

Agreed Upon Procedures

Terrebonne Parish Recreation District No. 2/3

Houma, Louisiana

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

Independent Accountant's Report on Applying Agreed-Upon Procedures

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

Re: Terrebonne Parish Recreation District #2/3

Dear Mr. Dove:

We have performed the procedures enumerated below, which were agreed to by the Terrebonne Parish Consolidated Government, Terrebonne Parish Recreation District #2/3, and the Louisiana Legislative Auditor (the specified parties), on the concession stand operations and depreciable assets of Terrebonne Parish Recreation District # 2/3, (the District) as of the years ended December 31, 2015, 2016, and 2017. The management of the District is responsible for their respective concession stand operations and depreciable assets. The sufficiency of these procedures is solely the responsibility of the Terrebonne Parish Consolidated Government and the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

Management did not provide any concession stand policies for the District.

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

Management provided Terrebonne Parish Recreation District 2 and 3's general ledgers for the years ended December 31, 2015, 2016 and 2017.

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

Management did not provide beginning and ending inventory records of concession products for any location within the District for the periods requested.

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

Management provided vendor invoices for Coca-Cola and Fanguy Brothers, as well as receipts from Sam's Club, and other miscellaneous vendors for 2015, 2016, and 2017. Most vendor invoices included delivery locations, but vendor receipts did not indicate the location for which the purchases were made. See **Exhibit A-1**.

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

Management did not provide inventory or concession sales by product for the years 2015, 2016 or 2017.

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

Management did not provide concession product sales by dollar value for the years 2015, 2016 or 2017. However from the District's audit reports for those years we determined concession revenues totaled \$95,704 for the years requested.

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

Management did not provide any purchase orders/requisitions, receiving reports, or delivery tickets for any of the locations during the periods under review.

Management provided vendor invoices for concession purchases for various locations during the years under review as well as vendor receipts for numerous purchases made by cash, debit, and credit cards. Management provided bank statements for each year under review, including copies of checks issued.

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

Of the \$60,394 in Coca Cola invoices for the years requested, four invoices totaling \$2,456 were unable to be traced to the General Ledger. Of the \$53,472 in Fanguy Brothers invoices, eleven invoices totaling \$1,519 were unable to be traced to the General Ledger. Most Sam's Club and Walmart purchase receipts did not trace to an amount in the general ledger. See **Exhibit A-1**.

9. Obtain cash deposit and sales documentation supporting the revenues recognized in the general ledger.

Management did not provide the concession product sales documentation or identification of which cash deposits were for concession sales. We used concession revenue amounts from the annual audit report for amounts of concession sales.

10. Compare the dollar values of sales recorded in the general ledger to the dollar value of sales determined in step #6, above.

Based on the amount of concession revenues included in the audit reports for the years requested we found concession revenue to be less than concession purchases by a combined total of \$22,301. See **Exhibit A**.

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

Management noted concession stand employees performed the duties of sales, nightly close out, and cash count sheets. Concession stand employees would submit the count sheets and cash to the District Director. The District Director would then be responsible for making the deposit.

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

Concession sales count sheets or product sales by location were not provided to us.

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

Management did not provide beginning and ending inventories or physical observation of inventories during the years requested therefore shrinkage reports were not available for any locations.

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

Management did not provide information on physical safeguards in place for any of the concession stand locations. Management did not provide the names of employees with authorized access to the concession stands.

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

Forty-three specific capital assets were selected for inspection and a visual inspection was performed on Wednesday, August 22, 2018. Of the assets selected, eight were unable to be inspected. Of those eight assets, one was in the repair shop, three were unable to be located, and four were unable to be identified specifically by the description provided. See **Exhibit B** for details.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the forensic investigation of concession stand operations and depreciable assets. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Terrebonne Parish Consolidated Government, Terrebonne Parish Recreation District #2/3 and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties.

Bourgeois Bennett, LLC
Metairie, Louisiana
August 27, 2018

Exhibit A

**Terrebonne Parish Recreation District #2/3
Summary of Concession Revenues and Vendor Invoices
For the Years Ended December 31, 2015, 2016 and 2017**

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Totals</u>
Concession revenues	\$ 28,122	\$ 28,045	\$ 39,537	\$ 95,704
Cost of revenues				
Coco Cola	20,728	20,477	19,188	60,393
Fanguy Brothers	14,957	18,368	20,147	53,472
Sam's Club	1,051	1,021	1,902	3,974
Others		58	108	166
Total costs	36,736	39,924	41,345	118,005
Concession loss	\$ (8,614)	\$ (11,879)	\$ (1,808)	\$ (22,301)

