

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

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

**December 31, 2018**

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

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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, 2018 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the 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, 2018, 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 18 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 12, 2019, 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.

*Joseph Williams, Co., CPA*

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

**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2018**

**ASSETS**

Cash and cash equivalents	\$ 2,001,793
Ad valorem tax receivable, net of allowance for doubtful accounts of \$13.188	646,191
Capital assets, net of accumulated depreciation	2,145,818
Prepaid expense	20,148
Due from contractor, net of allowance for bad debt of \$27,000	<u>-</u>
Total assets	<u>4,813,950</u>

**LIABILITIES**

Accounts payable	4,327
Payroll taxes payable	6,660
Ad valorem pension payable	<u>20,496</u>
Total liabilities	<u>31,483</u>

**NET POSITION**

Investment in capital assets	2,145,818
Unrestricted	<u>2,636,649</u>
Total net position	<u>\$ 4,782,467</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 ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2018**

Fuction/Programs	Expenses	Program Revenues		Governmental Activities - Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Culture and recreation	\$ 630,737	39,697	6,677	\$ (584,363)
Total Government Activities	\$ 630,737	\$ 39,697	\$ 6,677	(584,363)
General revenues:				
Ad valorem taxes				620,645
State revenue sharing				6,800
Interest income				1,719
Gain on sale of capital assets				1,226
Miscellaneous				970
Total general revenues				631,360
Change in net position				46,997
Net position - beginning of year				4,735,470
Net position - end of year				\$ 4,782,467

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, 2018**

	GENERAL FUND
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,001,793
Ad valorem tax receivable, net of allowance for doubtful accounts of \$13,188	646,191
Prepaid expenses	20,148
Due from contractor, net of allowance for doubtful accounts of \$27,000	-
Total assets	\$ 2,668,132
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	4,327
Payroll taxes payable	6,660
Ad valorem pension payable	20,496
Total liabilities	31,483
Fund balance:	
Unassigned	2,636,649
Total liabilities and fund balance	\$ 2,668,132

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, 2018

FUND BALANCE OF GOVERNMENTAL FUNDS	\$	2,636,649
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.		
Cost of capital assets	\$	3,596,345
Less - accumulated depreciation	<u>(1,450,527)</u>	<u>2,145,818</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>4,782,467</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, 2018**

	<u>General Fund</u>
Revenue:	
Ad valorem taxes	\$ 620,645
State revenue sharing	6,800
Rental	7,965
Concession	4,161
Registration fees	20,483
Pool admissions	7,087
Donations	6,677
Interest	1,719
Proceeds from sale of capital assets	1,226
Other	970
Total revenues	<u>677,733</u>
Expenditures:	
Current:	
Governmental	
Bad debt	26,329
Deductions from ad valorem taxes - retirement	20,496
Insurance	47,669
Maintenance and supplies	58,928
Miscellaneous	165
Office	30,900
Officials	9,000
Professional fees	7,054
Salaries	200,538
Sports and recreation supplies	40,713
Payroll taxes	15,451
Telephone and utilities	26,632
Capital outlay	<u>302,847</u>
Total expenditures	<u>786,722</u>
Net change in fund balance	(108,989)
Fund balance at beginning of year	<u>2,745,638</u>
Fund balance at end of year	<u>\$ 2,636,649</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, 2018**

Total net change in fund balance - governmental funds	\$	(108,989)
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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	\$	302,847		
Depreciation expense		(146,861)		155,986

Change in net position of governmental activities	\$	<u>46,997</u>
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The accompanying notes are an integral part of this statement.

**Community Center & Playground District  
No. 3 of Ward 7 of Calcasieu Parish  
December 31, 2018  
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.

**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.

**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.

**Community Center & Playground District**  
**No. 3 of Ward 7 of Calcasieu Parish**  
December 31, 2018  
**NOTES TO FINANCIAL STATEMENTS**

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

**Reporting Entity-(Continued)**

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.

**Basis of Accounting/Measurement Focus**

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.

**A. 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.

**B. Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Community Center has presented all major funds that met those qualifications.

