

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

**COMMUNITY CENTER & PLAYGROUND DISTRICT
NO. 3 OF WARD 7 OF CALCASIEU PARISH
CALCASIEU PARISH POLICE JURY**

December 31, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
Calcasieu Parish Police Jury
Vinton, Louisiana

We have audited the accompanying financial statements of Community Center & Playground District No.3 of Ward 7 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2020 and related notes to the financial statements, which collectively comprise of the Community Center's basic financial statements as listed in the table of contents.

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.

Auditors' 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 Controller 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 of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish, Louisiana, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Community Center has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 24 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 financials 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 Community Center & Playground District No.3 of Ward 7 of Calcasieu Parish's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of management and is derived from and relate 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, 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of the Community Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the 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 the Community Center's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, and Legislative Auditor, 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.

Joyce McNamee, Co., CPA

Lake Charles, Louisiana
June 28, 2021

**COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7
OF CALCASIEU PARISH**

**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
December 31, 2020**

ASSETS

Cash and cash equivalents	\$	2,247,984
Ad valorem tax receivable, net of allowance for doubtful accounts of \$53,037		1,714,870
Land and other capital assets not being depreciated		3,877,726
Capital assets, net of accumulated depreciation		1,816,278
Prepaid expense		21,792
Due from contractor, net of allowance for bad debt of \$26,250		-
Restricted cash		4,105,242
		4,105,242
Total assets		13,783,892

LIABILITIES

Accounts payable		136,705
Payroll taxes payable		5,537
Ad valorem pension payable		54,746
Accrued interest payable		88,043
Deferred revenue		291,237
Long-term liabilities:		
Bond payable, net:		
Portion due within one year		245,000
Portion due after one year		7,222,992
		7,222,992
Total liabilities		8,044,260

NET POSITION

Investment in capital assets		5,694,004
Restricted		4,105,242
Unrestricted		(4,059,614)
		(4,059,614)
Total net position	\$	5,739,632

The accompanying notes are an integral part of this statement.

**COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7
OF CALCASIEU PARISH**

**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
For the Year Ended December 31, 2020**

Function/Programs	Expenses	Program Revenues			Governmental Activities - Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants, and Contributions	
Governmental activities:					
Culture and recreation	836,191	11,220	690	-	\$ (824,281)
Total Government Activities	\$ 836,191	\$ 11,220	\$ 690	\$ -	(824,281)
		General revenues:			
					1,725,347
					6,897
					130,045
					4,627
Total general revenues					1,866,916
Change in net position					1,042,635
Net position - beginning of year					4,696,997
Net position - end of year					\$ 5,739,632

The accompanying notes are an integral part of this statement.

**COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7
OF CALCASIEU PARISH
Governmental Fund
Balance Sheet
December 31, 2020**

	General Fund	Debt Service Fund	Project Fund	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 2,247,984	\$ -	\$ -	\$ 2,247,984
Ad valorem tax receivable, net of allowance for doubtful accounts of \$53,037	1,714,870	-	-	1,714,870
Prepaid expenses	21,792	-	-	21,792
Due from contractor, net of allowance for doubtful accounts of \$26,250	-	-	-	-
Due from other fund	-	158,074	2,782	160,856
Restricted cash	-	-	4,105,242	4,105,242
Total assets	\$ 3,984,646	\$ 158,074	\$ 4,108,024	\$ 8,250,744
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 3,679	\$ -	\$ 133,026	\$ 136,705
Payroll taxes payable	5,537	-	-	5,537
Ad valorem pension payable	54,746	-	-	54,746
Deferred revenue	291,237	-	-	291,237
Due to other fund	2,782	-	158,074	160,856
Total liabilities	357,981	-	291,100	649,081
Fund balance:				
Unassigned	3,626,665	158,074	3,816,924	7,601,663
Total liabilities and fund balance	\$ 3,984,646	\$ 158,074	\$ 4,108,024	\$ 8,250,744

The accompanying notes are an integral part of this statement.

**COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7
OF CALCASIEU PARISH**

**RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
December 31, 2020**

FUND BALANCE OF GOVERNMENTAL FUNDS	\$	7,601,663
Amounts reported for governmental activities in the Statement of Net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, not reported in the funds.		
Land and other capital assets not being depreciated	\$	3,877,726
Cost of capital assets		3,548,583
Less - accumulated depreciation		<u>(1,732,305)</u>
		5,694,004
Accrued interest payable		(88,043)
Long-term liabilities at December 31, 2020		
Bond payable		(6,825,000)
Bond premium		<u>(642,992)</u>
		<u>(7,467,992)</u>
 NET POSITION OF GOVERNMENTAL ACTIVITIES	 \$	 <u><u>5,739,632</u></u>

The accompanying notes are an integral part of this statement.

**COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7
OF CALCASIEU PARISH**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND**

For the Year Ended December 31, 2020

	General Fund	Debt Service Fund	Project Fund	Total Governmental Funds
Revenue:				
Ad valorem taxes	\$ 1,725,347	\$ -	\$ -	\$ 1,725,347
State revenue sharing	6,897	-	-	6,897
Rental	1,725	-	-	1,725
Admission and concession fees	9,495	-	-	9,495
Donations	690	-	-	690
Interest	42,164	-	87,880	130,044
Other	4,627	-	-	4,627
Total revenues	<u>1,790,945</u>	<u>-</u>	<u>87,880</u>	<u>1,878,825</u>
Expenditures:				
Governmental				
Personnel services and related benefits	237,671	-	-	237,671
Operating services	211,762	-	-	211,762
Material and supplies	49,409	-	-	49,409
Capital outlay	3,047,017	-	-	3,047,017
Debt service:				
Bond principal payment	175,000	-	-	175,000
Bond interest expense	335,158	-	-	335,158
Total expenditures	<u>4,056,017</u>	<u>-</u>	<u>-</u>	<u>4,056,017</u>
Net change	(2,265,072)	-	87,880	(2,177,192)
Other financing sources:				
Transfer in	3,047,017	87,880	-	3,134,897
Transfer (out)	-	-	(3,134,897)	(3,134,897)
Total other financing sources	3,047,017	87,880	(3,134,897)	-
Net change in fund balance	781,945	87,880	(3,047,017)	(2,177,192)
Fund balance at beginning of year	<u>2,844,720</u>	<u>70,194</u>	<u>6,863,941</u>	<u>9,778,855</u>
Fund balance at end of year	<u>\$ 3,626,665</u>	<u>\$ 158,074</u>	<u>\$ 3,816,924</u>	<u>\$ 7,601,663</u>

The accompanying notes are an integral part of this statement.

**COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7
OF CALCASIEU PARISH**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2020

Total net change in fund balance - governmental funds	S	(2,177,192)
Amounts reported for governmental activities in the Statement of Activities are 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 exceed depreciation expense in the current period:		
Capital outlays		3,047,017
Depreciation expense		(154,426)
In the statement of activities some expenses do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in accrued interest payable		69,982
Amortization of bond premiums		82,254
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		175,000
Change in net position of governmental activities	S	1,042,635

The accompanying notes are an integral part of this statement.

**Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish (“Community Center”) was created by the Calcasieu Parish Police Jury, as authorized by Act 82 of 1948. A board of five commissioners appointed by the Calcasieu Parish Police Jury governs the Community Center. The Community Center establishes regulations governing its parks, playgrounds, and community centers and provides administration, management, maintenance, and operations of the facilities.

Reporting Entity

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

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the Community Center was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity.

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

The Community Center basic financial statements include both government-wide and fund financial statements.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Basis of Presentation

The financial statements of the Community Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Community Center's accounting policies are described below.

The accounts of the Community Center are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The Community Center's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the Community Center accompanied by a total column. Fiduciary activities of the Community Center are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Community Center's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Community Center are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Governmental Fund Financial Statements

The Community Center uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Community Center's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Community Center are classified into one category, governmental fund. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Community Center or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Basis of Accounting/Measurement Focus

The amounts reflected in the governmental fund financial statements 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 Community Center’s operations.

The amounts reflected in the governmental fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Community Center considers all revenues available if they are collected within 60 days after the fiscal 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.

The government-wide financial statements are accounted for using an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis, become due on November 15 of each year, and become delinquent by December 31. The taxes are normally collected in December, January, and February of the fiscal year. Intergovernmental revenues and fees, charges, and commissions for services are recorded when the Community Center is entitled to the funds. Interest income on deposits is recorded when interest is earned. Substantially all other revenues are recorded when received.

Expenditures

The Community Center’s primary expenditures include salaries, supplies and insurance, which are recorded when the liability is incurred. Capital expenditures and purchase of various operating supplies are regarded as expenditures at the time purchased.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Basis of Accounting/Measurement Focus – (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfers are authorized by the Community Center.

