

CONCORDIA PARISH RECREATION
DISTRICT NO. 3
(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2018

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

**Annual Financial Statements
As of and for the Year Ended December 31, 2018
With Supplementary Information Schedules**

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**CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

**Annual Financial Statements
As of and for the Year Ended December 31, 2018
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Concordia Parish Recreation District No. 3, a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2018, which collectively comprise the Concordia Parish Recreation District No. 3's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Concordia Parish Recreation District No. 3 as of December 31, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Concordia Parish Recreation District No. 3's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2019, on our consideration of the Concordia Parish Recreation District No. 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Concordia Parish Recreation District No. 3's internal control over financial reporting and compliance.

This report is intended for the information of the Members of the Recreation District Board, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Natchez, Mississippi
March 4, 2019

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

INTRODUCTION

As management of the Concordia Parish Recreation District No. 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 years ended December 31, 2018 and 2017. 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 2018 and 2017, the Concordia Parish Recreation District No. 3's net position increased in the current year and resulted in ending net position of \$2,856,248 at December 31, 2018, and decreased in the prior year, resulting in ending net position of \$2,852,981 at December 31, 2017.

1. The cash balance for the District was \$248,213 in 2018 and \$356,006 in 2017.
2. The general fund had \$398,057 in revenues for 2018, compared to \$356,612 in 2017. These primarily consisted of the property taxes. There were \$394,790 in governmental expenditures for 2018 and \$397,137 for 2017.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Concordia Parish Recreation District No. 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 position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position 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 7 through 8 of this report.

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 9 through 12 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 13 through 19 of this report.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of net position for the periods ending December 31, 2018 and 2017:

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current assets	\$ 607,906	\$ 668,046
Noncurrent assets – capital assets	<u>4,824,859</u>	<u>4,852,386</u>
Total assets	<u>\$ 5,432,765</u>	<u>\$ 5,520,432</u>
Deferred outflows of resources	\$ -	\$ -
Current liabilities	\$ 183,232	\$ 187,410
Noncurrent liabilities	<u>2,393,285</u>	<u>2,480,041</u>
Total liabilities	<u>\$ 2,576,517</u>	<u>\$ 2,667,451</u>
Deferred inflows of resources	\$ -	\$ -
Net position		
Investment in capital assets	\$ 2,343,508	\$ 2,288,015
Unrestricted	<u>512,740</u>	<u>564,966</u>
Total net position	<u>\$ 2,856,248</u>	<u>\$ 2,852,981</u>

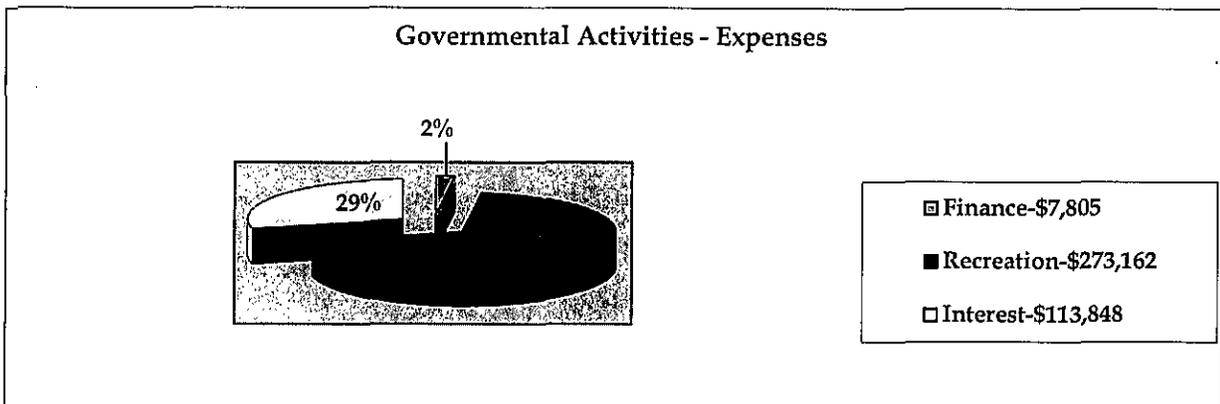
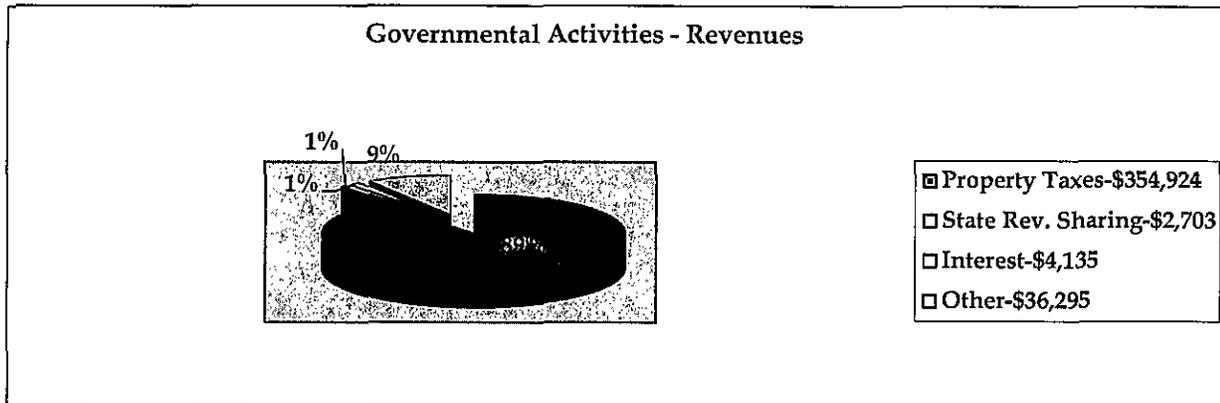
The following is a summary of the statement of activities for the periods ending December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Revenues:		
Ad valorem taxes	\$ 354,924	\$ 324,917
State revenue sharing	2,703	3,968
Interest income	4,135	575
Other income	<u>36,295</u>	<u>27,152</u>
Total revenues	<u>\$ 398,057</u>	<u>\$ 356,612</u>
Expenses:		
Finance and administration	\$ 7,805	\$ 7,703
Culture and recreation	273,137	270,441
Interest expense	<u>113,848</u>	<u>117,993</u>
Total expenses	<u>\$ 394,790</u>	<u>\$ 397,137</u>
Increase (decrease) in net position	\$ 3,267	\$ (40,525)
Net position, January 1	<u>2,852,981</u>	<u>2,893,506</u>
Net position, December 31	<u>\$ 2,856,248</u>	<u>\$ 2,852,981</u>