**Community Center & Playground District**  
**No. 3 of Ward 7 of Calcasieu Parish**  
December 31, 2018  
**NOTES TO FINANCIAL STATEMENTS**

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

**Basis of Accounting/Measurement Focus – (Continued)**

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Community Center, are property tax, intergovernmental revenues, rebates, and grants. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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

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.

**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.

**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.

**Community Center & Playground District**  
**No. 3 of Ward 7 of Calcasieu Parish**  
December 31, 2018  
**NOTES TO FINANCIAL STATEMENTS**

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

**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, 2018, was \$13,188.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. As of December 31, 2018, all 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 Community Center maintains a threshold level of \$1,000 or more for capitalizing capital assets

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.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and building improvements	15 – 39 years
Equipment	5 – 20 years

**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”.

Community Center & Playground District  
No. 3 of Ward 7 of Calcasieu Parish  
December 31, 2018  
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:

- 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.
- 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.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of 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.
- 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.
- Unassigned: includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

The Community Center would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**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, 2018  
**NOTES TO FINANCIAL STATEMENTS**

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

**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.

**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, 2018, the Community Center has cash and cash equivalents (book balances) totaling \$2,001,793.

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, 2018, the Community Center has \$2,004,648 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$2,179,588 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.

Expected collections and collections of the 2018 levy are accrued as receivable and as revenue in the current year (2018). For budget purposes, property taxes collected in 2018 are designated as revenue appropriable in the 2018 budget year.

For the year ended December 31, 2018, taxes of 10.51 mills were levied on property with assessed valuations totaling \$62,171,704. Total taxes levied for the year ended December 31, 2018 were \$653,426.

During the year, the tax assessor made adjustments to decrease previous year taxpayer valuations of \$28,819 worth of taxes. This amount was net against current year ad valorem taxes along with \$3,962 worth of prior year tax refunds. The Community Center also made \$671 decrease adjustment to their allowance for uncollectible taxes that management deemed necessary.

**Community Center & Playground District**  
**No. 3 of Ward 7 of Calcasieu Parish**  
December 31, 2018  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - AD VALOREM TAXES – (Continued)**

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

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

On December 8, 2018 the Community Center obtained the majority of qualified electors of Community Center and Playground District No. 3, Calcasieu Parish, Louisiana qualified to vote under the Constitution and laws of the State of Louisiana and passed the following maintenance millage renewal:

Community Center and Playground District No. 3, Calcasieu Parish, Louisiana be authorized to renew, levy and collect, for its current operations a total millage of 7.96 mills, an ad valorem property tax on all property in the District subject to taxation for ten years beginning January 1, 2020 and ending December 31, 2029, for the purpose of paying for constructions, improvements, acquisitions, maintenance, and operation of the facilities of the District, constituting works of public improvements, title to which shall be in the public. This proposition is a combination of two existing maintenance millage taxes of 5.96 and 2.00 mills approved on April 9, 2009.

**NOTE 4 – CAPITAL ASSETS**

A summary of changes in capital asset for the year ended December 31, 2018, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Land	\$ 55,362	\$ -	\$ -	\$ 55,362
Building and improvements	2,902,249	204,600	-	3,106,849
Equipment	354,854	98,247	(18,967)	434,134
Total at historical cost	<u>3,312,465</u>	<u>302,847</u>	<u>(18,967)</u>	<u>3,596,345</u>
Less accumulated depreciation:				
Building and improvements	(1,168,735)	(110,786)	-	(1,279,521)
Equipment	(153,898)	(36,075)	18,967	(171,006)
Total accumulated depreciation	<u>(1,322,633)</u>	<u>(146,861)</u>	<u>18,967</u>	<u>(1,450,527)</u>
Governmental activities capital assets, net	<u>\$ 1,989,832</u>	<u>\$ 155,986</u>	<u>\$ -</u>	<u>\$ 2,145,818</u>

Depreciation expense for the year ended December 31, 2018, was charged to governmental activity in the amount of \$146,861.

