

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, 2012

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, 2012  
With Supplemental Information Schedules

**TABLE OF CONTENTS**

	Statement	Page
<b>INDEPENDENT AUDITOR'S REPORT -----</b>		1-2
<b>SECTION I - REQUIRED SUPPLEMENTAL INFORMATION</b>		
Management's Discussion and Analysis-----		3-6
<b>SECTION II - BASIC FINANCIAL STATEMENTS</b>		
Government-Wide Financial Statements:		
Statement of Net Position-----	A	7
Statement of Activities -----	B	8
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet-----	C	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position -----	D	10
Statement of Revenues, Expenditures, and Changes in Fund Balance -----	E	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities -----	F	12
<b>NOTES TO THE FINANCIAL STATEMENTS -----</b>		13-20
<b>SECTION III - REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS</b>		
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 <i>Government Auditing Standards</i> -----		21-22
<b>SECTION IV - SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>		
Schedule of Findings-----		23
Status of Prior Audit Findings-----	1	24
Current Year Findings, Recommendations, and Corrective Action Plan-----	2	25-26



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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, each 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, 2012, 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 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. 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, each major fund, and the aggregate remaining fund information of the Concordia Parish Recreation District No. 3 as of December 31, 2012, 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 Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2013, 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, grant agreements, 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  
November 20, 2013

**SECTION I**  
**REQUIRED SUPPLEMENTAL 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, 2012**

## 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, 2012 and 2011. 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 2012 and 2011, the Concordia Parish Recreation District No. 3's net position increased and resulted in ending net position of \$2,958,668 at December 31, 2012, and \$2,732,195 at December 31, 2011.

1. The cash balance for the District was \$322,714 in 2012, and \$743,048 in 2011.
2. The general fund had \$444,125 in revenues for 2012, compared to \$378,611 in 2011. These primarily consisted of the property taxes and interest income. There were \$217,652 in governmental expenditures for 2012, and \$225,493 for 2011.

## 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 supplemental 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 - 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 - 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 - 20 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, 2012

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of net position for the periods ending December 31, 2012 and 2011:

	Governmental Activities	
	2012	2011
Current assets	\$ 672,084	\$ 1,082,410
Noncurrent assets – capital assets	5,373,790	3,591,658
Total assets	<u>\$ 6,045,874</u>	<u>\$ 4,674,068</u>
Current liabilities	\$ 207,001	\$ 114,029
Noncurrent liabilities	2,880,205	1,827,844
Total liabilities	<u>\$ 3,087,206</u>	<u>\$ 1,941,873</u>
Net position		
Investment in capital assets, net of related debt	\$ 2,880,205	\$ 1,763,814
Restricted for debt service	1	1
Unrestricted	<u>78,462</u>	<u>968,380</u>
Total net position	<u>\$ 2,958,668</u>	<u>\$ 2,732,195</u>