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following are graphical representations of information presented in the statement of activities for governmental activities for the year 2018:



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 a 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, 2018 and 2017, the District had \$4,824,859 and \$4,852,386, respectively, invested in capital assets.

**CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

FUTURE PLANS

The Recreation Board of District No. 3 is moving forward with the dirt work and drainage for ball fields. The Board will be building a small pavilion by the soccer fields as well as painting the press boxes and the covers over the bleachers. The Board plans to purchase some new equipment for the upkeep of the ball field, such as a sodder and a verdiacutter.

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 requests for additional information, may be directed to Kally Murray, Secretary, Post Office Box 817, Vidalia, Louisiana 71373.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

ASSETS

Current assets:	
Cash and cash equivalents	\$ 248,213
Receivables:	
Accounts	354,003
Prepaid expenses	5,690
Capital assets (net)	<u>4,824,859</u>
Total assets	<u>\$ 5,432,765</u>
Deferred inflows of resources	<u>\$ -</u>

LIABILITIES

Accounts and other payables	\$ 1,554
Accrued interest payable	93,612
Long-term liabilities:	
Due within one year	88,066
Due in more than one year	<u>2,393,285</u>
Total liabilities	<u>\$ 2,576,517</u>
Deferred outflows of resources	<u>\$ -</u>

NET POSITION

Invested in capital assets, net of related debt	\$ 2,343,508
Unrestricted	<u>512,740</u>
Total net position	<u>\$ 2,856,248</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES

Ad valorem taxes	\$	354,924
State revenue sharing		2,703
Interest income		4,135
Other income		<u>36,295</u>
Total revenues	\$	<u>398,057</u>

EXPENDITURES

General government:		
Finance and administration	\$	7,805
Culture and recreation		273,137
Interest expense		<u>113,848</u>
Total expenditures	\$	<u>394,790</u>
Change in net position	\$	3,267
Net position, beginning of year		<u>2,852,981</u>
Net position, end of year	\$	<u>2,856,248</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 248,213
Receivables:	
Accounts	354,003
Prepaid expenses	5,690
Total assets	\$ 607,906
LIABILITIES	
Current liabilities:	
Accounts and other payables	\$ 1,554
Fund balances:	
Unassigned	\$ 606,352
Total fund balance	\$ 606,352
Total liabilities and fund balance	\$ 607,906

