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CONCORDIA PARISH RECREATION  
DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Vidalia, Louisiana

Component Unit Financial Statements  
and Independent Auditor's Reports  
as of and for the Two Years Ended  
December 31, 2004

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 6-29-05

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Concordia Parish Recreation District No. 3 as of and for the year ended December 31, 2004 and the two years then ended, as listed in the table of contents. These basic financial statements are the responsibility of Concordia Parish Recreation District No. 3's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Concordia Parish Recreation District No. 3 as of December 31, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, Concordia Parish Recreation District No. 3 adopted the provisions of Governmental Accounting Standards Board Statements No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2003. This results in a change to Concordia Parish Recreation District No. 3's method of accounting for certain nonexchange revenues and a change in the format and content of the basic financial statements.

Members of the Board of Commissioners  
Concordia Parish Recreation District No. 3  
Page Two

The Management's Discussion and Analysis and the other required supplementary information on pages 3 through 7 and 28 through 29, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2005 on our consideration of the Concordia Parish Recreation District No. 3's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Concordia Parish Recreation District No. 3. Such information has been subjected to the auditing procedures applied in the examination of the basic statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ferriday, Louisiana  
June 15, 2005

*Switzer, Hopkins & Mang*

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004

As management of the Concordia Recreation District #3, Vidalia, Louisiana, we offer readers of the Recreation District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended December 31, 2004 and 2003. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

#### FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of 2004 and 2003, the Concordia Recreation District #3's net assets increased and resulted in ending net assets of \$1,442,423 at December 31, 2004, and \$1,283,846 at December 31, 2003.

1. The cash balance for the District was \$653,482 in 2004 and \$506,597 in 2003.
2. The general fund had \$269,679 in revenues for 2004, compared to \$267,076 in 2003. These primarily consisted of the property taxes and interest income. There was \$114,600 in general fund expenditures for 2004, and \$184,314 for 2003.

#### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Concordia Recreation District #3's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year.

The government-wide financial statements outline functions of the District that are principally supported by property taxes. Fixed assets are also supported by taxes and other revenues.

The government-wide financial statements can be found on pages 9 - 10 of this report.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 - 22 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District's, assets exceeded liabilities by \$1,442,423 as of December 31, 2004 and \$1,283,846 as of December 31, 2003.

**Net Assets for the periods ending December 31, 2004 and 2003**

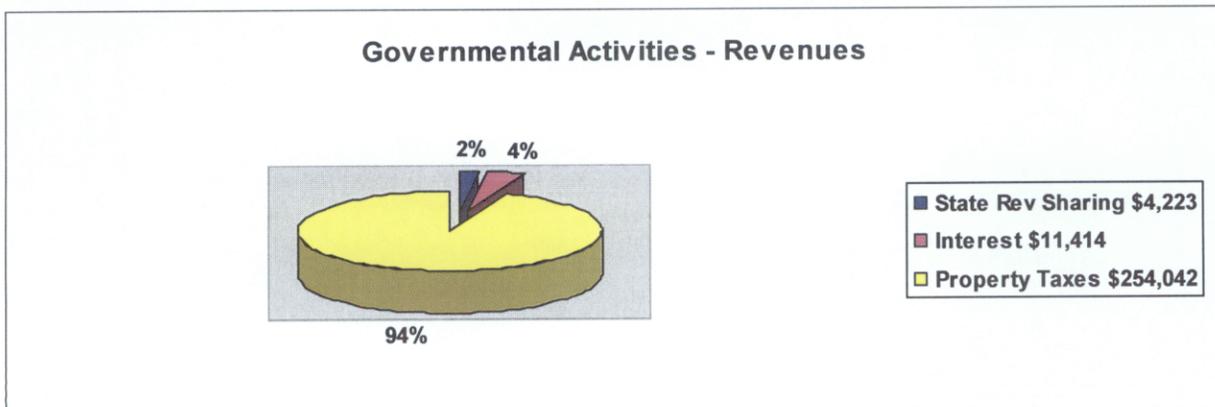
	Governmental Activities	
	<u>2004</u>	<u>2003</u>
Current Assets	\$ 912,485	\$ 757,796
Noncurrent Assets - Capital Assets	<u>538,220</u>	<u>534,722</u>
<b>Total Assets</b>	<u>1,450,705</u>	<u>1,292,518</u>
Current Liabilities	<u>8,282</u>	<u>8,672</u>
<b>Total Liabilities</b>	<u>8,282</u>	<u>8,672</u>
<b>Net Assets</b>		
Investment in capital assets	538,220	534,722
Unrestricted (deficit)	<u>904,203</u>	<u>749,124</u>
<b>Total Net Assets</b>	<u>\$ 1,442,423</u>	<u>\$ 1,283,846</u>