**Community Center & Playground District  
No. 3 of Ward 7 of Calcasieu Parish  
December 31, 2018  
NOTES TO FINANCIAL STATEMENTS**

**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 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. Management does not believe this amount will be collected so they have set up an allowance for bad debt of \$27,000.

**NOTE 6 - 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.

**NOTE 7 – COMMITMENT**

On December 8, 2018 the Community Center obtained the majority of qualified electors of Community Center and Playground District No. 3, Calcasieu Parish, Louisiana qualified to vote under the Constitution and laws of the State of Louisiana and passed the following bond proposition:

Community Center and Playground District No. 3, Calcasieu Parish, Louisiana, incur debt and issue bonds in an amount not exceeding \$7,000,000 for a period not to exceed twenty (20) years from the date thereof, with interest at a rate not exceeding six (7%) percent per annum, for the purpose of establishing, acquiring, constructing, 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 installation 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 Community Center and Playground District No. 3, Calcasieu Parish, Louisiana, sufficient in rate and amount to pay said bonds in principal and interest, with the estimated millage rate to be 11.18 mills in the first year of issue.

As of the date of these financial statements, no bonds have been issued.

**NOTE 8 – 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.

**Excess of expenditures over appropriations**

For the year ended December 31, 2018, expenditures exceed appropriations in the general fund by \$61,104. These over expenditures were funded by greater than anticipated revenues and available fund balance in the fund.

**Community Center & Playground District**  
**No. 3 of Ward 7 of Calcasieu Parish**  
December 31, 2018  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – 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, 2018 was \$7,965.

**NOTE 10 – 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 11 – SUBSEQUENT EVENTS**

The Community Center is not aware of any subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued, for events requiring to be recorded or disclosed in the financial statement.

***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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenue:</b>				
Ad valorem taxes	\$ 560,000	\$ 615,000	\$ 620,645	\$ 5,645
State revenue sharing	8,000	6,800	6,800	-
Rental	6,000	6,900	7,965	1,065
Concession	4,000	4,000	4,161	161
Registration fees	15,000	17,800	20,483	2,683
Pool admissions	3,000	7,000	7,087	87
Donations	-	-	6,677	6,677
Interest	5,000	1,400	1,719	319
Proceeds from sale of capital assets	-	-	1,226	1,226
Other	12,000	9,450	970	(8,480)
Total revenues	613,000	668,350	677,733	9,383
<b>Expenditures:</b>				
<b>Governmental</b>				
Bad debt	1,000	1,000	26,329	(25,329)
Deductions from ad valorem taxes	12,000	12,000	20,496	(8,496)
Insurance	48,000	53,700	47,669	6,031
Maintenance and supplies	65,000	70,480	58,928	11,552
Miscellaneous	-	-	165	(165)
Office	21,000	23,500	30,900	(7,400)
Officials	11,000	9,000	9,000	-
Professional fees	4,000	5,400	7,054	(1,654)
Salaries	180,000	185,000	200,538	(15,538)
Sports and recreation	35,000	42,300	40,713	1,587
Payroll taxes	14,000	14,000	15,451	(1,451)
Telephone and utilities	27,000	23,200	26,632	(3,432)
Capital outlay	307,000	290,000	302,847	(12,847)
Total expenditures	725,000	729,580	786,722	(57,142)

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 - GENERAL FUND - (Continued)  
For Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Over (Under) <u>Final</u>
Net change in fund balance	(112,000)	(61,230)	(108,989)	(47,759)
Fund balance at beginning of year	<u>2,745,638</u>	<u>2,745,638</u>	<u>2,745,638</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,633,638</u>	<u>\$ 2,684,408</u>	<u>\$ 2,636,649</u>	<u>\$ (47,759)</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, 2018**

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.

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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 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, 2018, 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 12, 2019.

