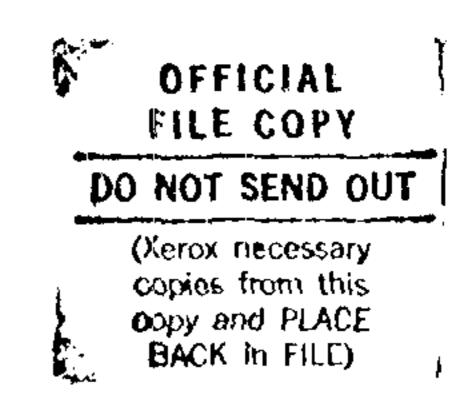






Component Unit Financial Statements and Independent Auditors' Reports As of and for the Two Years Ended December 31, 1998



Under provisions of state law, this report is a public decument. A copy of the report has been submitted to the audited, or reviewed, 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 1999

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Component Unit Financial Statements and Independent Auditors' Reports As of and for the Two Years Ended December 31, 1998

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All Fund Types and Account Groups

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SECTION I – COMPONENT UNIT FINANCIAL STATEMENTS

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SWITZER, HOPKINS & MANGE Certified Public Accountants

DENNIS R. SWITZER, CPA H. MYLES HOPKINS, CPA SUSAN L. MANGE, CPA ROXANNE B. JAMES, CPA

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JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT

Board of Commissioners Concordia Parish Recreation District No. 3 Concordia Parish Police Jury Vidalia, Louisiana

We have audited the accompanying component unit financial statements of the Concordia Parish Recreation District No. 3, a component unit of the Concordia Parish Police Jury, as of December 31, 1998 and the two years then ended, as listed in the forgoing table of contents. These financial statements are the responsibility of management of the Concordia Parish Recreation District No. 3. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and <u>Government</u> <u>Auditing Standards</u> 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Concordia Parish Recreation District No. 3 as of December 31, 1998, and the results of operations for the two years then ended, in conformity with generally accepted accounting principles.

In accordance with <u>Government Audit Standards</u>, we have also issued a report dated June 14, 1999 on our consideration of Concordia Parish Recreation District No. 3 internal control structure and a report dated June 14, 1999 on its compliance with laws and regulation.

Ferriday, Louisiana June 14, 1999

Switzer, Hopkins & Monge

1840 NORTH E. E. WALLACE BLVD. P. O. BOX 1518 FERRIDAY, LA 71334 (318) 757-6511 FAX (318) 757-7206 OFFICES IN NATCHEZ, MISSISSIPPI

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CONCORDIA PARISH POLICE JURY ALL FUND TYPES AND ACCOUNT GROUPS **CONCORDIA PARISH RECREATION DIST** Vidalia, Louisiana

Combined Balance Sheet, December 31, 1998

			Only)	<u>1997</u>		5 136,609 80,272	903,434	1,120,315			2,115		2,115	903 434			714, /00	1,118,200		<u>S 1,120,315</u>
		Totals	(Memorandum Only)	<u>1998</u>		5 129,500 97,959	974,636	1,202,095			3,243		3,243	929 FL0		-	274,210	1,198,852		S 1,202,095
	T GROUPS	General	long-term	Debt	•	• •	•				ſ		.	•	l	•	•	•		S
`	ACCOUNT	General	Fixed	Assets		· ·	974,636	974,636			•	•		929 FL0		I	•	974,636		<u>\$ 974,636</u>
GOVERNMENTAL	FUNDS	Debt	Service	Fund		\$ \$	•	I			ı	, ,	•		•	I	-			5
GOVERI	FI		General	<u>Fund</u>		S 129,500 07 959		227,459			3,243	۱	3,243		•	•	224,216	224,216		<u>s 227,459</u>
				ASSETS AND OTHER DEBITS		Cash and cash equivalents (note C)	Land, buildings, and equipment (note E)	TOTAL ASSETS AND OTHER DEBITS	LIABILITIES, EQUITY AND OTHER CREDITS	Liabilities:	Accounts payable	Bonds payable (note G)	Total Liabilities	Equity and Other Credits:	Investment in general lixed assets Fund balances:	Reserved for debt service	Unreserved - undesignated	Total Equity and Other Credits	TOTAL LIABILITIES, EQUITY,	AND OTHER CREDITS

statements. financial the of part integral <u>н</u> М an are notes accompanying The

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Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended December 31, 1998