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004

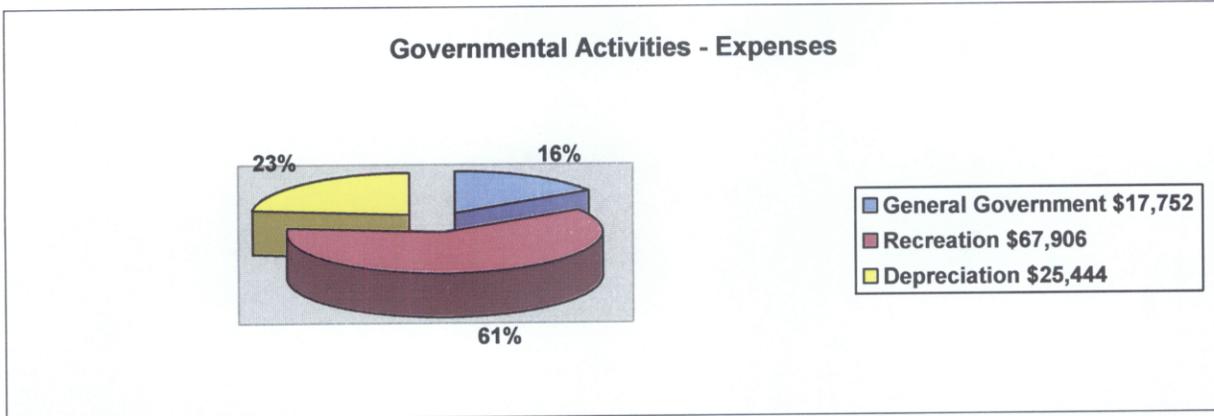
The following is a comparative summary of the statement of activities:

	Governmental activities	
	2004	2003
<b>Revenues:</b>		
Ad valorem taxes	\$ 254,042	\$ 252,405
State revenue sharing	4,223	3,060
Interest income	11,414	11,611
<b>Total revenues and transfers</b>	<b>269,679</b>	<b>267,076</b>
<b>Expenses:</b>		
Finance and administration	9,600	9,500
Retirement	8,152	7,973
Culture and recreation	67,906	101,661
Depreciation	25,444	24,356
	111,102	143,490
Increase in net assets	158,577	123,586
Net Assets January 1	1,283,846	1,160,260
Net Assets December 31	<b>\$ 1,442,423</b>	<b>\$ 1,283,846</b>

The following are a graphical representation of information presented in the Statement of Activities for Governmental Activities for the year 2004.



CONCORDIA PARISH RECREATION DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

**Comments on General Fund Budget Comparisons**

The District, as an special district created before December 31, 1974, is not required to adopt a budget under the Louisiana Government Budget Act, therefore no budget was adopted by the District.

**CAPITAL ASSETS**

As of December 31, 2004, the District had \$538,220 invested in capital assets and \$534,722 as of December 31, 2003. The additions to the fixed assets in 2004 and 2003 were as follows:

December 31, 2004

Resurface tennis courts	\$ 10,520
Computer	965
Scoreboard	5,277
Drainage and sidewalks	3,500
New Roof - Baseball park	8,680
Total	\$ 28,942

December 31, 2003

Concrete under bleachers	\$ 8,000
Improvements-softball field	5,100
Pavement - Rec Center	10,000
Resurface tennis courts	42,080
Total	\$ 65,180

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or request for additional information may be directed to Lula Caldwell, Secretary, 501 Holly Street, Vidalia, LA 71373.