Exhibit A-1

**Terrebonne Parish Recreation District #2/3
Summary of Concession Vendor Invoices
For the Years ended December 31, 2015, 2016 and 2017**

<u>Facility</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Totals</u>
MLK				
Coca Cola	\$ 11,722	\$ 8,476	\$ 10,729	\$ 30,927
Fanguy Brothers	5,849	7,808	8,674	22,331
Totals	17,571	16,284	19,403	53,258
K Street				
Coca Cola	8,933	9,077	8,459	26,469
Sam's Club	17	-	-	17
Totals	8,950	9,077	8,459	26,486
421 Westview				
Fanguy Brothers	449	-	-	449
Broadmoor Park				
Fanguy Brothers	5,779	7,759	9,880	23,418
Skate Park				
Fanguy Brothers	739	656	224	1,619
Southland Park				
Fanguy Brothers	316	-	231	547
Boys Complex				
Fanguy Brothers	874	723	-	1,597
Gym				
Fanguy Brothers	781	1,125	523	2,429
B Country Park				
Fanguy Brothers	169	298	616	1,083
Location not provided				
Sam's Club	1,026	1,021	1,902	3,949
WalMart	-	-	27	27
Miscellaneous	-	58	80	138
Totals	1,026	1,079	2,010	4,114
No invoice details provided				
Coca Cola	74	2,924	-	2,998
Sam's Club	8	-	-	8
Totals	82	2,924	-	3,007
Totals	\$ 36,736	\$ 39,924	\$ 41,346	\$ 118,005

Exhibit B
Terrebonne Parish Consolidated Government
Recreation Districts 2 & 3
Inspection Date: Wednesday, August 22, 2018

	Acquired	Description	Cost	Physically		Other Identifier	Facility	Actual Location
				Present?	Rec 2/3 Tag #			
1	4/15/2004	John Deere Bunker Rake	8,675.00	Yes	811	TC1200A155537	MLK	storage shed
2	8/8/2005	Horse Creek Dump Trailer	4,710.00	Yes	792	53SCD102450015209	BCP	storage shed
3	9/7/2005	Ice Machine	2,650.00	Yes	875	S/N 010763800	MLK	concession stand
4	5/31/2006	60" Tractor - Houma Tractor	11,215.75	Yes	838	60" - Ztrac 997	BC	storage shed
5	5/24/2007	Cement Finisher - Storage Bin	3,783.27	Yes	N/A	N/A	BC	near driveway
6	6/4/2007	Pitching Machine	1,256.70	Yes	878	4-210; 45020	MLK	storage shed
7	9/19/2007	John Deere Sand Spreader	1,384.00	Yes	799	Model # 750S	BCP	storage shed
8	10/15/2007	John Deere Bunker Rake	9,486.00	Yes	843	TC1200A136104	BC	storage shed
9	9/1/2008	Portable Pitcher's Mound	3,045.00	Yes	N/A	N/A	BC	field
10	2/20/2009	John Deere Utility Camo/Lift	9,982.35	Yes	844	MOHXOPA052725	BC	storage shed
11	6/1/2009	John Deere Z-Track 42" Mower	2,856.94	Yes	797	MOZ225A067303	SLP	storage shed
12	8/14/2009	Ice Machine, Manitowoc SY0304A	2,470.00	Yes	876	S/N SY0304A	BC	concession stand
13	7/12/2010	John Deere Tow Spreader	1,607.24	No				unable to locate
14	8/4/2010	John Deere Belly Mower	1,980.00	Yes	825	The Edge 48" 1GXD140EPFF625094	BCP	storage shed
15	9/13/2010	John Deere 997 60" Zero-Turn Lawn Tractor	12,831.75	Yes	812	TC997S8055061	MLK	storage shed
16	2/17/2012	Breakaway Sports (field netting)	2,582.60	Yes	N/A	N/A	SLP	field
17	5/14/2012	Little Slam (frame and netting for batting practice)	3,965.84	Yes	N/A	N/A	SLP	awning
18	5/16/2012	Houma Tractor	1,648.99	Yes	842	1GXD130EKE523116	BC	storage shed
19	6/20/2012	Tractor	1,020.00	No				unable to identify
20	12/10/2012	Generator, Honda	1,080.00	Yes	775	EAAJ-2418558	BCP	storage shed
21	4/4/2013	Fuel Tank	1,961.50	Yes	877	100L	BCP	truck bed
22	5/15/2013	John Deere Tractor	54,886.52	Yes	553	BW15561	BCP	storage shed
23	6/11/2013	Riding Lawn Mower	537.65	No				unable to identify
24	7/16/2014	Hydro, Honda Little Wonder	1,999.99	Yes	776	5126-22-01	BCP	storage shed
25	7/21/2014	Case 650L Dozer-Wide Track	72,498.94	Yes	788	Product ID# NEDC60045	BCP	storage shed
26	6/30/2015	John Deere Tractor	18,376.80	No				unable to identify
27	7/7/2015	Hydro	2,099.99	No				unable to locate
28	7/22/2015	Cameras (6)	6,869.98	Yes	N/A		SKP	mounted on bldg
29	7/22/2015	Tractor	18,376.80	No				REPAIR SHOP
30	8/24/2015	Generator, Isuzu WhisperWatt	13,000.00	Yes	798	S/N 3996719	BCP	storage shed
31	9/24/2015	Gator XUV 4 Seater	15,612.00	Yes	778	372FGFC01506	BCP	storage shed
32	10/19/2015	Fairway Mower, 7700A Precision Cut	51,952.67	Yes	779	IM022H8BCFM471146	BCP	storage shed
33	10/21/2015	Trailer with Ramps, black	2,099.00	Yes	791	129US162XSLO53294	BCP	storage shed
34	10/23/2015	Trimmer	312.95	Yes	multiple	multiple	BCP	storage shed
35	12/11/2015	Pressure Washer	799.99	Yes	837	10878242	BC	storage shed
36	2/17/2016	Tractor, 1762P H120 Loader, John Deere (1025R?)	16,026.08	Yes	831	T1LV1025RCFH319517	SLP	storage shed
37	3/9/2016	Salt Spreader	2,225.00	Yes	801	Model 5.5	BCP	storage shed
38	7/7/2016	Yard Care System, Houma Tractor	1,139.86	No				unable to identify
39	9/14/2016	Hydro 22HP 48-inch	1,999.00	No				unable to locate
40	11/16/2016	Ditchbank Cutter, Houma Tractor	10,240.50	Yes	786	S/N 1351584; Model # 5106	BCP	storage shed
41	11/16/2016	Bunker Rake, John Deere, Model 1200A	12,204.50	Yes	771	ITC1200AVGT230532	BCP	storage shed
42	9/12/2017	Tractor, John Deere, 72" Z-turn	18,860.40	Yes			BCP	storage shed
43	7/31/2001	Gator 4-wheel drive utility	5,699.00	Yes	809	W004X2X065773	MLK	storage shed
44	5/14/2014	2014 Dodge Ram 2500 truck	27,147.00	Yes	N/A	License Plate # 236818 VIN 3C6TR5HT5EG214135	BCP	various