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total Fund Balances for Governmental Funds (Statement C)	\$	606,352
<p>Total net position reported for governmental activities in the statement of net position is different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:</p>		
Land		527,540
Buildings, net of \$972,036 accumulated depreciation		4,135,611
Equipment, net of \$365,901 accumulated depreciation		161,708
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund liabilities.</p>		
Bonds payable		(2,481,351)
Accrued interest payable		(93,612)
Total Net Position of Governmental Activities (Statement A)	\$	<u>2,856,248</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>General Fund</u>
REVENUES	
Ad valorem taxes	\$ 354,924
Intergovernmental:	
State revenue sharing	2,703
Interest income	4,135
Other income	<u>36,295</u>
Total revenues	<u>\$ 398,057</u>
 EXPENDITURES	
General government:	
Finance and administration	\$ 7,805
Culture and recreation	133,938
Capital outlay	111,672
Debt service:	
Principal paid	83,020
Interest paid	<u>116,980</u>
Total expenditures	<u>\$ 453,415</u>
Excess of expenditures over revenues	\$ (55,358)
Fund balance, beginning of year	<u>661,710</u>
 Fund balance, end of year	 <u><u>\$ 606,352</u></u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net Changes in Fund Balance - Governmental Fund (Statement E) \$ (55,358)

Amounts reported for governmental activity in the statement of activity is different because:

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. This is the amount depreciation exceeded capital outlays in the current period:

Capital outlay	\$ 111,672	
Depreciation expense	<u>(139,199)</u>	(27,527)

Governmental funds report debt service payments as expenditures and proceeds from loans as revenues. However, in the statement of activities, repayments of principal of indebtedness reduces long-term liabilities in the statement of net position and loan proceeds increase long-term liabilities.

Principal paid	\$ 83,020	
Accrued interest payable decrease	<u>3,132</u>	<u>86,152</u>

Change in Net Position per Statement of Activities (Statement B) \$ 3,267

NOTES TO THE FINANCIAL STATEMENTS

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

INTRODUCTION

1. The Concordia Parish Recreation District No. 3 (the District) was created by ordinance of the Concordia Parish Police Jury on May 28, 1958, as provided by Louisiana Revised Statutes 33:4562-4566. The District has been a component unit of the Concordia Parish Police Jury since inception in 1958.
2. The purpose of the District is to own and operate 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.
3. The District is located in Vidalia and surrounding areas of Concordia Parish, Louisiana.
4. The population of the District is approximately 7,200.
5. The District is governed by seven commissioners appointed by the Concordia Parish Police Jury. The commissioners serve without pay.
6. The District has a secretary, a director, and three or four other part-time independent contractors.
7. Approximately 2,000 to 3,000 youths and adults participate in the District's facilities and programs each year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Concordia Parish Recreation District No. 3 have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

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

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

C. FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

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. The governmental fund of the District includes:

1. General Fund – the primary operating fund of the District and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements

The amounts reflected in the Governmental Funds of Statements C and D 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. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

The amounts reflected in the Governmental Funds of Statements C and D use the accrual basis of accounting. Under the 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 pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year-end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Government-Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. CASH AND CASH EQUIVALENTS

The District'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 deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

F. PREPAID ITEMS

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.

G. 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

H. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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.

I. BUDGET PRACTICES

The District did not adopt budgets for its funds for the year ended December 31, 2018; 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.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. FUND BALANCE

Beginning with fiscal year 2013, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; and
- Unassigned fund balance - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2018, the District had cash and cash equivalents (book balances) totaling \$248,213. Bank accounts were interest-bearing demand deposit accounts of \$96,737 and time deposits of \$151,476.

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, 2018, the District had \$234,130 in deposits (collected bank balances). These deposits are secured from risk by \$234,130 of federal deposit insurance and \$505,122 of pledged securities held by the custodial bank.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - RECEIVABLES

The receivables of \$354,003 at December 31, 2018, are as follows:

Ad valorem	\$ 354,003
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$ 354,003</u>

These accounts receivable are considered to be 100% collectible and no provision for bad debts has been made by the District.

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2018, are as follows:

	<u>Balance</u> <u>12/31/2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2018</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ <u>527,540</u>	\$ -	\$ -	\$ <u>527,540</u>
	\$ <u>527,540</u>	\$ -	\$ -	\$ <u>527,540</u>
Capital assets being depreciated				
Buildings	\$ 5,107,647	\$ -	\$ -	\$ 5,107,647
Equipment	<u>414,687</u>	<u>111,672</u>	<u>-</u>	<u>526,359</u>
Total capital assets being depreciated	\$ <u>5,522,334</u>	\$ <u>111,672</u>	\$ -	\$ <u>5,634,006</u>
Less accumulated depreciation for:				
Buildings	\$ (844,873)	\$ (127,163)	\$ -	\$ (972,036)
Equipment	<u>(352,615)</u>	<u>(12,036)</u>	<u>-</u>	<u>(364,651)</u>
Total accumulated depreciation	\$ <u>(1,197,488)</u>	\$ <u>(139,199)</u>	\$ -	\$ <u>(1,336,687)</u>
Total capital assets being depreciated, net	\$ <u>4,324,846</u>	\$ <u>(27,527)</u>	\$ -	\$ <u>4,297,319</u>
Governmental activities capital assets, net	\$ <u>4,852,386</u>	\$ <u>(27,527)</u>	\$ -	\$ <u>4,824,859</u>