Deferred Revenues

Deferred revenues arise when resources are received by the Community Center before it has a legal claim to them, as when grant insurance monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Community Center has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

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

The Debt Service Fund is used to account for and report the payment of, debt principal, interest and related cost.

The Project Fund is used to account for and report the expenditures relating to the bond proceeds.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Ad Valorem Tax Receivable

Receivables consist of all revenues earned at year-end and not yet received. Receivables are reported net of allowance for uncollectible accounts and revenues net of uncollectibles. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for uncollectible accounts at December 31, 2020, was \$53,037.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The Community Center maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Capital Assets – (Continued)

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

Building and building improvements	7 – 50 years
Equipment	5 – 20 years

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.

Restricted Cash

Certain debt proceeds of the Community Center, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of fund net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of assets with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When both restricted and unrestricted resources are available for use, it is the Community Center’s policy to use restricted resources first, then unrestricted resources as they are needed.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Community Center is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- b. Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Community Center. The Community Center board is the highest level of decision-making authority for the Community Center. These amounts cannot be used for any other purpose unless the Community Center removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- d. Assigned: This classification includes amounts that are constrained by the Community Center's intent to be used for a specific purpose but are neither restricted nor committed.
- e. Unassigned: includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Community Center considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Community Center considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Community Center board has provided otherwise in its commitment or assignment actions.

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.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Budget Practices

1. The proposed budget is prepared and submitted to the Advisory Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The proposed budget is made available for public inspection.
3. The budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board.

Compensated Absences

Compensated absences for sick and personal time have not been accrued since they cannot be reasonably estimated. The Community Center's policy is to recognize cost when actually paid.

Date of Management's Review of Subsequent Events

Subsequent events were evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

Recently Issued Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, "Leases." The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. GASB Statement 95 has postponed the effective date by eighteen months in light of COVID-19 pandemic. The effect of implementation on the Community Center's financial statements has not yet been determined.

NOTE 2 - CASH AND CASH EQUIVALENTS

Under state law, the Community Center may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States. The Community Center may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the Community Center has cash and cash equivalents (book balances) totaling \$2,247,984.

**Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - CASH AND CASH EQUIVALENTS – (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2020, the Community Center has \$6,353,595 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance, \$4,000,000 irrevocable standby letter of credit and \$2,474,262 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

NOTE 3 - AD VALOREM TAXES

Accounting principles generally accepted in the United States of America for government prescribe a modified accrual basis to be applied to property tax revenues. An assessment is made to finance the budget of a particular period and the revenue produced from any property tax assessment should be recognized in the fiscal period for which it was provided (budgeted) and for which the collections are reasonably available.

For the year ended December 31, 2020, taxes of 27.66 mills were levied on property with assessed valuations totaling \$63,189,153. Total taxes levied for the year ended December 31, 2020 were \$1,747,813.

Expected collections and collections of the 2020 levy are accrued as receivable and as revenue in the current year (2020). For budget purposes, property taxes collected in 2020 are designated as revenue appropriable in the 2020 budget year.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date	Tax Amount
Maintenance #1	7.96	7.96	2029	\$ 502,986
Maintenance #2	3.00	2.92	2021	184,513
Bond	16.78	16.78	2038	1,060,314
	27.74	27.66		\$ 1,747,813

During the year, the tax assessor made adjustments to decrease previous year taxpayer valuations of \$21,432 worth of taxes. This amount was net against current year ad valorem taxes along with \$1,039 worth of prior year tax refunds. The Community Center also made \$31,623 increase adjustment to their allowance for uncollectible taxes that management deemed necessary.

The parish bills and collects its property taxes using the assessed values determined by the Calcasieu Parish Tax Assessor.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital asset for the year ended December 31, 2020, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 55,362	\$ -	\$ -	\$ 55,362
Construction in process	775,347	3,047,017	-	3,822,364
Total capital assets not being depreciated	<u>\$ 830,709</u>	<u>\$ 3,047,017</u>	<u>\$ -</u>	<u>\$ 3,877,726</u>
Capital assets being depreciated:				
Building and improvements	\$ 3,106,849	\$ -	\$ -	\$ 3,106,849
Equipment	441,734	-	-	441,734
Total capital assets being depreciated	3,548,583	-	-	3,548,583
Less accumulated depreciation:				
Building and improvements	(1,391,646)	(111,976)	-	(1,503,622)
Equipment	(186,233)	(42,450)	-	(228,683)
Total accumulated depreciation	<u>(1,577,879)</u>	<u>(154,426)</u>	<u>-</u>	<u>(1,732,305)</u>
Total capital assets being depreciated, net	<u>\$ 1,970,704</u>	<u>\$ (154,426)</u>	<u>\$ -</u>	<u>\$ 1,816,278</u>

Depreciation expense for the year ended December 31, 2020, was charged to governmental activity in the amount of \$154,426.

