

RECREATION DISTRICT NO. 2
OF ALLEN PARISH
KINDER, LOUISIANA

A Component Unit of the
Allen Parish Police Jury

GENERAL PURPOSE FINANCIAL STATEMENTS

As of and For the Year Ended June 30, 2003
With Supplemental Information Schedules

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Mires & Company
A Professional Corporation
Certified Public Accountants

Members
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

Board of Commissioners
Recreation District No. 2 of Allen Parish
A Component Unit of the Allen Parish Police Jury
Kinder, Louisiana

We have compiled the accompanying general purpose financial statements of the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2003, as listed in the table of contents, and the accompanying supplementary information, as listed in the table of contents, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management of the Recreation District No. 2 of Allen Parish. We have not audited or reviewed the accompanying general purpose financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated September 22, 2003, on the results of our agreed-upon procedures.

Mires and Company, CPAs, APC

Mires and Company, CPAs, APC
September 22, 2003

GENERAL PURPOSE FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
ALL FUND TYPES AND ACCOUNT GROUP
Balance Sheet, June 30, 2003

	GOVERNMENTAL FUNDS		ACCOUNT GROUP GENERAL FIXED ASSETS	TOTALS (MEMORANDUM ONLY)	
	GENERAL FUND	DEBT SERVICE FUND		2003	2002
ASSETS AND OTHER DEBITS					
Assets:					
Cash and cash equivalents	\$ 214,239	\$ 12,048	\$ -	\$ 226,287	\$ 226,487
Interest receivable	276	-	-	276	443
Due from other funds	-	4,399	-	4,399	4,360
Prepaid interest	-	2,520	-	2,520	2,520
Land, buildings, & equipment	-	-	731,005	731,005	681,587
Other Debits:					
Amount available in Debt Service Fund	-	-	-	-	20,000
TOTAL ASSETS AND OTHER DEBITS	\$ 214,515	\$ 18,967	\$ 731,005	\$ 964,487	\$ 935,397
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 808	\$ -	\$ -	\$ 808	\$ 2,343
Payroll deductions and withholdings payable	771	-	-	771	976
Due to other funds	4,399	-	-	4,399	4,360
Bonds payable	-	-	-	-	20,000
Total Liabilities	5,978	-	-	5,978	27,679
Equity and Other Credits:					
Investment in general fixed assets	-	-	731,005	731,005	681,587
Fund balances:					
Reserved for debt service	-	-	-	-	38,568
Unreserved - undesignated	208,537	18,967	-	227,504	187,563
Total Equity and Other Credits	208,537	18,967	731,005	958,509	907,718
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 214,515	\$ 18,967	\$ 731,005	\$ 964,487	\$ 935,397

See accompanying notes & accountant's report.

**RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2003**

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
			<u>2003</u>	<u>2002</u>
REVENUES				
Ad valorem taxes - net	\$ 105,649	\$ 1,415	\$ 107,064	\$ 111,784
Other revenues:				
Interest	3,250	129	3,379	4,377
Miscellaneous	15	-	15	-
Pool fees	752	-	752	1,315
Total Revenues	<u>109,666</u>	<u>1,544</u>	<u>111,210</u>	<u>117,476</u>
EXPENDITURES				
Advertising	30	-	30	55
Bank charges	116	25	141	310
Gas and oil	569	-	569	587
Insurance	4,139	-	4,139	5,078
Miscellaneous	636	-	636	362
Payroll taxes	1,003	-	1,003	1,150
Printing and office supplies	98	-	98	34
Professional fees	2,330	-	2,330	2,150
Repairs	11,655	-	11,655	10,506
Supplies and maintenance	466	-	466	3,155
Utilities	5,311	-	5,311	5,700
Wages	12,921	-	12,921	14,751
Capital outlay	49,418	-	49,418	17,548
Debt service:				
Principal retirement	-	20,000	20,000	20,000
Interest	-	1,120	1,120	2,240
Total Expenditures	<u>88,692</u>	<u>21,145</u>	<u>109,837</u>	<u>83,626</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>20,974</u>	<u>(19,601)</u>	<u>1,373</u>	<u>33,850</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>187,563</u>	<u>38,568</u>	<u>226,131</u>	<u>192,281</u>
FUND BALANCES AT END OF YEAR	<u>\$ 208,537</u>	<u>\$ 18,967</u>	<u>\$ 227,504</u>	<u>\$ 226,131</u>