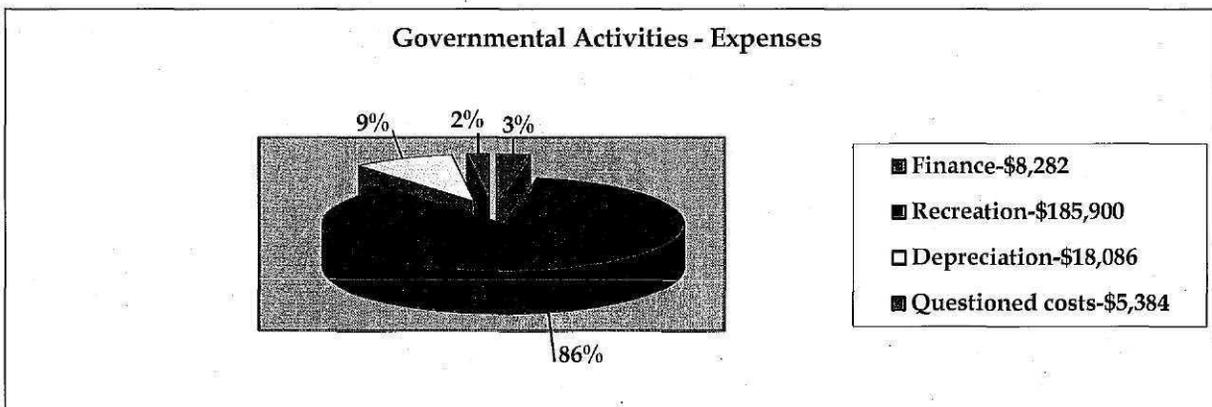
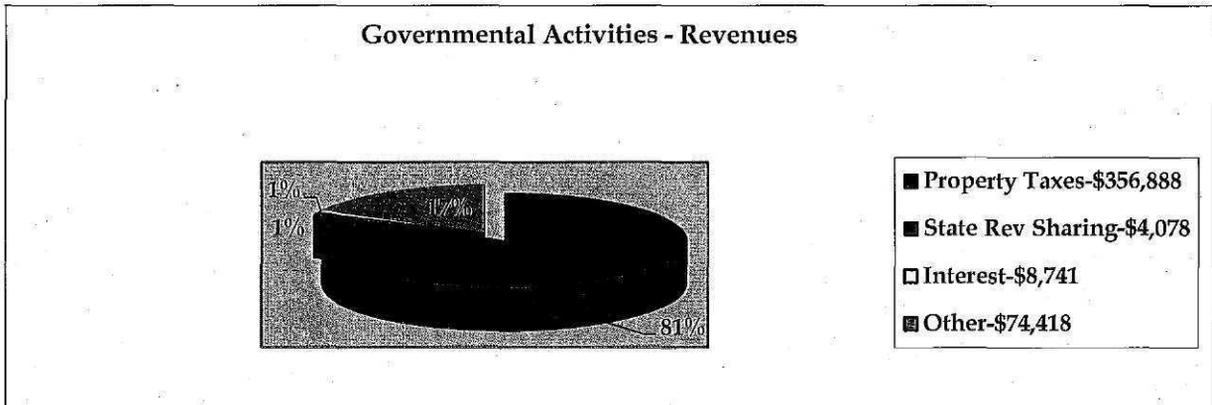
The following is a summary of the statement of activities for the periods ending December 31, 2012 and 2011:

	2012	2011
Revenues:		
Ad valorem taxes	\$ 356,888	\$ 352,420
State revenue sharing	4,078	4,936
Interest income	8,741	20,568
Other income	74,418	687
Total revenues	<u>\$ 444,125</u>	<u>\$ 378,611</u>
Expenses:		
Finance and administration	\$ 8,282	\$ 7,375
Culture and recreation	185,900	199,055
Depreciation	18,086	19,063
Questioned costs	5,384	-
	<u>\$ 217,652</u>	<u>\$ 225,493</u>
Increase in net position	\$ 226,473	\$ 153,118
Net position, January 1	<u>2,732,195</u>	<u>2,579,077</u>
Net position, December 31	<u>\$ 2,958,668</u>	<u>\$ 2,732,195</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, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

The following are a graphical representation of information presented in the statement of activities for governmental activities for the year 2012.



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, 2012 and 2011, the District had \$5,373,790 and \$3,591,658, 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, 2012**

**CONSTRUCTION PLANS**

The District signed a construction contract in June of 2012 to build a new recreation complex consisting of ball fields and other facilities. The project will be financed by bonds issued by local banks and certificates of deposit held by the District. The total estimated construction costs are \$4,616,877. Total funds to be borrowed when construction is completed will be \$3,200,000. The bonds will be retired by 2041.

**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 Patricia Anderson, Secretary, P. O. Box 1169, Vidalia, LA 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, 2012

## ASSETS

Current assets:	
Cash and cash equivalents	\$ 322,714
Receivables:	
Accounts	347,042
Prepaid expenses	2,327
Restricted assets	1
Capital assets (net)	<u>5,373,790</u>
Total assets	<u>\$ 6,045,874</u>

## LIABILITIES

Current liabilities:	
Accounts and other payables	\$ 48,204
Accrued interest payable	103,070
Long-term liabilities - current portion	<u>55,727</u>
Total current liabilities	<u>\$ 207,001</u>
Long-term liabilities:	
Notes payable, net of current portion	<u>\$ 2,880,205</u>
Total liabilities	<u>\$ 3,087,206</u>

## NET POSITION

Invested in capital assets, net of related debt	\$ 2,880,205
Restricted for debt service	1
Unrestricted	<u>78,462</u>
Total net position	<u>\$ 2,958,668</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, 2012

