

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

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

**December 31, 2016**

## CONTENTS

|  | PAGE |
|--|------|
| INDEPENDENT AUDITORS' REPORT   | 3    |
| FINANCIAL STATEMENTS:  |      |
| Statement of Net Position  | 5    |
| Statement of Activities  | 6    |
| Balance Sheet- Governmental Fund   | 7    |
| Reconciliation of the Governmental Fund<br>Balance Sheet to the Statement of Net Position  | 8    |
| Statement of Revenues, Expenditures, and Changes<br>in Fund Balance – Governmental Fund  | 9    |
| Reconciliation of the Governmental Fund<br>Statement of Revenues, Expenditures, and Changes in Fund<br>Balance to the Statement of Activities  | 10   |
| Notes to Financial Statements  | 11   |
| REQUIRED SUPPLEMENTAL INFORMATION:   |      |
| Statement of Revenues, Expenditures, and Changes<br>Fund Balance – Budget and Actual (GAAP BASIS) –<br>General Fund  | 18   |
| SUPPLEMENTAL INFORMATION:  |      |
| Schedule of Compensation, Benefits and Other Payments to Agency Head   | 21   |
| Report on Internal Control Over Financial Reporting and<br>on Compliance and Other Matters Based on an Audit<br>of Financial Statements performed in accordance<br>with <i>Government Auditing Standards</i> | 22   |
| Summary Schedule of Current and Prior Year Audit Findings<br>And Corrective Action Plan  | 24   |



# 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, 2016 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, 2016, 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 District'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 May 28, 2017, 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.

*Joyly, Wilkerson, Co., LLP*

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

**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2016**

**ASSETS**

|  |              |
|--|--------------|
| Cash and cash equivalents  | \$ 2,392,354 |
| Ad valorem tax receivable, net of<br>allowance for doubtful accounts of \$12,607 | 622,614      |
| Capital assets, net of accumulated depreciation                                  | 1,547,758    |
| Prepaid expense  | 15,603       |
|  | <hr/>        |
| Total assets   | 4,578,329    |
|  | <hr/>        |

**LIABILITIES**

|                                |        |
|--------------------------------|--------|
| Accounts payable               | 1,909  |
| Payroll taxes payable          | 2,862  |
| Pension fund deduction payable | 18,801 |
|                                | <hr/>  |
| Total liabilities              | 23,572 |
|                                | <hr/>  |

**NET POSITION**

|                              |              |
|------------------------------|--------------|
| Investment in capital assets | 1,547,758    |
| Unrestricted                 | 3,006,999    |
|                              | <hr/>        |
| Total net position           | \$ 4,554,757 |
|                              | <hr/> <hr/>  |

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, 2016**

| Fuction/Programs                 | Expenses   | Program Revenues        |  | Governmental<br>Activities -<br>Net (Expenses)<br>Revenues and<br>Changes in<br>Net Position |
|----------------------------------|------------|-------------------------|--|--|
|                                  |            | Charges for<br>Services | Operating<br>Grants and<br>Contributions |  |
| Governmental activities:         |            |                         |  |  |
| Culture and recreation           | \$ 451,639 | \$ 30,190               | \$ 9,728                                 | \$ (411,721)   |
| Total Government Activities      | \$ 451,639 | \$ 30,190               | \$ 9,728                                 | (411,721)  |
| General revenues:                |            |                         |  |  |
| Ad valorem taxes                 |            |                         |  | 602,149  |
| State revenue sharing            |            |                         |  | 6,459  |
| Interest income                  |            |                         |  | 3,450  |
| Miscellaneous                    |            |                         |  | 288  |
| Total general revenues           |            |                         |  | 612,346  |
| Change in net position           |            |                         |  | 200,625  |
| Net position - beginning of year |            |                         |  | 4,354,132  |
| Net position - end of year       |            |                         |  | \$ 4,554,757   |

