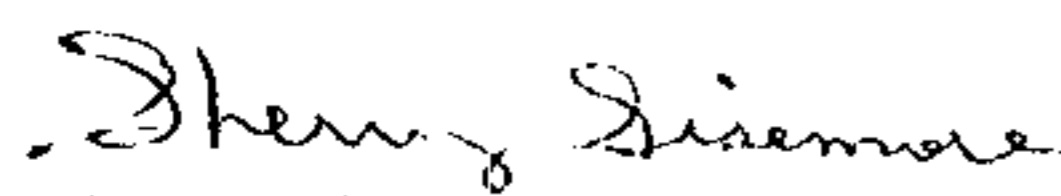
We agreed that three weekly fax quotations are necessary in obtaining fuel and oil bids.

During a period in the summer of 1999, Lard Oil Sales could not supply a fax quotation to us due to a fire sustained by their company. Steve, Lard Oil, had problems getting his regular business back on track, see attached letter. BREC had been obtaining fuel bids from Lard Oil, Ward Oil and Tri State Oil for at least one year. We have been obtaining prices from Lard Oil and Ward Oil since Max Campbell was purchasing manager in the 1980's.

Our corrective action was to find other sources in obtaining fuel and oil prices.

John Fontenot, Fontenot Oil, visited my office on August 10th to get on the BREC bid list for fuel and oil. He is the Phillips Oil distributor and he supplied me with several references including Ed Price Building Material. I spoke with Ed Price and they had excellent service with Mr Fontenot. I faxed my first quotation to him on August 12, 1999. In the meantime we also were having trouble with delivery and drum deposit pricing from Tri State Oil, I needed yet another company to fax weekly competitive quotations. Lew Ward, Ward Oil, told me that he now handled the oil products for Sullivan Oil. He stated that they had become competitive in fuel prices. Years ago Sullivan Oil gave BREC extremely high prices on fuel and oil so we had stopped faxing to them for quotations. Today most of BREC's fuel comes from Sullivan oil who sells to FUELMAN, they obtain excellent prices from the bulk orders of fuel they purchase and pass the savings on to BREC.

Sincerely,


Sherry Sisemore
BREC Purchasing Manager

Lard Oil Company
914 Florida Blvd., S.W.
Denham Springs, LA 70726
225-664-3311
Fax: 225-664-3217

Dear Customer:

On July 18, 1999, the office portion of Lard Oil Company was destroyed by fire. It was because of the outstanding job of the Denham Springs fire department, as well as the surrounding stations, that they were able to contain the fire in the office and kept the warehouse from burning. No one was hurt and our operation was able to continue without interruption. We lost almost everything in the fire, but we were able to restore our systems without losing any data and salvaged our customer files, which were stored in a fire-proof safe.

Our primary concern was to insure that you, the customer, suffered minimal discomfort from this casualty. Other than some initial phone problems, we were able to provide uninterrupted service to you. We hope that you agree.

If for any reason you feel that you are having ongoing problems, please feel free to call either one of us. Our original phone lines and numbers have been restored. All of the telephone numbers remain the same.

We would like to thank all of you that were kind enough to call and offer your assistance and support. Your generosity is greatly appreciated.

Sincerely,

Isaac D. "Butch" Hanks, Johnny Milazzo
and the Staff of Lard Oil Company