See accompanying notes & accountant's report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
GOVERNMENTAL FUND - GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes - net	\$ 96,000	\$ 105,649	\$ 9,649
Other revenues:			
Interest	-	3,250	3,250
Miscellaneous	-	15	15
Pool fees	-	752	752
Total Revenues	<u>96,000</u>	<u>109,666</u>	<u>13,666</u>
EXPENDITURES			
Advertising	-	30	(30)
Bank charges	-	116	(116)
Gas and oil	1,250	569	681
Insurance	5,000	4,139	861
Miscellaneous	-	636	(636)
Payroll taxes	-	1,003	(1,003)
Printing and office supplies	-	98	(98)
Professional fees	2,300	2,330	(30)
Repairs	15,500	11,655	3,845
Supplies and maintenance	3,500	466	3,034
Utilities	9,700	5,311	4,389
Wages	19,800	12,921	6,879
Capital outlay	38,950	49,418	(10,468)
Total Expenditures	<u>96,000</u>	<u>88,692</u>	<u>7,308</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>20,974</u>	<u>20,974</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>187,563</u>	<u>187,563</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 187,563</u>	<u>\$ 208,537</u>	<u>\$ 20,974</u>

See accompanying notes and accountant's report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A Component Unit of the Allen Parish Police Jury
Kinder, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2003

INTRODUCTION

The Recreation District No. 2 of Allen Parish was created by the Allen Parish Police Jury. The District is governed by a board of five noncompensated commissioners who are appointed by the Allen Parish Police Jury. The District establishes regulations governing the park and playground and provides administration, management, maintenance and operations of the facilities. The District employs a varying number of seasonal, part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Recreation District No. 2 of Allen Parish have been prepared in conformity with 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.

B. REPORTING ENTITY

The District is a component unit of the Allen Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group 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.

**RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY**

Kinder, Louisiana

Notes to the Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. General Fund--the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.
2. Debt Service Fund--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Revenues susceptible to accrual are property tax revenue and interest earned.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). These are recorded in the year of occurrence.

E. BUDGETS

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund. All annual appropriations lapse at fiscal year end.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
Notes to the Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prior to the beginning of each fiscal year, the President of the District submits a budget to the Board of Commissioners. The budget is prepared by fund, function and activity. The board holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

Expenditures may not legally exceed budgeted appropriations at the activity level.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

I. COMPENSATED ABSENCES

All employees of the District are part-time and utilized on a seasonal basis. The District has no policy of vacation or sick leave for these employees.

J. LONG-TERM OBLIGATIONS

Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 Kinder, Louisiana
 Notes to the Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**K. SHORT-TERM INTERFUND
 RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

L. FUND EQUITY

Reserves

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

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only 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 principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. COMPARATIVE TOTALS

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

NOTE 2 - LEVIED TAXES

For the year ended June 30, 2003, taxes were levied on property with assessed valuations as follows:

	<u>General Purposes</u>
Assessed Valuation	\$ 21,217,795
Millage	4.87

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 Kinder, Louisiana
 Notes to the Financial Statements (Continued)

NOTE 2 - LEVIED TAXES

Total taxes levied were \$103,331 for 2003. These taxes were substantially collected by June 30, 2003.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15 of the current year, and become delinquent after December 31. Property taxes not paid by the end of December are subject to lien. The District considers all uncollected taxes at December 31 to be uncollectible and are charged as bad debts. The District does not use a valuation account for bad debts and considers its method to not result in an outcome that differs materially from results if the allowance method had been used.

