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RECREATION DISTRICT NO. 2 OF ALLEN PARISH KINDER, LOUISIANA

A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report is to be submitted to the Auditor, or approved, entity and other appropriate public officials. This 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 NOV 19 1997



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15-8-97 1-1997
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PARISHWIDE DISTRICT NO. 2
OF ALLEN PARISH
EUREKA, LOUISIANA

A COMPONENT UNIT OF THE
ALLEN PARISH POLICE JURY

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 1997

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INDEPENDENT AUDITORS' REPORT

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

We have audited 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, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Recreation District No. 2 of Allen Parish 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 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 District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with government auditing standards, we have also issued a report dated September 24, 1997 on our consideration of the Recreation District No. 2 of Allen Parish's internal control structure and a report dated September 24, 1997 on its compliance with laws and regulations.

Mirra & Company, LPA, APC

Mirra & Company, CPAs, APC
September 24, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
 A component Unit of the Allen Parish Police Jury
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1987

	GOVERNMENTAL		ACCOUNT GROUPS	
	FUNDS		GENERAL	ORIGINAL
	GENERAL	DEBT	FUND	LONG-TERM
	FUND	FUND	ASSETS	LIABILITIES
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 48,175	\$ 62,643	\$ -	\$ -
Fund assets	-	-	843,323	-
Other debits:				
Amount available in debt service fund	-	-	-	62,643
Amount to be provided for retirement of general long-term obligations	-	-	-	42,237
TOTAL ASSETS AND OTHER DEBITS	\$ 48,175	\$ 62,643	\$ 843,323	\$ 105,000
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 4,084	\$ -	\$ -	\$ -
Payroll deductions and withholdings payable	294	-	-	-
General obligations bonds payable	-	-	-	185,000
TOTAL LIABILITIES	4,378	-	-	185,000
Equity and other credits:				
Investment in general fund assets	-	-	843,323	-
Fund balances:				
Reserve for debt service	-	62,643	-	-
Unassigned and undesignated	48,175	-	-	-
TOTAL EQUITY AND OTHER CREDITS	48,175	62,643	843,323	-
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 48,175	\$ 62,643	\$ 843,323	\$ 185,000

See accompanying notes.

TOTALS
MEMORANDUM (M-1)

1000	1000
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\$ 100,000	\$ 100,210
60,000	60,000

80,000	40,210
--------	--------

80,000	40,210
--------	--------

\$ 200,000	\$ 200,420
------------	------------

\$ 0	\$ 0
000	-

100,000	100,000
---------	---------

100,000	100,000
---------	---------

60,000	60,000
--------	--------

80,000	40,210
--------	--------

80,000	40,210
--------	--------

200,000	200,420
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\$ 200,000	\$ 200,420
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RECREATION DISTRICT NO. 3 OF ALLEN PARISH
 A Department Unit of the Allen Parish Police Jury
 Governmental Funds
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Year Ended June 30, 1997

	General Fund	Parks Service Fund	TOTALS	
			INDEPENDENT	UNALLOI-
			ED	ED
REVENUES				
Ad valorem taxes - net . . .	\$ 51,897	\$ 53,810	\$ 45,397	\$ 60,618
Other Revenues:				
Interest	3,894	1,211	3,093	3,914
Fuel fees	2,823	-	2,823	2,243
TOTAL REVENUES	<u>58,484</u>	<u>55,021</u>	<u>51,313</u>	<u>66,775</u>
EXPENDITURES				
Advertising	-	-	-	293
Bank charges	83	-	83	87
Contract labor	4,073	-	4,073	3,890
Gas and oil	386	-	386	383
Insurance	2,343	-	2,343	2,697
Payroll taxes	3,094	-	3,094	349
Printing and office supplies	332	-	332	-
Professional fees	3,389	-	3,389	4,390
Repairs	3,069	-	3,069	3,081
Supplies and maintenance . .	3,343	-	3,343	4,088
Utilities	4,771	-	4,771	3,789
Wages	3,488	-	3,488	5,210
Capital outlay	3,488	-	3,488	3,889
Debt services:				
Principal retirement	-	18,089	18,089	18,089
Interest	-	4,398	4,398	3,789
TOTAL EXPENDITURES	<u>43,362</u>	<u>22,728</u>	<u>64,382</u>	<u>62,362</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>15,122</u>	<u>32,293</u>	<u>8,931</u>	<u>4,413</u>
FUND BALANCES AT BEGINNING OF YEAR	76,344	49,942	144,362	142,529
FUND BALANCE AT END OF YEAR	<u>\$ 91,466</u>	<u>\$ 82,235</u>	<u>\$ 253,293</u>	<u>\$ 246,942</u>

See accompanying notes.