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)  
(PART I)

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
 CONCORDIA PARISH POLICE JURY  
 Statement of Net Assets  
 December 31, 2004 and 2003

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 653,482	\$ 506,597
Receivables:		
Accounts	250,648	247,199
Accrued interest	<u>8,355</u>	<u>4,000</u>
Total current assets	<u>912,485</u>	<u>757,796</u>
Capital Assets (net)	<u>538,220</u>	<u>534,722</u>
Total assets	<u><u>1,450,705</u></u>	<u><u>1,292,518</u></u>
 <b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts and other payables	<u>8,282</u>	<u>8,672</u>
 <b>NET ASSETS</b>		
Invested in capital assets	538,220	534,722
Unrestricted	<u>904,203</u>	<u>749,124</u>
Total Net Assets	<u><u>\$ 1,442,423</u></u>	<u><u>\$ 1,283,846</u></u>

The accompanying notes are an integral part of these financial statements.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Statement of Activities  
December 31, 2004 and 2003

<u>REVENUES</u>	<u>2004</u>	<u>2003</u>
Ad valorem taxes	\$ 254,042	\$ 252,405
State revenue sharing	4,223	3,060
Interest income	11,414	11,611
Total Revenues	<u>269,679</u>	<u>267,076</u>
<u>EXPENDITURES</u>		
General government:		
Finance and Administration	9,600	9,500
Retirement	8,152	7,973
Culture and Recreation	67,906	101,661
Depreciation	<u>25,444</u>	<u>24,356</u>
Total Expenditures	<u>111,102</u>	<u>143,490</u>
Change in Net Assets	158,577	123,586
Net Assets, Beginning of Year	<u>1,283,846</u>	<u>1,160,260</u>
Net Assets, End of Year	<u>\$ 1,442,423</u>	<u>\$ 1,283,846</u>

Note: Net assets January 1, 2003 is restated (Note 7)

FUND FINANCIAL STATEMENTS (FSS)

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
 CONCORDIA PARISH POLICE JURY  
 Balance Sheet – Governmental Funds  
 December 31, 2004 and 2003

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Current Assets:		
Cash and cash equivalents	\$ 653,482	\$ 506,597
Receivables:		
Accounts	250,648	247,199
Accrued interest	<u>8,355</u>	<u>4,000</u>
Total assets	<u>912,485</u>	<u>757,796</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts and other payables	<u>8,282</u>	<u>8,672</u>
Fund Balances:		
Unrestricted	<u>904,203</u>	<u>749,124</u>
Total Liabilities and Fund Balances	<u>\$ 912,485</u>	<u>\$ 757,796</u>

The accompanying notes are an integral part of these financial statements.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
 CONCORDIA PARISH POLICE JURY  
 Reconciliation of the Governmental Funds Balance Sheet  
 December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Total fund balances for governmental funds	\$ 904,203	\$ 749,124
<p>Total net assets reported for governmental activities in the statement of net assets is different because:</p>		
<p>Capital assets used governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:</p>		
Land	187,000	187,000
Buildings net of \$222,766 and \$216,187 accumulated depreciation	117,818	124,397
Equipment net of \$174,700 and \$155,835 accumulated depreciation	<u>233,402</u>	<u>223,325</u>
Total net assets of governmental activities	<u>\$ 1,442,423</u>	<u>\$ 1,283,846</u>

The accompanying notes are an integral part of these financial statements.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
 CONCORDIA PARISH POLICE JURY  
 Statement of Revenues, Expenditures and Changes  
 In Fund Balance  
 For the Years Ended December 31, 2004 and 2003

<u>REVENUES</u>	<u>2004</u>	<u>2003</u>
Ad valorem taxes	\$ 254,042	\$ 252,405
State revenue sharing	4,223	3,060
Interest income	<u>11,414</u>	<u>11,611</u>
Total Revenues	<u>269,679</u>	<u>267,076</u>
<u>EXPENDITURES</u>		
General government:		
Finance and Administration	9,600	9,500
Retirement	8,152	7,973
Culture and Recreation	67,906	101,661
Capital outlay	<u>28,942</u>	<u>65,180</u>
Total Expenditures	<u>114,600</u>	<u>184,314</u>
Net change in fund balance	155,079	82,762
Fund Balance, beginning of year	<u>749,124</u>	<u>666,362</u>
Fund Balance, end of year	<u>\$ 904,203</u>	<u>\$ 749,124</u>