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, 2016**

|  | <u>GENERAL<br/>FUND</u>    |
|--|----------------------------|
| <u>ASSETS</u>  |                            |
| Cash and cash equivalents  | \$ 2,392,354               |
| Ad valorem tax receivable, net of<br>allowance for doubtful accounts of \$12,607 | 622,614                    |
| Prepaid expenses   | <u>15,603</u>              |
| Total assets   | <u><u>\$ 3,030,571</u></u> |
| <u>LIABILITIES AND FUND BALANCE</u>  |                            |
| Liabilities:   |                            |
| Accounts payable   | \$ 1,909                   |
| Payroll taxes payable  | 2,862                      |
| Pension fund deduction payable   | 18,801                     |
| Total liabilities  | <u>23,572</u>              |
| Fund balance:  |                            |
| Unassigned   | <u>3,006,999</u>           |
| Total liabilities and fund balance   | <u><u>\$ 3,030,571</u></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 FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION  
December 31, 2016**

|                                    |    |           |
|------------------------------------|----|-----------|
| FUND BALANCE OF GOVERNMENTAL FUNDS | \$ | 3,006,999 |
|------------------------------------|----|-----------|

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          | \$ | 2,749,950   |           |
| Less - accumulated depreciation |    | (1,202,192) | 1,547,758 |
|                                 |    |             |           |

|   |    |                  |
|---|----|------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u>4,554,757</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, 2016**

|   | General<br>Fund |
|---|-----------------|
| Revenue:                                      |                 |
| Ad valorem taxes                              | \$ 602,149      |
| State revenue sharing                         | 6,459           |
| Rental  | 6,320           |
| Concession                                    | 3,099           |
| Registration fees                             | 15,038          |
| Pool admissions                               | 5,734           |
| Donations                                     | 9,728           |
| Interest                                      | 3,450           |
| Other   | 289             |
| Total revenues                                | 652,266         |
| Expenditures:                                 |                 |
| Current:                                      |                 |
| Governmental                                  |                 |
| Accounting                                    | 3,500           |
| Bad debt                                      | 3,472           |
| Deductions from ad valorem taxes - retirement | 18,801          |
| Insurance                                     | 21,562          |
| Maintenance and supplies                      | 64,004          |
| Office  | 6,618           |
| Officials                                     | 8,000           |
| Salaries                                      | 161,940         |
| Sports and recreation                         | 39,613          |
| Payroll taxes                                 | 11,951          |
| Telephone and utilities                       | 21,354          |
| Capital outlay                                | 276,774         |
| Total expenditures                            | 637,589         |
| Excess of revenues over expenditures          | 14,677          |
| Fund balance at beginning of year             | 2,992,322       |
| Fund balance at end of year                   | \$ 3,006,999    |

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, 2016**

|   |    |        |
|---|----|--------|
| Total net change in fund balance - governmental funds | \$ | 14,677 |
|---|----|--------|

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      | \$ | 276,774  |  |         |
| Depreciation expense |    | (90,827) |  | 185,948 |

|   |    |                |
|---|----|----------------|
| Change in net position of governmental activities | \$ | <u>200,625</u> |
|---|----|----------------|

The accompanying notes are an integral part of this statement.

**Community Center & Playground District  
No. 3 of Ward 7 of Calcasieu Parish  
December 31, 2016  
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, 2016  
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, 2016  
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.

**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**

Ad valorem tax receivable consists of ad valorem taxes totaling \$635,320 as of December 31, 2016. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for doubtful accounts at December 31, 2016, was \$12,706.

**Budgets**

Under GASB No. 34 budgetary comparison information is required to be presented for the general fund with a legally adopted budget.

For further information regarding the Community Center’s budget process see Note 5.

**Community Center & Playground District  
No. 3 of Ward 7 of Calcasieu Parish  
December 31, 2016  
NOTES TO FINANCIAL STATEMENTS**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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  |

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include bank accounts and short-term investments. At December 31, 2016, the Community Center has cash and cash equivalents (book balances) totaling \$2,392,354.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure the Community Center's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Community Center. The Community Center's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount of deposit with the bank.

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, 2016, the Community Center has \$2,395,566 in deposits (collected bank balances) that were secured from risk by \$250,000 of federal deposit insurance and \$2,589,892 of pledged securities held by the custodial bank 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 2016 levy are accrued as receivable and as revenue in the current year (2016). For budget purposes, property taxes collected in 2016 are designated as revenue appropriable in the 2016 budget year.