WASHINGTON DISTRICT NO. 2 OF SALAR BARRONS
 A Component Unit of the Alton Parish Police Jury
 Governmental Fund - General Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 1977

	Budget	Actual	Variance Favorable (Adverse)
REVENUES			
Ad valorem taxes - net	\$ 43,500	\$ 41,897	\$ 1,603
Other revenues:			
Interest	-	1,094	1,094
Fund fees	-	2,625	2,625
TOTAL REVENUES	<u>43,500</u>	<u>45,620</u>	<u>2,120</u>
EXPENDITURES:			
Advertising	-	-	-
Bank charges	-	43	43
Contract labor	1,800	8,873	(7,073)
Gas and oil	250	280	30
Insurance	3,500	3,263	237
Payroll taxes	-	1,004	1,004
Printing and office supplies	-	322	322
Professional fees	8,700	8,200	500
Repairs	8,700	8,800	100
Supplies and maintenance	1,800	3,203	(1,403)
Utilities	3,200	3,771	571
Wages	11,800	8,400	3,400
Capital outlay	7,200	8,400	(1,200)
TOTAL EXPENDITURES	<u>43,500</u>	<u>42,440</u>	<u>1,060</u>
RECESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	-	12,207	12,207
FUND BALANCE AT BEGINNING OF YEAR			
	30,310	30,310	-
FUND BALANCE AT END OF YEAR			
	<u>\$ 30,310</u>	<u>\$ 42,517</u>	<u>\$ 12,207</u>

See accompanying notes.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A Component Unit of the Allen Parish Police Jury
Notes to Financial Statements
June 30, 1997

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 appointed 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 3 - 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

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to appoint its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are financially dependent on the police jury.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all members to the District's board and can impose its will on the District, the District was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. 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.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of special 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 received and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

REGISTRATION DISTRICT NO. 3 OF ELLEN PARISH
A Component Unit of the Allen Parish Police Jury
State of Louisiana
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 all governmental fund types. 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 90 days after year end. A one-year collectibility 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 is property tax revenue.

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 to 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.

The District does not use encumbrance accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Cash includes amounts in demand deposits and interest-bearing demand 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.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. 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 or estimated cost if historical cost is not available.

H. Dispersed Expenses

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.

I. 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.

J. Total Columns on Combined 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.

RECREATION DISTRICT NO. 3 OF ALLEN PARKS
 A Component Unit of the Elgin Park and Police Jury
 Notes to Financial Statements
 June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. 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 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the District has cash and cash equivalents (Bank Balances) totaling \$182,818 as follows:

General deposits	\$ 8,504
Interest-bearing demand deposits	158,294
Time deposits	-
Other	-
Total	<u>\$ 182,818</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits for the unending 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, 1997, the District has \$161,688 in deposits (collateral bank balances). These deposits are secured from risk by \$161,420 of federal deposit insurance.

NOTE 3 - ASSESSMENT TAXES

For the year ended June 30, 1997 taxes were levied on property with assessed valuations as follows:

	General Purposes	Debt Service
Assessed Valuation . . .	\$13,848,748	\$13,949,560
Millage	2.82	1.82

total taxes levied were \$67,426 for 1997. These taxes were substantially collected by June 30, 1997.

RECREATION DISTRICT NO. 3 OF ALLEN PARKIN
 & Component Unit of the Allen Parish Police Jury
 Notes to Financial Statements
 June 30, 1997

NOTE 3 - GO SALOON TAXES

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 15th of the current year, and become delinquent after December 1st. Property taxes not paid by the end of December are subject to lien.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	06/30/96	Additions	06/30/97
	Balance	Balance	Balance
Land	\$ 57,810	\$ -	\$ 57,810
Park improvements	348,798	8,468	357,266
Household equipment	38,878	-	38,878
Swimming equipment	188,470	-	188,470
	<u>\$ 633,956</u>	<u>\$ 8,468</u>	<u>\$ 642,424</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, 1996	\$ 170,000
Bonds retired	<u>150,000</u>
Bonds payable, June 30, 1997	<u>\$ 20,000</u>

Bonds payable as June 30, 1997 are comprised of the following items:

General Obligation Bonds:

\$142,000 Public Improvement Bonds dated February 1, 1978, due in annual installments of \$18,000 - \$20,000 through February 1, 2003; interest at 5.0%.

The annual requirements to amortize general long-term debt as of June 30, 1997 are as follows:

Year Ended	Principal	Interest	Total
June 30,			
1998	20,000	8,888	28,888
1999	20,000	8,040	28,040
2000	20,000	7,200	27,200
2001	20,000	6,360	26,360
2002	20,000	5,520	25,520
2003	<u>20,000</u>	<u>4,680</u>	<u>24,680</u>
	<u>\$ 120,000</u>	<u>\$ 40,688</u>	<u>\$ 160,688</u>

REGISTRATION DISTRICT NO. 2 OF ALLEN PARISH
& Component Unit of the Allen Parish Police Jury
Notes to Financial Statements
June 30, 1997

NOTE 4 - RISK MANAGEMENT

The District is exposed to various risks of loss related to taxing, 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 these 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 5 - EMPLOYEE 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 6 - INDEMNITY, 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, 1997.

INDEPENDENT AUDITORS' REPORT SECTION



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Member
American Institute of Certified Public Accountants
Louisiana Chapter Certified Public Accountants
Since Inception From January 1971

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN ASSESS OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the 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, 1997, and have issued our report thereon dated September 26, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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.