·	GENERAL <u>FUND</u>			DEBT RVICE <u>'UND</u>	TOTAL (MEMORANDUM <u>ONLY)</u>		
Ad Valorem Taxes	\$	122,572	\$	\$ -		122,572	
Intergovernmental revenues -		·					
State revenue sharing		2,221		-		2,221	
Interest earnings		9,129		-	_	9,129	
Total revenues		133,922				133,922	
EXPENDITURES							
General government -							
Finance and administrative		3,600		-		3,600	

- 46,427
- 46,427
,
- 3,242
- 71,202
- 124,471
- 9,451
5,520)
6,520) 9,451
5,620 214,765
- \$ 224,216

The accompanying notes are an integral part of the financial statement. -4-

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Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended December 31, 1997

•	DEBT GENERAL SERVICE <u>FUND</u> <u>FUND</u>		TOTAL (MEMORANDUM <u>ONLY)</u>			
REVENUES Ad Valorem taxes	\$	107,502	\$	7,005	\$	114,507
Intergovernmental revenues - State revenue sharing Interest earnings Total revenues		3,335 <u>4,304</u> 115,141		- 1,056 8,061		3,335 5,360 123,202

EXPENDITURES

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General government -			
Finance and administrative	3,600	-	3,600
Culture and recreation:			
Special recreational facilities	48,262	-	48,262
Deductions from ad valorem taxes -			
retirement system	2,115	-	2,115
Capital outlay	21,374	-	21,374
Debt service:			
Principle retirements	-	15,000	15,000
Interest and bank charges		2,027	2,027
Total expenditures	75,351	17,027	92,378
EXCESS (DEFICIT) OF REVENUES			
OVER EXPENDITURES	39,790	(8,966)	30,824
FUND BALANCE AT BEGINNING OF YEAR	128,455	<u> </u>	183,941
FUND BALANCE AT END OF YEAR	\$ 168,245	<u>\$ 46,520</u>	<u>\$ 214,765</u>

The accompanying notes are an integral part of the financial statements. -5-

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Notes to the Financial Statements As of and for the Two Years Ended December 31, 1998

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

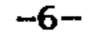
The Concordia Parish Recreation District No. 3 was created by ordinance of the Concordia Parish Police Jury on May 28, 1958, as provided by Louisiana Revised Statutes 33:4562-4566. The recreation district is governed by a board of five commissioners who are qualified voters and residents of the district. The five commissioners are jointly referred to as the board of commissioners and are appointed by the parish police jury. The commissioners serve terms of five years, which expire on a rotating basis. Louisiana Revised Statute 33:4565(B) provides that commissioners may receive a per diem of \$10 for each meeting of the commission; however the district's commissioners have elected not to receive any compensation for their services. The recreation district was created for the purpose of owing and operating playgrounds and other facilities in the district and to initiate activities that would promote recreation relating to the general health and well being of youths.

1. <u>REPORTING ENTITY</u>

Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

- 1. Appointment of governing board
- 2. Designation of management
- 3. Ability to significantly influence operations
- 4. Accountability for fiscal matters
- 5. Scope of public service

Because the police jury appoints the governing board and has the ability to significantly influence operations, the district was determined to be a component unit of the Concordia Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. 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 government unit, or the other governmental units that comprise the governmental reporting entity.



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Notes to the Financial Statements As of and for the Two Years Ended December 31, 1998

A. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED</u>

2. FUND ACCOUNTING

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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 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 that 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. 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, 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. The governmental funds use the following practices in recording revenues and expenditures:



Notes to the Financial Statements As of and for the Two Years Ended December 31, 1998

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues

Ad valorem taxes and the related state revenue sharing are recognized as revenue in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinguent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest on time deposits is recognized when the time deposits have matured and the interest is available.

Substantially all other revenues are recorded when they become available to the district.

Expenditures

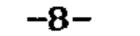
Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are not recognized until due.

4. BUDGETS

The district did not adopt budgets for its funds for the two years ended December 31, 1998; therefore, the financial statements do not reflect a comparison of revenues and expenditures to budget. Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Louisiana Government Budget Act.

5. <u>CASH AND CASH EQUIVALENTS</u>

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.



Notes to the Financial Statements As of and for the Two Years Ended December 31, 1998

A. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED</u>

6. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. Approximately 59 per cent of the district's fixed assets are valued at actual historical cost, with the remaining 41 per cent valued at estimated cost based on historical cost of like items.

7. LONG-TERM DEBT

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

8. FUND EQUITY

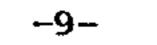
Reserves represent those portions of fund equity not appropriated for expenditure or legally segregated for a specific future use.

9. <u>TOTAL COLUMNS ON STATEMENTS</u>

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.