NOTE 5 – DUE FROM CONTRACTOR

In 2016, the Community Center entered into a contract with a contractor to upgrade the electrical services at the City’s baseball complex. Upon completion of the project the Community Center received the final invoice for the amount of the contract, which was paid in full. However, the contractor neglected to reflect the interim payments that the Community Center had paid during the construction period. In 2019, management did not believe this amount would be collected so they have set up an allowance for bad debt of \$27,000. In 2020 the Community Center had \$750 in bad debt recovery, which is included in other income in the current year. This recovery reduced the allowance for bad debt to \$26,250 as of December 31, 2020.

NOTE 6 – RESTRICTED CASH

The Community Center maintains a project fund’s bank account with a balance of \$4,105,242 as of December 31, 2020 which is controlled by First Federal Bank. These are the remaining bond funds at December 31, 2020 that have not been spent. See note 7 for more details.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – BOND PAYABLE

The Community Center incurred debt and issued bonds in the amount of \$7,000,000 for a period not to exceed twenty (20) years from the date thereof, with interest at a rate not exceeding seven (7.0%) percent per annum, for the purpose of establishing, acquiring, construction, improving, extending, maintaining and operating within the District a recreational system and facilities, including a community center/gymnasium and streets and roads, for the benefit of all its citizens, with all necessary equipment and installations in connection therewith, title to which shall be in the public, which said bonds shall be retired with, paid from and secured by ad valorem taxes on all taxable property within the limits of the Community Center and Playground District No. Three of Ward 7 of Calcasieu Parish, Louisiana, sufficient in rate and amount to pay said bonds in principal and interest. The following is a recap of the bond payable:

A. Debt Outstanding

The following is a summary of the debt transactions of the Community Center for the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance
Bond payable:				
General obligation bond	\$ 7,000,000	\$ -	\$ (175,000)	\$ 6,825,000
Unamortized premium	725,246	-	(82,254)	642,992
Total long-term liabilities	<u>\$ 7,725,246</u>	<u>\$ -</u>	<u>\$ (257,254)</u>	<u>\$ 7,467,992</u>

Debt payable at December 31, 2020 is comprised of the following:

\$7,000,000 general obligation bond dated June 5, 2019, due in annual installments of \$175,000 - \$500,000 through March 1, 2039, interest at 2.25% - 5.00%	<u>\$ 6,825,000</u>
Total Bonds	6,825,000
Unamortized premium	<u>642,992</u>
Total bonds payable, net	<u>\$ 7,467,992</u>

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – BOND PAYABLE – (Continued)

B. Debt Service Requirement to Maturity

The annual requirements, including interest, to amortize the bonds outstanding as of December 31, 2020 are as follows:

Year Ending December 31,	Principal	Interest
2021	\$ 245,000	\$ 263,725
2022	\$ 255,000	\$ 253,675
2023	\$ 270,000	\$ 243,250
2024	\$ 275,000	\$ 235,075
2025	\$ 285,000	\$ 223,825
2026 - 2039	\$ 5,495,000	\$ 1,652,650

C. Project Fund Requirement

The initial bond proceeds were deposited into a project fund, all disbursements for the purchases of the above related expenses are to come out of this account. The balance in the project fund pertaining to the bond proceeds at December 31, 2020 was \$4,105,242.

D. Debt Service Fund Requirement

The Bond also requires the Community Center to transfer a portion of their ad valorem tax deposits into a debt service fund. Ad valorem taxes will be levied on property of the District at 16.78 mills. A portion of these taxes will be used for the principal and interest payments on the bond payable described above. The Community Center will set this account up in 2021 when they start collecting ad valorem taxes for the year.

NOTE 8 – COMMITMENT

As of December 31, 2020, the Community Center has a remaining commitment of \$4,105,242 to purchase and maintain items pertaining to the bond issue described in Note 7.

