

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, 2004
With Supplemental Information Schedules

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 12-29-04

CONTENTS

	<u>Page</u>
ACCOUNTANT'S REPORT	2
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Balance Sheet - All Fund Types and Account Groups	4
Governmental Funds:	
Statement of Revenues, Expenditures, and Changes in Fund Balances	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	6
Notes to the Financial Statements	7
SUPPLEMENTAL INFORMATION SCHEDULES:	
Management's Corrective Action Plan for Current Year Findings	15
Management's Summary Schedule of Prior Findings	16
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	17
LOUISIANA ATTESTATION QUESTIONNAIRE	21

Stutzman & Gates, LLC
Certified Public Accountants

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

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, 2004, 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. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

As explained in Note 1 to the financial statements, Recreation District No. 2 of Allen Parish has not implemented the new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, as of June 30, 2004. Generally accepted accounting principles require that governmental entities adopt GASB No. 34. The effects of this departure from generally accepted accounting principles have not been determined.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated December 5, 2004, on the results of our agreed-upon procedures.

Stutzman & Gates, LLC
Stutzman & Gates, LLC
December 5, 2004

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 GROUPS
Balance Sheet, June 30, 2004**

	GOVERNMENTAL FUNDS			ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ASSETS AND OTHER DEBITS						
Assets:						
Cash and cash equivalents	\$ 249,655	\$ -	\$ 182,324	\$ -	\$ -	\$ 431,979
Interest receivable	280	-	-	-	-	280
Land, buildings, & equipment	-	-	-	656,918	-	656,918
Other Debits:						
Amount to be provided for retirement of general long-term obligations	-	-	-	-	161,000	161,000
TOTAL ASSETS AND OTHER DEBITS	\$ 249,935	\$ -	\$ 182,324	\$ 656,918	\$ 161,000	\$ 1,250,177
LIABILITIES, EQUITY, AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 1,365	\$ -	\$ -	\$ -	\$ -	\$ 1,365
Payroll deductions and withholdings payable	755	-	-	-	-	755
Bonds payable	-	-	-	-	161,000	161,000
Total Liabilities	2,120	-	-	-	161,000	163,120
Equity and Other Credits:						
Investment in general fixed assets	-	-	-	656,918	-	656,918
Fund balances:						
Unreserved - undesignated	247,815	-	182,324	-	-	430,139
Total Equity and Other Credits	247,815	-	182,324	656,918	-	1,087,057
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 249,935	\$ -	\$ 182,324	\$ 656,918	\$ 161,000	\$ 1,250,177

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, 2004**

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES				
Ad valorem taxes - net	\$ 103,793	\$ -	\$ -	\$ 103,793
Other revenues:				
Interest	2,890	2	61	2,953
Miscellaneous	397	-	1	398
Total Revenues	<u>107,080</u>	<u>2</u>	<u>62</u>	<u>107,144</u>
EXPENDITURES				
Advertising	960	-	-	960
Architect fees	-	-	2,026	2,026
Contractor	-	-	12,359	12,359
Gas and oil	616	-	-	616
Insurance	7,266	-	-	7,266
Legal fees	-	-	3,318	3,318
Miscellaneous	917	-	-	917
Payroll taxes	721	-	-	721
Printing and office supplies	157	-	35	192
Professional fees	2,265	-	-	2,265
Repairs	11,439	-	-	11,439
Utilities	2,622	-	-	2,622
Wages	9,291	-	-	9,291
Capital outlay	8,076	-	-	8,076
Debt service:				
Principal retirement	39,000	-	-	39,000
Interest	921	2,520	-	3,441
Total Expenditures	<u>84,251</u>	<u>2,520</u>	<u>17,738</u>	<u>104,509</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>22,829</u>	<u>(2,518)</u>	<u>(17,676)</u>	<u>2,635</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	200,000	200,000
Operating transfers from (to):				
General fund	-	(16,449)	-	(16,449)
Debt service fund	16,449	-	-	16,449
Total Other Financing Sources (Uses)	<u>16,449</u>	<u>(16,449)</u>	<u>200,000</u>	<u>200,000</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>39,278</u>	<u>(18,967)</u>	<u>182,324</u>	<u>202,635</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>208,537</u>	<u>18,967</u>	<u>-</u>	<u>227,504</u>
FUND BALANCES AT END OF YEAR	<u>\$ 247,815</u>	<u>\$ -</u>	<u>\$ 182,324</u>	<u>\$ 430,139</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, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes - net	\$ 96,000	\$ 103,793	\$ 7,793
Other revenues:			
Interest	-	2,890	2,890
Miscellaneous	-	397	397
Total Revenues	<u>96,000</u>	<u>107,080</u>	<u>11,080</u>
EXPENDITURES			
Advertising	-	960	(960)
Gas and oil	1,250	616	634
Insurance	5,000	7,266	(2,266)
Miscellaneous	-	917	(917)
Payroll taxes	-	721	(721)
Printing and office supplies	-	157	(157)
Professional fees	2,300	2,265	35
Repairs	15,500	11,439	4,061
Utilities	7,500	2,622	4,878
Wages	15,000	9,291	5,709
Capital outlay	49,450	8,076	41,374
Debt service:			
Principal retirement	-	39,000	(39,000)
Interest	-	921	(921)
Total Expenditures	<u>96,000</u>	<u>84,251</u>	<u>11,749</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>22,829</u>	<u>22,829</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers from (to):			
Debt service fund	-	16,449	16,449
Total Other Financing Sources (Uses)	<u>-</u>	<u>16,449</u>	<u>16,449</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>-</u>	<u>39,278</u>	<u>39,278</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>208,537</u>	<u>208,537</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 208,537</u>	<u>\$ 247,815</u>	<u>\$ 39,278</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, 2004