### **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 18-01(IC) and 18-02(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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*. These instances of noncompliance are identified as 18-01(C) and 18-02(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, Co., P.C.*

Lake Charles, Louisiana  
June 12, 2019

**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? YES

**Federal Awards**

Not applicable

**Community Center & Playground District No. 3 of Ward 7  
Vinton, Louisiana**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan**

**For the Year Ended December 31, 2018**

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Current year (12/31/2018)						
<b>Internal Control:</b>						
18-01 (IC)	Unknown	The Community Center did not have adequate segregation of duties within the accounting system.	No	The Community Center's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	Cade Henderson	NA
18-02 (IC)	2007	The Community Center does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Community Center's management and board has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with (GAAP) and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Cade Henderson	NA
<b>Compliance</b>						
18-01 (C)	2018	For the year ended December 31, 2018, actual expenditures exceeded budgeted expenditures by more than 5%. State law requires that actual expenditures fall within 5% of budget.	Yes	Monitor budget process carefully to account for the differences between actual expenditures and budget.	Cade Henderson	5/31/2019
18-02 (C)	2018	During 2018, the Community Center purchased some equipment that fell between \$10,000 and \$30,000 and did not solicit quotes as required by Louisiana bid law.	Yes	Monitor asset purchases carefully to make sure they are in compliance with the Louisiana bid law.	Cade Henderson	5/31/2019
Prior year (12/31/17)						
<b>Internal Control:</b>						
17-01 (IC)	Unknown	The Community Center did not have adequate segregation of duties within the accounting system.	No	The Community Center's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	Cade Henderson	NA
17-02 (IC)	2007	The Community Center does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Community Center's management and board has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with (GAAP) and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Cade Henderson	NA
17-03 (IC)	2017	The Community Center did not supply proper oversight in reconciling contract terms and payment conditions with actual amounts paid, causing an overpayment of a contract.	Yes	The Community Center's management has implemented a policy to prepare contract payment reconciliations on all contracts and present to the board before final payments are disbursed.	Cade Henderson	6/13/2018
<b>Compliance</b>						
		There was no matter of compliance that needed to be reported.				



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Community Center & Playground District #3  
Lake Charles, Louisiana

We have performed the procedures enumerated below, which were agreed to by Community Center & Playground District #3 ("District") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period from January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Exception:** We obtained the entity's written policies and procedures for the fiscal period. However, the entity did not have a policy regarding "Budgeting", "Receipts/Collections", "Payroll/Personnel", "Contracting", "Travel and Expense Reimbursement", or "Ethics".

**Management's response:** Management will implement formal written policies and procedures that will cover all exceptions noted above.

### ***Board or Finance Committee***

---

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**The board met on a monthly basis for the fiscal period with a quorum in attendance at all meetings.**
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

**There were no exceptions noted as a result of applying this procedure.**

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

**Per the prior year audit report the unrestricted fund balance in the general fund did not have a negative ending balance; therefore, making this procedure not applicable.**

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

**We obtained a list of bank accounts from management and management's representation that the list was complete. Once obtained we randomly selected the month of July for testing for all accounts.**

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

**Obtained bank statements and reconciliations for all accounts in the fiscal period noting that reconciliations have been prepared within two months of the related statement closing.**

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**In reviewing the reconciliations, we found that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.**

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Exception: In reviewing the selected reconciliation, LWC noted one outstanding check that has been outstanding for more than 12 months from the statement closing date.**

**Management's response: This outstanding check was a registration reimbursement. Management is in the process of contacting the individual to see if they would like the check re-issued or if the individual would like to donate the money to the Community Center. Management has and will continue to monitor any long outstanding amounts.**

### ***Collections***

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**There were no exceptions noted as a result of applying this procedure.**

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**There were no exceptions noted as a result of applying this procedure.**

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**There were no exceptions noted as a result of applying this procedure.**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**There were no exceptions noted as a result of applying this procedure.**

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**All employees who have access to cash are covered by an insurance policy for theft.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.

**There were no exceptions noted as a result of applying this procedure.**

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**There were no exceptions noted as a result of applying this procedure.**

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**There were no exceptions noted as a result of applying this procedure.**

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**There were no exceptions noted as a result of applying this procedure.**

- e) Trace the actual deposit per the bank statement to the general ledger.