Facility Legend
 BCP B Country Park
 MLK MLK
 BC Boys Complex
 SLP Southland Park
 SKP Skate Park

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

Dear Mr. Dove

In performing our agreed upon procedures engagement for the Terrebonne Parish Consolidated Government, Terrebonne Parish Recreation District No. 2/3 (the District) and the Louisiana Legislative Auditor as of and for the years ended December 31, 2015, 2016 and 2017 in accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we considered the District's internal control over concession sales, concession product purchasing and capital assets (internal control) for the purpose of performing the agreed upon procedures but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the District's internal control. However, during our agreed upon procedures engagement we became aware of opportunities for strengthening internal controls and improving operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This communication is intended solely for the information and use of management, the Board of Directors of the District and the Terrebonne Parish Consolidated Government and is not intended to be and should not be used by anyone other than those specified parties. However, this report is distributed by the Louisiana Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accounts

Metairie, LA
August 31, 2018

Concession Stand Activities

In the performance of the concession stand procedures, we did not receive original transaction data for products delivered, sold and remaining at the end of the day. Furthermore, detail transaction data of sales were not available. We were told daily summary cash count sheets were prepared by concession stand workers but were not kept as support for cash deposits. As a result, the District cannot determine the amount of cash shortages from concession sales or amounts of inventory disposed of by means other than sales.

We recommend that the Board establish concession stand operating policies and procedures which will provide improved point of sale data on products sold and cash received. Close out summaries for products and cash receipts should be maintained on a daily basis and allow for reconciliation to inventory and cash deposits at the end of day. In addition, we recommend the strengthening of over-night inventory safe guards and security

Capital Assets

In completing the agreed upon procedures related to capital assets we obtained Terrebonne Parish Recreation District No. 2/3's capital assets listing. The listing is broken down into 4 categories: 1) land, 2) facilities and improvements, 3) equipment and furniture and 4) vehicles. The procedures addressed the movable assets, equipment, furniture and vehicles. As noted in our report we were unable to identify several items on the listing. In addition, we noted several items at the facilities that were not identified as being on the asset listing. We provided our observation results to management for follow up. In follow up it was pointed out that the asset listing had inadequate descriptions on certain assets to allow for identification. In addition, the asset listing does not contain tracking tag numbers for assets.

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