**REVENUES**

Ad valorem taxes	\$	356,888
State revenue sharing		4,078
Interest income		8,741
Other income		<u>74,418</u>
Total revenues	\$	<u>444,125</u>

**EXPENDITURES**

General government:		
Finance and administration	\$	8,282
Culture and recreation		203,986
Questioned costs		<u>5,384</u>
Total expenditures	\$	<u>217,652</u>
Change in net position	\$	226,473
Net position, beginning of year		<u>2,732,195</u>
Net position, end of year	\$	<u><u>2,958,668</u></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, 2012**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 322,714	\$ -	\$ 322,714
Receivables:			
Accounts	347,042	-	347,042
Prepaid expenses	2,327	-	2,327
Restricted assets	-	1	1
Total assets	\$ 672,083	\$ 1	\$ 672,084
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	\$ 48,204	\$ -	\$ 48,204
Fund balances:			
Restricted	\$ -	\$ 1	\$ 1
Unassigned, reported in general fund	623,879	-	623,879
Total fund balance	\$ 623,879	\$ 1	\$ 623,880
Total liabilities and fund balance	\$ 672,083	\$ 1	\$ 672,084

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, 2012**

Total fund balances for governmental funds (Statement C)	\$	623,880
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land, buildings, and equipment	\$	5,945,060	
Less accumulated depreciation		<u>(571,270)</u>	5,373,790

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund liabilities

Bonds payable		(2,935,932)	
Accrued interest payable		<u>(103,070)</u>	

Total net position of governmental activities (Statement A)	\$	<u>2,958,668</u>
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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, 2012

	General Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ -	\$ 356,888	\$ 356,888
State revenue sharing	4,078	-	4,078
Interest income	8,741	-	8,741
Other income	<u>74,418</u>	<u>-</u>	<u>74,418</u>
Total revenues	<u>\$ 87,237</u>	<u>\$ 356,888</u>	<u>\$ 444,125</u>
<b>EXPENDITURES</b>			
General government:			
Finance and administration	\$ 8,282	\$ -	\$ 8,282
Culture and recreation	169,230	-	169,230
Questioned costs	<u>5,384</u>	<u>-</u>	<u>5,384</u>
Total general government	<u>\$ 182,896</u>	<u>\$ -</u>	<u>\$ 182,896</u>
Capital outlay	<u>\$ 1,800,218</u>	<u>\$ -</u>	<u>\$ 1,800,218</u>
Total expenditures	<u>\$ 1,983,114</u>	<u>\$ -</u>	<u>\$ 1,983,114</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,895,877)</u>	<u>\$ 356,888</u>	<u>\$ (1,538,989)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from debt issued	\$ -	\$ 1,108,088	\$ 1,108,088
Transfers in (out)	<u>1,464,976</u>	<u>(1,464,976)</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ 1,464,976</u>	<u>\$ (356,888)</u>	<u>\$ 1,108,088</u>
Excess (deficiency) of expenditures over revenues	\$ (430,901)	\$ -	\$ (430,901)
Fund balance, beginning of year	<u>1,054,780</u>	<u>1</u>	<u>1,054,781</u>
Fund balance, end of year	<u>\$ 623,879</u>	<u>\$ 1</u>	<u>\$ 623,880</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, 2012

Net changes in fund balance – governmental fund (Statement E) \$ (430,901)

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 by which capital outlays exceeded depreciation in the current period:

Capital outlay	\$ 1,800,218	
Depreciation expense	<u>(18,086)</u>	1,782,132

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.

Issuance of long-term debt	\$ (1,108,088)	
Accrued interest payable	<u>(16,670)</u>	<u>(1,124,758)</u>

Change in net position per statement of activities (Statement B) \$ 226,473

**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, 2012**

**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, two maintenance, and three or four other part-time independent contractors.
7. Approximately 1,000 youth 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, 2012

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.
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.

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 is 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.

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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

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.

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. RECEIVABLES AND PAYABLES

All trade and property tax receivables are shown net of allowance for uncollectables. 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 4.00 mills for year 2012.