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. 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). The financial statements must include 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.); and, a change in the fund financial statements to focus on the *major* funds. The District has chosen not to apply GASB No. 34 in the preparation of its financial statements.

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.

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

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.

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.
3. Capital Projects Fund--accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

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.

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

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.

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. Construction period interest is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

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

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

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

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. FUNDEQUITY

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.

NOTE 2 - LEVIED TAXES

For the year ended June 30, 2004, taxes were levied on property with assessed valuations as follows:

	<u>General Purposes</u>
Assessed Valuation	\$23,015,020
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 \$108,587 for 2004. These taxes were substantially collected by June 30, 2004.

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, 2004, the District has cash and cash equivalents (book balances) totaling \$431,979 as follows:

Demand deposits	\$ 185,330
Interest-bearing demand deposits	166,357
Time deposits	80,242
Other	<u>50</u>
Total	<u>\$ 431,979</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, 2004, the District has \$434,369 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$234,369 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

	07/01/03	Additions	06/30/04
	<u>Balance</u>	<u>(Deletions)</u>	<u>Balance</u>
Land	\$ 53,015	\$ -	\$ 53,015
Park improvements	443,944	94,569	538,513
Movable equipment	39,576	8,076	47,652
Swimming equipment	194,470	(194,470)	-
Construction in progress	-	17,738	17,738
Total	<u>\$ 731,005</u>	<u>\$ (74,087)</u>	<u>\$ 656,918</u>

During the year, \$94,569 was reclassified from swimming equipment to park improvements.

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, 2003	\$ -
Bonds issued	200,000
Bonds retired	<u>(39,000)</u>
Bonds payable, June 30, 2004	<u>\$ 161,000</u>

General obligation bonds are comprised of the following individual issues:

\$170,000 Certificates of indebtedness, Series 2004 dated 01/01/04; due in annual installments of \$32,000- \$36,000 through March 1, 2008, interest at 3.25% (this issue secured by levy and collection of ad valorem taxes)	\$ 137,000
\$30,000 Certificates of indebtedness, Series 2004 dated 01/01/04; due in annual installments of \$6,000 through March 1, 2008, interest at 0% (this issue secured by levy and collection of ad valorem taxes)	<u>24,000</u>
Total	<u>\$ 161,000</u>

The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	<u>Payments</u>	<u>Payments</u>	
2005	\$ 38,000	\$ 4,452	\$ 42,452
2006	40,000	3,413	43,413
2007	41,000	2,308	43,308
2008	<u>42,000</u>	<u>1,170</u>	<u>43,170</u>
Total	<u>\$ 161,000</u>	<u>\$ 11,343</u>	<u>\$ 172,343</u>

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 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 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There are a number of limitations and restrictions contained in the bond indenture. The District is in compliance with all significant limitations and restrictions. No material violations of finance related, legal and contractual provisions occurred for the year ended 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, 2004

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, 2004

AGREED-UPON PROCEDURES: (Findings)

None

See accountant's report.

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 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 Recreation District No. 2 of Allen Parish's compliance with certain laws and regulations during the year ended June 30, 2004 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 \$20,000, 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 \$20,000 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 25, 2003 which indicated that the budget had been adopted by the commissioners of Recreation District No. 2 of Allen Parish by a vote of 3 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 5% or more.

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. The District did receive \$200,000 during the year which were proceeds from certificates of indebtedness issued during the year ended June 30, 2004. We inspected documentation that shows that this indebtedness was approved by the State of Louisiana Bond Commission.

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 September 22, 2003, 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.

Board of Commissioners
Recreation District No. 2 of Allen Parish
A Component Unit of the Allen Parish Police Jury
Page 4

This report is intended solely for the use of management of 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.

Stutzman & Gates, LLC
Stutzman & Gates, LLC
December 5, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation, Engagements of Government)

8/8/04 (Date Transmitted)

Stutzman Gates, LLC
P.O. Box 1238
Sulphur, LA 70664-1238

(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

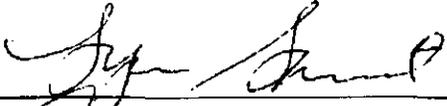
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974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

Advances and Bonuses

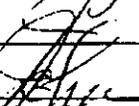
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.
Yes [] No []

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.

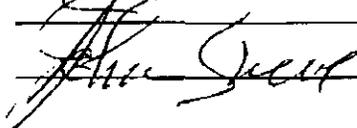
We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our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



Secretary 8-2-04 Date



Treasurer _____ Date



President 8-6-04 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.