For the year ended December 31, 2016, taxes of 10.51 mills were levied on property with assessed valuations totaling \$57,388,508. Total taxes levied for the year ended December 31, 2016 were \$603,154.

**Community Center & Playground District  
No. 3 of Ward 7 of Calcasieu Parish  
December 31, 2016  
NOTES TO FINANCIAL STATEMENTS**

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

During the year, the tax assessor made adjustments to previous year taxpayer valuations and wrote off a total of \$2,749 worth of taxes. This amount was added to current year bad debt. The Community Center also made \$723 adjustment to their allowance for uncollectible taxes that management deemed necessary.

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.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016, was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|-------------------|------------------|---------------------------|
| Governmental activities:                    |                              |                   |                  |                           |
| Land  | \$ 55,362                    | \$ -              | \$ -             | \$ 55,362                 |
| Building and improvements                   | 2,183,764                    | 35,260            | -                | 2,219,024                 |
| Equipment                                   | 234,050                      | 21,414            | -                | 255,464                   |
| Construction in process                     | -                            | 220,100           | -                | 220,100                   |
| Total at historical cost                    | <u>2,473,176</u>             | <u>276,774</u>    | <u>-</u>         | <u>2,749,950</u>          |
| Less accumulated depreciation:              |                              |                   |                  |                           |
| Building and improvements                   | (1,001,083)                  | (72,337)          | -                | (1,073,420)               |
| Equipment                                   | (110,282)                    | (18,490)          | -                | (128,772)                 |
| Total accumulated depreciation              | <u>(1,111,365)</u>           | <u>(90,827)</u>   | <u>-</u>         | <u>(1,202,192)</u>        |
| Governmental activities capital assets, net | <u>\$ 1,361,811</u>          | <u>\$ 185,947</u> | <u>\$ -</u>      | <u>\$ 1,547,758</u>       |

Depreciation expense for the year ended December 31, 2016, was charged to governmental activity in the amount of \$90,827.

**NOTE 5 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The Community Center uses the following budget practices:

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at year end.

**Community Center & Playground District  
No. 3 of Ward 7 of Calcasieu Parish  
December 31, 2016  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – (Continued)**

On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The appropriated budget is prepared by fund and function. The proposed budget is presented to the Community Center's Board of Commissioner for review. The board holds a public hearing and may add to, subtract from, or change appropriations, but may not change form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations by more than five percent.

Encumbrance accounting is not used.

**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 - 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 8 - SUBSEQUENT EVENTS**

The Community Center has evaluated subsequent events through the date the financial statements were available to be issued, May 28, 2017, and determined that no events occurred that required recording or disclosure in the financial statements for the year ended December 31, 2016.



***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, 2016**

|                                      | Budgeted Amounts |            | Actual     | Variance<br>with Final<br>Budget<br>Favorable<br>(Unfavorable) |
|--------------------------------------|------------------|------------|------------|--|
|                                      | Original         | Final      |            |  |
| <b>Revenue:</b>                      |                  |            |            |  |
| Ad valorem taxes                     | \$ 560,000       | \$ 550,000 | \$ 602,149 | \$ 52,149  |
| State revenue sharing                | 6,700            | 6,459      | 6,459      | -  |
| Rental                               | 5,500            | 5,500      | 6,320      | 820  |
| Concession                           | 1,800            | 2,851      | 3,099      | 248  |
| Registration fees                    | 12,000           | 14,500     | 15,038     | 538  |
| Pool admissions                      | 5,000            | 5,700      | 5,734      | 34   |
| Donations                            | -                | -          | 9,728      | 9,728  |
| Interest                             | 3,000            | 2,400      | 3,450      | 1,050  |
| Riverboat/Cooperative Endeavor Funds | 25,000           | -          | -          | -  |
| Other                                | 12,000           | 10,200     | 289        | (9,911)  |
| Total revenues                       | 631,000          | 597,610    | 652,266    | 54,656   |
| <b>Expenditures:</b>                 |                  |            |            |  |
| <b>Governmental</b>                  |                  |            |            |  |
| Accounting                           | 4,000            | 3,500      | 3,500      | -  |
| Bad debt                             | 1,000            | 1,000      | 3,472      | (2,472)  |
| Deductions from ad valorem taxes     | 18,000           | 18,000     | 18,801     | (801)  |
| Insurance                            | 40,000           | 40,000     | 21,562     | 18,438   |
| Maintenance and supplies             | 40,000           | 65,000     | 64,004     | 996  |
| Office                               | 3,000            | 7,000      | 6,618      | 382  |
| Officials                            | 8,000            | 8,000      | 8,000      | -  |
| Salaries                             | 155,000          | 160,000    | 161,940    | (1,940)  |
| Supplies - concessions               | 3,000            | 3,000      | -          | 3,000  |
| Sports and recreation                | 25,000           | 36,000     | 39,613     | (3,613)  |
| Payroll taxes                        | 14,000           | 14,000     | 11,951     | 2,049  |
| Telephone and utilities              | 20,000           | 23,500     | 21,354     | 2,146  |
| Capital outlay                       | 300,000          | 365,000    | 276,774    | 88,226   |
| Total expenditures                   | 631,000          | 744,000    | 637,589    | 106,411  |