Depreciation expense of \$139,199 was charged to culture and recreation.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - ACCOUNTS AND OTHER PAYABLES

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

Culture and recreation operations	\$ 1,554
Total payables	<u>\$ 1,554</u>

NOTE 6 - GENERAL LONG-TERM DEBT

At December 31, 2018, long-term debt was comprised of the following:

\$3,200,000 - 2011 Tax Improvement Revenue Bond due in annual installments of \$70,913 to \$191,000, beginning July 25, 2011 through July 25, 2037, interest at 4.5%	<u>\$ 2,481,351</u>
--	---------------------

The following is a summary of the long-term debt transactions for the year ended December 31, 2018:

	<u>Balance</u> <u>1-1-2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12-31-2018</u>	<u>Due Within</u> <u>One Year</u>
Bond payable	\$ 2,564,371	\$ -	\$ 83,020	\$ 2,481,351	\$ 88,066
Total	<u>\$ 2,564,371</u>	<u>\$ -</u>	<u>\$ 83,020</u>	<u>\$ 2,481,351</u>	<u>\$ 88,066</u>

The maturity schedule for the debt is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 88,066	\$ 111,661	\$ 199,727
2020	92,029	107,698	199,727
2021	96,171	103,556	199,727
2022	100,498	99,229	199,727
2023	105,021	94,706	199,727
2024-2028	600,391	398,244	998,635
2029-2033	748,197	250,438	998,635
2034-2037	<u>650,978</u>	<u>69,763</u>	<u>720,740</u>
Total	<u>\$ 2,481,351</u>	<u>\$ 1,235,295</u>	<u>\$ 3,716,645</u>

NOTE 7 - LEASE COMMITMENT

On March 1, 2009, the District entered into a lease agreement with the City of Vidalia to lease a 30-acre tract of land in Concordia Parish for the purpose of providing the citizen members of the Recreation District a safe and adequate place to conduct their recreational activities. The lease is for 50 years, terminating on February 28, 2059. The District will have an option to renew for an additional 50 years 30 days prior to the expiration of the current lease. The lease is \$100 per year, payable yearly in advance, on the first day of March of each year.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - 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.

**SECTION III
OTHER SUPPLEMENTARY INFORMATION**

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name: James Thomas, Chairman

Salary \$ -

See Independent Auditor's Report.

SECTION IV
REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING AND ON COMPLIANCE AND
 OTHER MATTERS BASED ON AN AUDIT OF THE
 BASIC 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, in accordance with the 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, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Parish Recreation District No. 3, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Concordia Parish Recreation District No. 3's basic financial statements and have issued our report thereon dated March 4, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Concordia Parish Recreation District No. 3's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Concordia Parish Recreation District No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of the Concordia Parish Recreation District No. 3's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness. We consider the deficiency described in the accompanying schedule of findings to be a material weakness: 2018-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Parish Recreation District No. 3's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Concordia Parish Recreation District No. 3's Response to Findings

Concordia Parish Recreation District No. 3's response to the findings identified in our audit are described in the accompanying schedule of findings. Concordia Parish Recreation District No. 3's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Natchez, Mississippi
March 4, 2019

SECTION V
SUMMARY OF AUDITOR'S REPORTS

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION I: SUMMARY OF AUDITOR'S REPORTS

- | | | |
|--|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements: | | |
| Governmental activities | | Unqualified |
| 2. Internal control over financial reporting: | | |
| a. Material weakness(es) identified? | | Yes |
| b. Significant deficiency(s) identified that are not considered to be material weaknesses? | | No |
| 3. Noncompliance material to the primary government financial statements? | | No |

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
2017-1	Numerous	<u>Segregation of Duties</u> We noted the District does not have adequate segregation of duties. This finding has been reported as a reportable condition other than a material weakness for many years.	No	This is reported in 2018 as finding 2018-1. Management indicates that it is not cost efficient or feasible to increase the number of employees and had no plans to do so.

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

CONCORDIA PARISH RECREATION DISTRICT NO. 3
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Internal Control and Compliance Material to the Financial Statements:

2018-1 Segregation of Duties (Internal Control)

Condition: There is insufficient segregation of duties necessary to have an effective internal control. One person has complete control over receipts and disbursements because she is the only person employed.

Criteria: The important elements of good internal controls require that the same employee does not handle the functions of accounting, billing, collections, receiving, and check writing.

Cause of Condition: The small size of the entity and lack of employees.

Effect of Condition: Material weakness in internal controls.

Recommendation: We recommend an attempt to segregate duties be made by the District.

Response: Management indicates that it is not feasible or cost efficient to hire any additional employees and plans no changes in its operations.

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None