The accompanying notes are an integral part of these financial statements.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
 CONCORDIA PARISH POLICE JURY  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Net changes in fund balance - governmental fund	\$ 155,079	\$ 82,762
<p>Amounts reported for governmental activity in the statement of activity is different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> <p>Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances</p>		
Depreciation expense for the year ended	28,942 (25,444)	65,180 (24,356)
Change in net assets per statement of activities	\$ 158,577	\$ 123,586

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Vidalia, Louisiana

Notes to the Financial Statements  
As of and for the Two Years Ended December 31, 2004

INTRODUCTION

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 seven commissioners who are qualified voters and residents of the district. The seven 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 owning 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Concordia Parish Recreation District No. 3 (hereafter referred to as the District).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include taxes interest and other items that are restricted to meetings the operational or capital requirements of a particular function or segment.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Vidalia, Louisiana

Notes to the Financial Statements  
As of and for the Two Years Ended December 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes, sales taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following governmental funds:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reports as program revenues include all taxes, interest and other items.

C. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government backed securities.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Vidalia, Louisiana

Notes to the Financial Statements  
As of and for the Two Years Ended December 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Receivables and Payables

All trade and property tax receivables are shown net of allowance for uncollectives. Property taxes are levied on a calendar year basis and become due on January 1 of each year. The District is authorized to levy a 4 mill tax for the operation and maintenance of the District. The District levied taxes of 3.89 and 4.0 for year 2004 and 2003 respectively.

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 - 40 years
Equipment	5 - 20 years

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Vidalia, Louisiana

Notes to the Financial Statements  
As of and for the Two Years Ended December 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

H. Budget Practices

The District did not adopt budgets for its funds for the two years ended December 31, 2004; 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.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2004 the District has cash and cash equivalents (book balances) totaling \$653,482. All deposits were interest bearing demand deposits (\$31,539) or interest bearing certificates of deposit (\$621,943).

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or 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 December 31, 2004, the District has \$653,986 in deposits (collected bank balances). These deposits are secured from risk by \$232,043 of federal deposit insurance and \$421,943 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 3 - RECEIVABLES

The receivables of \$259,003 at December 31, 2004 are as follows:

Ad valorem	\$ 250,648
Sales taxes	8,355
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$ 259,003</u>

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Vidalia, Louisiana

Notes to the Financial Statements  
As of and for the Two Years Ended December 31, 2004

**NOTE 4 – CAPITAL ASSETS**

Capital assets and depreciation activities as of and for the year ended December 31, 2003 and 2004 are as follows:

	2003				Balance 12/31/2003
	Balance 12/31/2002	Additions	Retirements	Prior Period Adjustment	
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 187,000	\$ -	\$ -	\$ -	\$ 187,000
Capital assets being depreciated					
Buildings	340,584	-	-	-	340,584
Equipment	651,833	65,180	-	(337,853)	379,160
Total capital assets being depreciated	992,417	65,180	-	(337,853)	719,744
Less accumulated depreciation for:					
Buildings	-	(6,579)	-	(209,608)	(216,187)
Equipment	-	(17,777)	-	(138,058)	(155,835)
Total accumulated depreciation	-	(24,356)	-	(347,666)	(372,022)
Total capital assets being depreciated, net	\$ 992,417	\$ 40,824	\$ -	\$ (685,519)	\$ 347,722
	2004				
	Balance 12/31/2003	Additions	Retirements	Balance 12/31/2004	
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 187,000	\$ -	\$ -	\$ 187,000	
Capital assets being depreciated					
Buildings	340,584	-	-	340,584	
Equipment	379,160	28,942	-	408,102	
Total capital assets being depreciated	719,744	28,942	-	748,686	
Less accumulated depreciation for:					
Buildings	(216,187)	(6,579)	-	(222,766)	
Equipment	(155,835)	(18,865)	-	(174,700)	
Total accumulated depreciation	(372,022)	(25,444)	-	(397,466)	
Total capital assets being depreciated, net	\$ 347,722	\$ 3,498	\$ -	\$ 351,220	

Depreciation expense of \$24,356 and \$25,444 for 2003 and 2004 respectively was charged to culture and recreation.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Vidalia, Louisiana

Notes to the Financial Statements  
As of and for the Two Years Ended December 31, 2004

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

Accounts and other payables consisted of the following at year end:

	<u>2004</u>	<u>2003</u>
Accounts payable	\$ 129	\$ 700
Retirement payable	<u>8,153</u>	<u>7,972</u>
Total	<u>\$ 8,282</u>	<u>\$ 8,672</u>

NOTE 6 – RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

NOTE 7 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE

For the fiscal year ended December 31, 2004 the District implemented Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

At December 31, 2004, there was no effect on fund balances as a result of implementing GASB Statements 37 and 38.