The following are the principal taxpayers and related property tax revenues for the District:

	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for District
Catalyst Old River	Hydro Power	\$ 39,103,470	38%	\$ 135,617
Union Underwear, Inc.	Clothing	13,608,990	13%	46,396
		<u>\$ 52,712,460</u>	<u>\$ 51%</u>	<u>\$ 182,013</u>

G. 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.

H. 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.

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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. CAPITAL ASSETS (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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

I. 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.

J. BUDGET PRACTICES

The District did not adopt budgets for its funds for the year ended December 31, 2012; 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.

K. RESTRICTED ASSETS

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. In situations where it is permissible to spend restricted resources, the District typically depletes the available restricted resources before consuming unrestricted resources. Restricted assets were applicable to the following at December 31, 2012:

Debt service fund:  
 Cash

\$	<u>1</u>
\$	<u><u>1</u></u>

L. FUND EQUITY

Beginning with fiscal year 2012, 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:

**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, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. FUND EQUITY (continued)**

- 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;
- 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 purpose (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, 2012, the District has cash and cash equivalents (book balances) totaling \$322,714. All deposits were interest bearing demand deposits.

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, 2012, the District has \$357,652 in deposits (collected bank balances). These deposits are secured from risk by \$254,783 of federal deposit insurance and \$102,869 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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, 2012

**NOTE 3 - RECEIVABLES**

The receivables of \$347,042 at December 31, 2012, are as follows:

Ad valorem	\$	347,042
Less allowance for doubtful accounts		-
Total receivables	\$	<u>347,042</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, 2012, are as follows:

	<u>Balance 12/31/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2012</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 527,540	\$ -	\$ -	\$ 527,540
Construction in progress	<u>2,867,372</u>	<u>1,800,218</u>	-	<u>4,667,590</u>
	<u>\$ 3,394,912</u>	<u>\$ 1,800,218</u>	<u>\$ -</u>	<u>\$ 5,195,130</u>
Capital assets being depreciated				
Buildings	\$ 340,584	\$ -	\$ -	\$ 340,584
Equipment	<u>409,347</u>	-	-	<u>409,347</u>
Total capital assets being depreciated	<u>\$ 749,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 749,931</u>
Less accumulated depreciation for:				
Buildings	\$ (267,756)	\$ (6,206)	\$ -	\$ (273,962)
Equipment	<u>(285,429)</u>	<u>(11,880)</u>	-	<u>(297,309)</u>
Total accumulated depreciation	<u>\$ (553,185)</u>	<u>\$ (18,086)</u>	<u>\$ -</u>	<u>\$ (571,271)</u>
Total capital assets being depreciated, net	<u>\$ 196,746</u>	<u>\$ (18,086)</u>	<u>\$ -</u>	<u>\$ 178,660</u>
Governmental activities capital assets, net	<u>\$ 3,591,658</u>	<u>\$ 1,782,132</u>	<u>\$ -</u>	<u>\$ 5,373,790</u>

Depreciation expense of \$18,086 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, 2012

**NOTE 5 - ACCOUNTS AND OTHER PAYABLES**

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

Finance and administration	\$ 46,722
Culture and recreation operations	1,482
Total payables	<u>\$ 48,204</u>

**NOTE 6 - GENERAL LONG-TERM DEBT**

At December 31, 2012, long-term debt was comprised of the following:

\$3,200,000 – 2012 Tax Improvement Revenue Bond due in annual installments of \$56,000 to \$191,000, beginning March 1, 2012 (interest only) through July 25, 2041, interest at 4.5%	<u>\$ 2,935,932</u>
--	---------------------

The following is a summary of the long-term debt transactions for the year ended December 31, 2012:

	Balance 1-1-2012	Additions	Reductions	Balance 12-31-2012	Due Within One Year
Bond payable	\$ 1,827,844	\$ 1,108,088	\$ -	\$ 2,935,932	\$ 55,727
Total	<u>\$ 1,827,844</u>	<u>\$ 1,108,088</u>	<u>\$ -</u>	<u>\$ 2,935,932</u>	<u>\$ 55,727</u>

The project that is funded through this bond is ongoing and is not complete. Anticipated completion date is July 2013. Funds are drawn, as needed, to pay for construction. The first payment due is March 1, 2012, which is interest only. The first principal payment is due March 1, 2013.