NOTE 3- CASH AND CASH EQUIVALENTS

At June 30, 2003, the District has cash and cash equivalents (book balances) totaling \$226,287 as follows:

Demand deposits	\$ 8,721
Interest-bearing demand deposits	138,228
Time deposits	79,288
Other	<u>50</u>
Total	<u>\$ 226,287</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2003, the District has \$167,429 in deposits (collected bank balances). These deposits are secured from risk by \$141,249 of federal deposit insurance and \$26,180 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 Kinder, Louisiana
 Notes to the Financial Statements (Continued)

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

	07/01/02	Additions	06/30/03
	<u>Balance</u>	<u>(Deletions)</u>	<u>Balance</u>
Land	\$ 53,015	\$ -	\$ 53,015
Park improvements	397,861	46,083	443,944
Movable equipment	36,241	3,335	39,576
Swimming equipment	<u>194,470</u>	<u>-</u>	<u>194,470</u>
Total	<u>\$ 681,587</u>	<u>\$ 49,418</u>	<u>\$ 731,005</u>

NOTE 5 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

Bonds payable, June 30, 2002	\$ 20,000
Bonds retired	<u>(20,000)</u>
Bonds payable, June 30, 2003	<u>\$ -</u>

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 7 - RETIREMENT COMMITMENTS

All employees of the District are part-time and utilized on a seasonal basis. The District has no policy of providing for the retirement of these employees.

NOTE 8 - GASBS No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (Statement). Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
Notes to the Financial Statements (Continued)

NOTE 8 - GASBS No. 34

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including reporting infrastructure assets (roads, bridges, etc.).
- A change in the fund financial statements to focus on the *major* funds.

The general provisions of GASBS No.34 must be implemented by Recreation District No. 2 of Allen Parish no later than the fiscal year ending June 30, 2004.

SUPPLEMENTAL INFORMATION SCHEDULES

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended June 30, 2003

AGREED-UPON PROCEDURES: (Findings)

None

See accountant's report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
MANAGEMENT'S SUMMARY SCHEDULE OF PRIOR FINDINGS
For the Year Ended June 30, 2003

AGREED-UPON PROCEDURES: (Findings)

None

See accountant's report.



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Recreation District No. 2 of Allen Parish
A Component Unit of the Allen Parish Police Jury
Kinder, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Recreation District No. 2 of Allen Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Recreation District No. 2 of Allen Parish's compliance with certain laws and regulations during the year ended June 30, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. 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.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

We reviewed all disbursements made during the year. There were no expenditures over \$15,000 for materials and supplies, and no expenditures over \$100,000 for public works.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on June 19, 2002 which indicated that the budget had been adopted by the commissioners of the Recreation District No. 2 of Allen Parish by a vote of 5 in favor and none opposed. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted revenues by 5% or more and actual expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that

payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

We found that all payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairman of the Board of Commissioners. In addition, each of the disbursements were traced to the District's minute book where they were approved by the full commission.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Recreation District No. 2 of Allen Parish is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted and we viewed these notices at the required locations.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

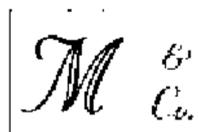
Our prior year report, dated November 21, 2002, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. 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 use of management of the Recreation District No. 2 of Allen Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
September 22, 2003



LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

9/7/03 (Date Transmitted)

Mirast Company, CPAs, APC
1633 Bessie Parkway
Sulphur, LA 70663

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.
Yes [] No []

Debt

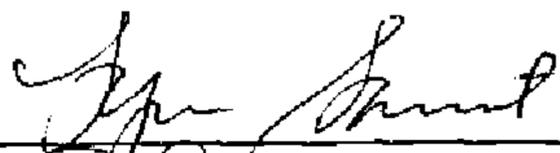
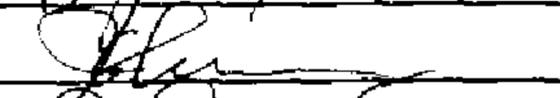
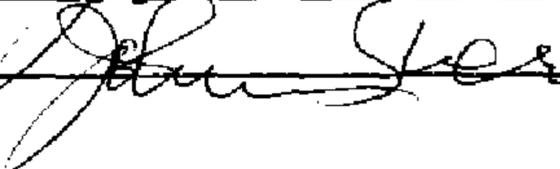
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.
Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.
Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	<u>9-4-03</u>	Date
	Treasurer		Date
	President	<u>9/7/03</u>	Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.