The management of the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, objectives and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, for the year ended June 30, 1997, we obtained an understanding of the internal control structure, with respect to the internal control structure, we obtained an understanding of the design of relevant

Board of Commissioners
Recreation District No. 2
of Allen Parish
& Component Unit of the
Allen Parish Police Jury
Bossier, Louisiana
Page 2

politics and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

The reportable conditions are that the District does not have adequate segregation of duties within its internal control structure, and the District's bank accounts were not reconciled monthly.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, for the year ended June 30, 1997. We believe both of the reportable conditions referred to above are material weaknesses.

We note that inadequate segregation of duties by interest in certain of this size and type. Due to the lack of adequate funds available, this problem probably may not be resolved. We recommend that all commissioners of the District take an active role in the financial aspects of the District.

Board of Commissioners
Recreation District No. 2
of Allen Parish
& Component Unit of the
Allen Parish Police Jury
Bossier, Louisiana
Page 1

During the course of our audit we became aware of the following material weakness:

Condition: The District's bank accounts, specifically the two checking accounts, were not reconciled monthly.

Criteria: For proper internal control over cash, bank accounts should be reconciled monthly.

Effect: The absence of this control could cause the District to overstate/understate its cash balances. However, during the course of our audit, we reconciled these accounts and no discrepancies were noted.

Cause: We find this was an administrative oversight on the part of the District.

Management response: Bank accounts will be reconciled monthly in the future.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, in a separate letter dated September 24, 1997.

This report is intended for the information of the Board of Commissioners, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Miles & Company, CPAs, LLC

Miles & Company, CPAs, LLC
September 24, 1997

M & C



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Fellow Institute of Management Accountants

**INDEPENDENT AUDITORS' REPORT OF COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the 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, 1997, and have issued our report thereon dated September 26, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, is the responsibility of the Recreation District No. 2 of Allen Parish's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Recreation District No. 2 of Allen Parish's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended for the information of the Board of Commissioners, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Mires & Company, CPAs, PC

Mires & Company, CPAs, PC
September 26, 1997



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A Professional Corporation
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Federation of Certified Public Accountants
State of Louisiana (Certified Public Accountant)
Public Company Practice System (2011)

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

In planning and performing our audit of the general purpose financial statements of the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, for the year ended June 30, 2003, we considered its internal control structure 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 structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the Recreation District No. 2 of Allen Parish's ability to record, process, summarize, and report financial data consistent with the intentions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. In addition, because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected by such control structure. However, we noted the following reportable conditions that we believe to be material weaknesses.

Condition #1: The District does not have adequate segregation of duties within its internal control structure. However, we do note that this is a problem in most entities of this size and type. Due to the lack of funds available, this problem probably can not be resolved.

Recommendation: We recommend that the full board of Commissioners take an active role in the financial aspects of the District.

Management Response: The Commissioners have and will continue to be actively involved in the financial aspects of the District.

Condition #2: The District's bank accounts, specifically the two checking accounts, were not reconciled monthly.

Criteria: For proper internal control over cash, bank accounts should be reconciled monthly.

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Effect: The absence of this control could cause the District to overstate/understate its cash balances.

Cause: We believe this was an administrative oversight on the part of the District.

Recommendation: The District should reconcile all bank accounts on a monthly basis.

Management Response: The District agrees with this recommendation and will implement it.

We also noted the following separable conditions that are not believed to be material weaknesses.

Condition #6: The District's control over cash receipts at its pool facility was not as strong as it could be. We note this was also a prior year finding.

Criteria: The method of recording charges for use of the pool was that the employee would write the daily receipts of cash in a notebook and this total would be compared to the bank deposit amount.

Effect: The lack of strong control, primarily the lack of written receipts for cash received, could allow the misappropriation of funds.

Cause: The District had a stronger system of control in place but this was allowed to be neglected over time.

Recommendation: Pre-numbered tickets, similar to theater tickets, should be used as receipts for all cash received. One person should be responsible for receiving cash and issuing tickets, and another should be responsible for allowing only individuals with tickets into the pool area. A reconciliation of tickets issued to cash received should be prepared as often as possible and compared to monthly bank deposits. Any and all unaccounted for tickets should be investigated.

Management Response: The District will implement this recommendation.

Condition #6: Invoices were not adequately marked as to payment.

Criteria: Upon payment, invoices should be marked paid along with the date of payment, check number, and signature of individual authorizing payment.

Effect: Improper cancelling of invoices could lead to invoices being paid twice or not at all.

Cause: We believe this was an administrative oversight on the part of the District.

Recommendation: The District should designate one commissioner to authorize payment of all bills, preferably not a commissioner who is authorized to sign checks. This person should sign on the invoice list approval for payment and when the invoice is paid the check number and date of payment should be written on the invoice also.

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Management Response: The District will implement this recommendation.

This report is intended solely for the information and use of the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, management, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Moss & Company, CPAs, APC

Moss & Company, CPAs, APC
September 20, 1997

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