The maturity schedule for the debt is as follows:

Date	Principal	Interest	Total
2013	\$ 55,727	\$ 144,000	\$ 199,727
2014	58,234	141,493	199,727
2015	60,855	138,872	199,727
2016	63,594	136,133	199,727
2017	66,455	133,272	199,727
2018-2022	379,917	618,716	998,633
2023-2027	473,446	525,187	998,633
2028-2032	590,000	408,633	998,633
2033-2037	735,247	263,386	998,633
2038-2041	716,525	82,382	798,907
Total	<u>\$ 3,200,000</u>	<u>\$ 2,592,074</u>	<u>\$ 5,792,074</u>

**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, 2012**

**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.

**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.

**NOTE 9 - QUESTIONED COSTS**

The District incurred expenditures of \$5,384 with 14 ACH transactions which took cash out of the operating bank account to pay expenses to a nationally operated electronics store. It has not been discovered what the transactions were for or who was responsible. It is believed that these transactions were done by someone out of the District. The proper authorities have been notified to investigate these transactions. These transactions may be a misappropriation of funds.

**SECTION III**  
**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, each major fund, and the aggregate remaining fund information of Concordia Parish Recreation District No. 3, a component unit of the Concordia Parish Police Jury as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Concordia Parish Recreation District No. 3's basic financial statements and have issued our report thereon dated November 20, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered 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 Concordia Parish Recreation District No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of Concordia Parish Recreation District No. 3's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 certain deficiencies in internal control that we consider to be material weaknesses.

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 a 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. Those findings are referenced as 2012-1 and 2012-3.

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. We did not classify any findings as significant deficiencies.

#### 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2012-2.

#### Response to Findings

Concordia Parish Recreation District No. 3's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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.

This report is intended solely for the information and use of management of the Concordia Parish Recreation District No. 3, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Silas Simmons, LLP*

Natchez, Mississippi  
November 20, 2013

**SECTION IV**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**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, 2012**

**SECTION I: SUMMARY OF AUDITOR'S REPORT**

- |  |             |
|--|-------------|
| 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 AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

2011-1	Numerous	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 2012 as finding 2012-1. Management indicates that it is not cost efficient or feasible to increase the number of employees and had no plans to do so.
2011-2	2011	We noted the District was late filing the entity's audit report to the Legislative Auditor.	No	This is reported in 2012 as finding 2012-2.

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, 2012

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
Section I – Internal Control and Compliance Material to the Financial Statements:				
2012-1	<p><u>Segregation of Duties</u>            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.</p> <p><u>Recommendation</u>            We recommend that an attempt be made to strengthen internal control problems created by having fewer employees.</p>	Management indicated that it would not be cost efficient or feasible to hire any additional employees and plans no changes in its operations.	Patricia Anderson	N/A
2012-2	<p><u>Late Filing of Audit Report</u>            The District is required to submit an audit of its financial statements to the Legislative Auditor within six months of its year end. This December 31, 2012, audit report was due to be filed by June 30, 2013, however the report was not filed until December of 2013.</p> <p><u>Recommendation</u>            We recommend that the District provide information needed to the auditor in a timely manner to assure that the audit can be completed by the due date.</p>	Management plans to have the audit complete on time in the future.	Patricia Anderson	6/30/2014
2012-3	<p><u>Questioned Costs</u>            The District had 14 ACH transactions during the year totaling \$5,384 which were disbursed out of the operating bank account. These funds were spent at a nationally owned electronics store. The District did not reconcile its bank account on a monthly basis and did not know that these transactions had taken place until approximately six months after the event. Four more transactions took place in March and April of 2013 totaling \$1,181. The purpose of these transactions could not be explained and this may be a misappropriation of funds.</p>	Management has hired a new secretary to perform all accounting functions. The secretary will present financial statements at each board meeting and will reconcile the bank accounts on a monthly basis. Other internal controls will be put in place. ACH transactions will not be allowed.	Patricia Anderson	6/30/2014

**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, 2012**

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
----------	------------------------	------------------------------	------------------------------------	-----------------------------------

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

Recommendation

We recommend the following:

- 1) Instruct the bank to stop all ACH transactions
- 2) Close the bank account and open a new bank account with a new account number
- 3) Reconcile the bank account as soon as possible each month
- 4) Have current financial statements prepared each month and presented at board meeting for approval.

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

None

Section III - Management Letter:

None