GASB Statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and governmental fund financial statements prepared on the modified accrual basis of accounting, which present information for individual major funds rather than by fund type. All funds in the District were major funds.

The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2003, caused by the conversion to GASB Statement No. 34.

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
CONCORDIA PARISH POLICE JURY  
Vidalia, Louisiana

Notes to the Financial Statements  
As of and for the Two Years Ended December 31, 2004

NOTE 7 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE  
continued

The prior year net assets has been restated as follows to recognize capital assets abandoned prior to December 31, 2003 and to recognize the implementation of GASB 34 discussed in Note 1:

Fund Balance, December 31, 2002	\$ 666,362
Prior period adjustment	<u>(337,853)</u>
Restated fund balance, December 31, 2002	<u>328,509</u>
GASB 34:	
Investment in Capital Assets, beginning of year	1,179,417
Accumulated depreciation, beginning of year	<u>(347,666)</u>
Total GASB 34 adjustments	<u>831,751</u>
Net Assets, beginning of year restated	<u>\$ 1,160,260</u>

REPORT ON COMPLIANCE AND INTERNAL CONTROL  
(PART II)

# SWITZER, HOPKINS & MANGE

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL 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 basic financial statements of Concordia Parish Recreation District No. 3 as of and for the two years ended December 31, 2004, and have issued our report thereon dated June 15, 2005 have conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards*. This condition is described in the accompanying schedule of findings and questioned costs as item 2004-2.

### 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 component unit financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

However, we noted one matter involving the internal control over financial reporting and its operation that we consider being a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could 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. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-1.

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 basic 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 the reportable condition described is not 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 15, 2005

*Switzer, Hopkins & Marge*

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
(PART III)

CONCORDIA PARISH RECREATION DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the component unit financial statements of the Concordia Parish Recreation District No. 3.
2. One reportable condition in internal control disclosed during the audit of the component unit financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance certain laws and regulations were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2004-01 – Segregation of Duties

Condition: There is insufficient segregation of duties necessary to have an effective internal control.

Recommendation: Since the cost of an internal control system should not outweigh the benefits derived from it, we can only recommend Concordia Parish Recreation District No. 3 consider and analyze the costs versus the benefits associated with hiring additional administrative/accounting personnel.

Response: Management agrees with this finding.

2004-02 – Preparation of Forms 1099

Condition: The District issued a total of fourteen forms 1099 totaling \$61,613 for 2003 and 2004. Two independent contractors who were paid a total of \$42,917 during 2003 and 2004 were not issued a 1099 in either 2003 or 2004. These 1099 are required by Federal law to be issued to any independent contractor paid more than \$600.

Recommendation: We recommend that the District issue Forms 1099 to everyone paid more than \$600.

Response: Management agrees with this finding.

CONCORDIA PARISH RECREATION DISTRICT NO. 3

SUMMARY OF SCHEDULE OF PRIOR FINDINGS  
DECEMBER 31, 2002

INTERNAL CONTROL FINDINGS

2002-1 – Segregation of Duties

Condition: There is an insufficient segregation of duties to have an effective internal control.

Current status: This finding still applies and is noted in the current audit for the year ending December 31, 2004 as condition 2004 – 01.

2002-02 – Collateral Pledged for Deposits Not in Compliance

Condition: The District had cash deposits of \$409,402 on December 31, 2003 and FDIC insurance of \$218,293. The securities pledged to secure the excess deposits were in the name of the police jury under that entities' Federal ID number. To be in compliance, the securities should be pledged to the Concordia Recreation District No. 3 under its Federal ID number.

Current status: This finding was corrected in 2003 and 2004.