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, 2016**

|                                      | Budgeted Amounts    |                     | Actual              | Variance              |
|--------------------------------------|---------------------|---------------------|---------------------|-----------------------|
|                                      | Original            | Final               |                     | Over (Under)<br>Final |
| Excess of revenues over expenditures | -                   | (146,390)           | 14,677              | 161,067               |
| Fund balance at beginning of year    | <u>2,992,322</u>    | <u>2,992,322</u>    | <u>2,992,322</u>    | <u>-</u>              |
| Fund balance at end of year          | <u>\$ 2,992,322</u> | <u>\$ 2,845,932</u> | <u>\$ 3,006,999</u> | <u>\$ 161,067</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, 2016**

Agency Head Name: Karen Douglas

| <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

P.O. BOX 4690  
LAKE CHARLES, LOUISIANA 70606-4690  
205 W. COLLEGE STREET  
LAKE CHARLES, LOUISIANA 70605-1625  
(337) 477-2827  
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LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN  
PHILLIP D. ABSHIRE, III  
NICHOLAS J. LANGLEY  
ALEXIS H. O'NEAL

### 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, 2016, 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 May 28, 2017.

#### 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 16-01(IC) and 16-02(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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standard*. This instance is identified as 16-01(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, Wilton Co., LLC*

Lake Charles, Louisiana  
May 28, 2017

**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, 2016**

| <u>Ref. No.</u>   | <u>Fiscal Year Finding Initially Occurred</u> | <u>Description of Finding</u>   | <u>Corrective Action Taken</u> | <u>Corrective Action Planned</u>  | <u>Name of Contact Person</u> | <u>Anticipated Completion Date</u> |
|---|---|---|--------------------------------|---|-------------------------------|------------------------------------|
| Current year (12/31/2016)                                     |   |   |                                |   |                               |                                    |
| Internal Control:   |   |   |                                |   |                               |                                    |
| 16-01 (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                                 |
| 16-02 (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 District's management has evaluated the cost vs. benefit 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                                 |
| Compliance  |   |   |                                |   |                               |                                    |
| 16-01 (C)   | 2016  | For the year ended December 31, 2016, the Community Center split up a large project to avoid the requirement that public works be advertised and let by contract to the lowest responsible and responsive bidder. R.S. 38:2212(V)                                   | Yes                            | All board members are given a copy of the Louisiana Public Bid Law for review. They will monitor all planned project carefully and make sure that they are in compliance with the Louisiana Public Bid Law.   | Cade Henderson                | 6/1/2017                           |
| Prior year (12/31/15)   |   |   |                                |   |                               |                                    |
| Internal Control:   |   |   |                                |   |                               |                                    |
| 15-01 (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.  | John Henderson                | NA                                 |
| 15-02 (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 District's management has evaluated the cost vs. benefit 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. | John Henderson                | NA                                 |
| Compliance  |   |   |                                |   |                               |                                    |
| There was no matter of compliance that needed to be reported. |   |   |                                |   |                               |                                    |