



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued October 28, 2011

Bourne Recreation Authority

For the period July 1, 2008 through June 30, 2010



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In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of the Bourne Recreation Authority for the period July 1, 2008 through June 30, 2010. The objectives of our audit were to assess the adequacy of the Authority's management control system to ensure that resources are safeguarded and being used efficiently and effectively, and to determine whether the Authority is complying with all laws, rules, and regulations applicable to its programs and financial activities.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Based on our review we have concluded that, during the period July 1, 2008 through June 30, 2010, the Authority maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

INTRODUCTION

Background

Chapter 820 of the Acts of 1970 created the Bourne Recreation Authority on August 21, 1970. A 1971 amendment gave the Bourne Recreation Authority the ability to lease federal land from the U.S. Army Corps of Engineers for purposes of constructing recreational facilities. Chapter 311 of the Acts of 1973 authorized the Town of Bourne to borrow up to \$1 million for purposes of acquiring land and constructing an ice skating rink and other recreational facilities. Since 1994, the Bourne Recreation Authority has acted as a totally independent entity. The Authority is made up of five board members, one whom is appointed by the Governor and four who are elected by the voters in the Town of Bourne. The Authority operates an ice-skating rink known as the John Gallo Ice Arena, and a campground, known as the Bourne Scenic Park.

The fiscal years 2009 and 2010 income and expenses for the two Bourne Recreation Authority operations are as follows:

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2010</u>
Income		
Bourne Scenic Park Revenues	\$1,540,945	\$1,652,832
Gallo Ice Arena Revenues	610,523	612,787
Interest Income	<u>13,393</u>	<u>4,487</u>
Total Income	<u>\$2,164,861</u>	<u>\$2,270,106</u>
Costs and Expenses		
Bourne Scenic Park Operating Expenses	\$1,006,735	\$1,013,414
Bourne Scenic Park Cost of Goods Sold	11,844	10,765
Gallo Ice Arena Operating Expenses	685,300	637,750
Gallo Ice Arena Cost of Goods Sold	9,827	8,720
Total Authority Maintenance Expenses	415,227	369,637
Total Authority Administrative Expenses	<u>209,661</u>	<u>221,028</u>
Total Costs and Expenses	<u>\$2,338,594</u>	<u>\$2,261,314</u>
Net Income (Loss)	<u>(\$173,733)</u>	<u>\$8,792</u>

Audit Scope, Objectives, and Methodology

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of the Bourne Recreation Authority for the period July 1, 2008 through June 30, 2010. The objectives of our audit were to assess the adequacy of the Authority's management control system to ensure that resources are safeguarded and being used efficiently and effectively, and to determine whether the Authority is complying with all laws, rules, and regulations applicable to its programs and financial activities.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To achieve our audit objectives, we reviewed the following:

- The internal controls over cash receipts at both the John Gallo Ice Arena and the Bourne Scenic Park and the centralized cash disbursement system.
- Cash management and investment policies and procedures to verify that the Authority maximized its interest income and that its deposits are fully safeguarded.
- Contract management procedures and practices to verify compliance with public bidding laws for awarding contracts and to verify that funds were disbursed in accordance with the terms of the contracts.
- Procedures for making payments to employees for salaries, travel, fringe benefits, and other administrative expenditures to verify compliance with established laws, rules and regulations.
- Inventory control procedures to ensure that fixed assets are safeguarded from loss, theft, or misuse.

Our tests in the above-mentioned areas disclosed no material weaknesses. Based on our review we have concluded that, during the period July 1, 2008 through June 30, 2010, the Authority maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.