**There were no exceptions noted as a result of applying this procedure.**

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Per discussion with management, LWC noted only one location processes payments for the fiscal period.**

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**There were no exceptions noted as a result of applying this procedure.**

- b) At least two employees are involved in processing and approving payments to vendors.

**There were no exceptions noted as a result of applying this procedure.**

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Exception: The employee responsible for processing payments is the individual that adds/modifies vendor files and there is no periodic review of those changes.**

**Management's response: Management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible and the board reviews all financial documents at their monthly board meetings. Management will present the board a vendor listing periodically throughout the year for their review and approval.**

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**There were no exceptions noted as a result of applying this procedure.**

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

**There were no exceptions noted as a result of applying this procedure.**

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**There were no exceptions noted as a result of applying this procedure.**

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**We obtained a listing of active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing is complete.**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

**There were no exceptions noted as a result of applying this procedure.**

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**There were no exceptions noted as a result of applying this procedure.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Exception: For one of the tested statements, there were items selected for testing that were not supported with an itemized receipt. None of the transactions tested were meal charges thus making this procedure not applicable.**

**Management's response: Management will implement procedures to ensure that they are following their policies to ensure original receipts or other supporting documentation is obtained for all credit card charges.**

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

**There were no travel expenses incurred by the entity during the fiscal period making this procedure not applicable.**

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

**We obtained an active vendor list from management and management's representation that the listing is complete.**

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**Exception: One of the items selected fell between the \$10,000 and \$30,000 threshold and the Community Center did not solicit quotes.**

**Management's response: Management will monitor purchases carefully to make sure that they are in compliance with the Louisiana Bid Law.**

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

**Exception: None of the selected vendors had written contracts on file. However, all payments to each vendor was approved in writing by the board and supported with invoices.**

**Management's response: Management will obtain written agreements/contracts for professional services, materials and supplies, leases, and construction activities that are initiated or renewed during the year.**

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

**None of the selected vendors had written contracts on file, so there was no way to determine if a contract was amended. However, all payments to each vendor was approved in writing by the board and supported with invoices.**

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**There were no exceptions noted as a result of applying this procedure.**

### ***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**We obtained a listing of all employees during the fiscal period and management's representation that the listing is complete.**

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

**Exception: Three of the five selected employees did not have documented daily attendance records. These three employees are all salaried and their payroll checks are approved for issuance by the board every month.**

**Management's response: Management will ensure that all daily attendance and leave is reflected in the personnel file, for all employees.**

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

**Exception: Three of the five selected employees did not have documented daily attendance records. These three employees are all salaried and their payroll checks are approved for issuance by the board every month.**

**Management's response: Management will ensure the personnel file reflects that supervisors approve the attendance and leave of all employees.**

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Exception: Three of the five selected employees did not have documented daily attendance records. These three employees are all salaried and their payroll checks are approved for issuance by the board every month.**

**Management's response: Management will ensure the personnel file reflects that supervisors approve the attendance and leave of all employees.**

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

**There were no terminated employees during the fiscal period nor does the District pay termination payments thus making this procedure not applicable.**

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**All employer and employee portion of payroll taxes, retirement contributions, health insurance premiums and workers comp have been paid, and the associated forms have been filed, by the required deadline for the 2018 calendar year except for one 941 payment that was erroneously calculated and was underpaid. The District corrected and submitted the remaining balance in March 2019.**

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

**There were no exceptions noted as a result of applying this procedure.**

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Exception: Due to the entity not having a written ethics policy, employees are not able to read the policy for the fiscal period.**

**Management's response: Management will implement a procedure that will ensure that each employee read the entity's ethics policy each year.**

### ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

**No debt was issued during the fiscal period. Therefore, this procedure is not applicable.**

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

**No debt was outstanding during the fiscal period. Therefore, this procedure is not applicable.**

***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Management has asserted that the entity did not have any misappropriations of public funds or assets.**

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**The District has posted on its premises the notice required by R.S. 24:523.1.**

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Langley, Williams & Co. LLC  
Lake Charles, Louisiana  
June 12, 2019