B. LEVIED TAXES

The Concordia Parish Recreation District No. 3 is authorized by voter approval to levy a 4-mill tax operation and maintenance of the district. The district levied 4.0 mills for 1998 and 4.03 mills for 1997. The district also is authorized to levy a millage for the payment of long-term debt and that millage was 0 mills for 1998 and 1997.



Notes to the Financial Statements As of and for the Two Years Ended December 31, 1998

C. CASH AND CASH EQUIVALENTS

At December 31, 1998, the district has cash and cash equivalents (book balances), totaling \$129,500 As follows:

Demand deposits	\$ 5,625	
Time (certificates of) deposit	<u>123,875</u>	
Total	\$ <u>129,500</u>	

These deposits are stated at cost, which approximates market. Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with fiscal agent. At December 31, 1998, the district has \$129,500 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

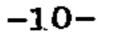
D. <u>RECEIVABLES</u>

Accounts receivable at December 31, 1998 consisted of ad valorem taxes in the general fund.

E. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Land and <u>Improvement</u>		B	uildings	Eg	<u>uipment</u>	<u>Total</u>		
Balance December 31, 1996	\$	555,187	\$	247,691	\$	79,182	\$	882, 060	
Additions - 1997		21,374		-		-		21,374	
Additions - 1998		21,735		48,547		920		71,202	
Deletions - 1997		-		-		-			
Deletions - 1998			.		<u></u>				
Balance - December 31, 1998	<u>\$</u>	598,296	<u>\$</u>	296,238	\$	80,102	<u>\$</u>	974,636	



Notes to the Financial Statements As of and for the Two Years Ended December 31, 1998

F. LIABILITY INSURANCE

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At December 31, 1998, assets of the district are adequately insured against loss due to fire, theft and other occurrences. However, the district has found the cost of liability insurance coverage to be prohibitive in the past and, consequently, has not obtained necessary coverage against losses resulting from claims filed by individuals suffering injury on district property. Although the district has not experienced any losses in the past, it is re-evaluating insurance coverage to determine if current costs will permit the inclusion of liability coverage in its overall insurance program.

G. <u>CHANGES IN GENERAL LONG-TERM DEBT</u>

The following is a summary of the long-term debt transactions during the two years ended December 31, 1998:

Long-term debt payable at December 31, 1996 \$15,000

Bonds retired:

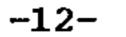


Long-term debt payable at December 31, 1998 <u>\$</u>-



SECTION II – COMPLIANCE/INTERNAL CONTROL

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SWITZER, HOPKINS & MANGE Certified Public Accountants

DENNIS R. SWITZER, CPA H. MYLES HOPKINS, CPA SUSAN L. MANGE, CPA ROXANNE B. JAMES, CPA

JOHN M. JONES, CPA 1921 - 1983

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners Concordia Parish Recreation District No. 3 Concordia Parish Police Jury Vidalia, Louisiana

We have audited the general purpose financial statements of Concordia Parish Recreation District No. 3 as of and for the two years ended December 31, 1998, and have issued our report thereon dated June 14, 1999. We have conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Concordia Parish Recreation District No. 3's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non compliance with which could have a direct and material effect on the determination of financial statement amounts. However providing an opinion on compliance with those provisions was not an object of our audit, and 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Concordia Parish Recreation District No. 3's internal control over financial reporting 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 over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial control control over financial control control over financial control co

adversely affect the Concordia Parish Recreation District No. 3's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

1840 NORTH E. E. WALLACE BLVD. P. O. BOX 1518 FERRIDAY, LA 71334 (318) 757-6511 FAX (318) 757-7206 OFFICES IN NATCHEZ, MISSISSIPPI

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Members of the Board of Directors Concordia Parish Recreation District No. 3

Segregation of Duties

We noted that the Concordia Parish Recreation District No. 3 does not have adequate segregation of duties in accounting in the office. We recommend that an attempt be made to strengthen internal control problems created by having few employees.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Ferriday, Louisiana June 14, 1999

Switzer, Hopkins & Mange



SECTION III - RESPONSE

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CONCORDIA PARISH RECREATION DISTRICT NO. 3 501 HOLLY STREET VIDALIA, LOUISIANA 71373

June 14, 1999

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Switzer, Hopkins & Mange P. O. Box 1518 Ferriday, LA 71334

Dear Mr. Hopkins:

In regard to the segregation of duties internal control problem discussed in our audit for the year ended December 31, 1998, there is nothing that we can do or plan to do about the problem. We have only one employee and do not plan to do hire any additional employees at this time. There is no way to segregate duties when you have only one employee.

Sincerely,

Lula M. Caldwell

Lula M. Caldwell Secretary



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