NOTE 9 - RISK MANAGEMENT

The Community Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Community Center maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Community Center. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
December 31, 2020
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – STEWARTSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

NOTE 11 – OPERATING LEASES

The Community Center leases if facilities under operating leases throughout the year. Majority of these leases are daily rentals and none longer than 12 months. Rental income for the year ended December 31, 2020 was \$1,725.

NOTE 12 – PER DIEM PAID BOARD MEMBERS

As provided by Louisiana Revised Statute 33:4564, the board members may receive \$10 per diem for each regular and special meeting attended but shall not be paid for more than twelve meetings in each year. However, at this time the Community Center is not paying per diem.

NOTE 13 – CASUALTY LOSS

The Community Center was impacted by Hurricanes Laura and Delta when they made landfall in August and October 2020, respectively. As a result, the Community Center sustained damages to their property and equipment. The Community Center has filed a claim with their insurance carrier and received \$352,473 as of December 31, 2020 in insurance proceeds. For the year ended December 31, 2020 the Community Center has offset repairs of \$72,671 with insurance proceeds of \$62,671 for a total casualty loss of \$10,000 which is their insurance deductible on the claim. The remaining \$289,802 is recorded as deferred revenue and will go to offset the remaining repairs in 2021. There can be no assurance that the Company will not recognize additional casualty losses related to these hurricanes in the future as this cannot be estimated at this time.

NOTE 14 – SUBSEQUENT EVENTS

Management of the Community Center has evaluated its December 31, 2020 financial statements for subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

**COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7
OF CALCASIEU PARISH**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND
For Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenue:				
Ad valorem taxes	\$ 630,000	\$ 649,000	\$ 1,725,347	\$ 1,076,347
State revenue sharing	6,800	6,800	6,897	97
Rental	6,000	2,200	1,725	(475)
Admission and concession fees	36,000	15,900	9,495	(6,405)
Donations	-	-	690	690
Interest	44,000	45,000	42,164	(2,836)
Other	5,000	6,300	4,627	(1,673)
Total revenues	<u>727,800</u>	<u>725,200</u>	<u>1,790,945</u>	<u>1,065,745</u>
Expenditures:				
Governmental				
Personnel services and related benefits	258,000	216,000	237,671	(21,671)
Operating services	162,000	136,860	211,762	(74,902)
Material and supplies	104,000	52,500	49,409	3,091
Capital outlay	2,700,000	3,000,000	3,047,017	(47,017)
Bond payment	120,000	510,150	510,158	(8)
Total expenditures	<u>3,344,000</u>	<u>3,915,510</u>	<u>4,056,017</u>	<u>(140,507)</u>
Net change	(2,616,200)	(3,190,310)	(2,265,072)	925,238
Other financing sources:				
Transfer in	-	-	3,047,017	3,047,017
Transfer out	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,047,017</u>	<u>3,047,017</u>
Net change in fund balance	(2,616,200)	(3,190,310)	781,945	3,972,255
Fund balance at beginning of year	<u>2,844,720</u>	<u>2,844,720</u>	<u>2,844,720</u>	<u>-</u>
Fund balance at end of year	<u>\$ 228,520</u>	<u>\$ (345,590)</u>	<u>\$ 3,626,665</u>	<u>\$ 3,972,255</u>

The accompanying notes are an integral part of this statement.

**COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7
OF CALCASIEU PARISH**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - PROJECT FUND
For Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenue:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
State revenue sharing	-	-	-	-
Rental	-	-	-	-
Admission and concession fees	-	-	-	-
Donations	-	-	-	-
Interest	50,000	70,000	87,880	17,880
Other	-	-	-	-
Total revenues	<u>50,000</u>	<u>70,000</u>	<u>87,880</u>	<u>17,880</u>
Expenditures:				
Governmental				
Personnel services and related benefits	-	-	-	-
Operating services	-	-	-	-
Material and supplies	-	-	-	-
Capital outlay	-	-	-	-
Bond payment	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change	50,000	70,000	87,880	17,880
Other financing sources:				
Transfer in	-	-	-	-
Transfer out	-	-	(3,134,897)	(3,134,897)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(3,134,897)</u>	<u>(3,134,897)</u>
Net change in fund balance	50,000	70,000	(3,047,017)	(3,117,017)
Fund balance at beginning of year	<u>6,863,941</u>	<u>6,863,941</u>	<u>6,863,941</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,913,941</u>	<u>\$ 6,933,941</u>	<u>\$ 3,816,924</u>	<u>\$ (3,117,017)</u>

The accompanying notes are an integral part of this statement.

SUPPLEMENTAL INFORMATION

**Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
For the Year Ended December 31, 2020**

Agency Head Name: Scott Spell

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 0
Benefits	0
Per Diem	0
Other	0
	<u>\$ 0</u>



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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ALEXIS H. O'NEAL
SARAH CLARK WERNER

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
Calcasieu Parish Police Jury
Vinton, 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 Community Center & Playground District No.3 of Ward 7 of Calcasieu Parish, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise of the Community Center's basic financial statements and have issued our report thereon dated June 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Community Center's internal control over financial reporting 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 Community Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Center'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 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. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. The deficiencies are identified as 20-01(IC).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Community Center'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 one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*. This instance of noncompliance is identified as 20-01 (C).

Community Center & Playground District No.3 of Ward 7 of Calcasieu Parish Response to Findings

The Community Center's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Community Center'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 Community Center'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 Community Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Joyly Williams, CPA

Lake Charles, Louisiana
June 28, 2021

**Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish**

**SUMMARY SCHEDULE OF CURRENT AND PRIOR AUDIT
FINDINGS AND CORRECTIVE ACTION PLAN**

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? NO
- Significant deficiencies identified that are not considered to be material weaknesses? YES

Noncompliance material to financial statements noted? NO

Federal Awards

Not applicable

**Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish**

**SUMMARY OF SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN**

Current year – 12/31/2020

Internal Control:

20-01 (IC) – Segregation of Duties

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition: All accounting duties are performed by one employee.

Cause: Limited number of employees due to the small size of the District.

Effect: Errors or irregularities may not be detected within a timely period.

Recommendation: Present all transactions to the board of commissioners at their monthly regular schedule meeting for their review and approval.

Management's Response and Corrective Action Plan: It is not feasible to correct this deficiency based on the size of the District. The Board of Directors reviews and approves all checks before distribution and reviews all bank statements for unusual items on a monthly basis.

Compliance:

20-01 (C) – Budget Preparation

Criteria: The District is required to follow the Louisiana Bid Law.

Condition: For the year ended December 31, 2020, the Community Center did not budget for transfers in and out between funds causing actual expenditures to exceed budgeted expenditures by more than 5%. State law requires that actual expenditures fall within 5% of budget.

Cause: The District had to prepare a budget for their Project Fund and did not budget for a transfer out.

Effect: The District was not in compliance with the Bid Law by not budgeting for the transfer out.

Recommendation: That the District review the Louisiana Bid Law annually for any changes. That they monitor all planned spending and transfers and seek guidance from legal council or CPA.

Management's Response and Corrective Action Plan: Management agrees with CPA's recommendation. All board members were given a copy of the Louisiana Bid Law for review. They will monitor all planned expenses and transfers carefully and make sure that they are in compliance with the Bid Law.

**Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish**

**SUMMARY OF SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN**

Prior year – 12/31/2019

Internal Control:

19-01 (IC) – Segregation of Duties

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition: All accounting duties are performed by one employee.

Cause: Limited number of employees due to the small size of the District.

Effect: Errors or irregularities may not be detected within a timely period.

Recommendation: Present all transactions to the board of commissioners at their monthly regular schedule meeting for their review and approval.

Management's Response and Corrective Action Plan: It is not feasible to correct this deficiency based on the size of the District. The Board of Directors reviews and approves all checks before distribution and reviews all bank statements for unusual items on a monthly basis.

Compliance:

19-01 (C) – Budget Preparation

Criteria: The District is required to follow the Louisiana Bid Law.

Condition: For the year ended December 31, 2020, the Community Center's actual expenditures exceed budgeted expenditures by more than 5%. State law requires that actual expenditures fall within 5% of budget.

Cause: The District did not budget for a capital outlay that was purchased at year end causing their expenditures to exceed budget.

Effect: The District was not in compliance with the Bid Law.

Recommendation: That the District review the Louisiana Bid Law annually for any changes. That they monitor all planned spending and seek guidance from legal council or CPA for all large projects.

Management's Response and Corrective Action Plan: Management agrees with CPA's recommendation. All board members were given a copy of the Louisiana Bid Law for review. They will monitor all planned expenses carefully and make sure that they are in compliance with the Bid Law.