FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

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

December 31, 2025

CONTENTS

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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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the 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, 2025 and related notes to the financial statements, which collectively comprise of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, as of December 31, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information one pages 26-28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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, a component unit of the Calcasieu Parish Police Jury, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information 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 9, 2026, on our consideration of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, 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 & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, 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.

Langley, Williams & Co., L.L.C.

Lake Charles, Louisiana
June 9, 2026

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

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
December 31, 2025

ASSETS		
Cash and cash equivalents	$	2,579,897
Ad valorem tax receivable, net of allowance for doubtful accounts of $58,166		1,395,994
Prepaid expense		135,632
Land and other capital assets not being depreciated		157,354
Capital assets, net of accumulated depreciation		8,175,350
Due from contractor, net of allowance for bad debt of $23,250		-
Restricted cash		412,428
Total assets	$	12,856,655
LIABILITIES		
Accounts payable	$	13,706
Payroll taxes payable		71,790
Ad valorem pension payable		47,029
Accrued interest payable		72,088
Deferred membership dues		4,864
Noncurrent liabilities:		
Portion due within one year		371,831
Portion due after one year		5,465,413
Total liabilities		6,046,721
NET POSITION		
Investment in capital assets, net of related debt		2,495,460
Restricted		412,428
Unrestricted		3,902,046
Total net position		6,809,934
Total liabilities and net position	$	12,856,655

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, 2025

		Program Revenues			Governmental Activities - Net (Expenses) Revenues and Changes in Net Position
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants, and Contributions	
Governmental activities:					
Culture and recreation	$ 1,407,958	$ 74,557	$ -	$ -	$ (1,333,401)
Interest on debt service	222,616	-	-	-	(222,616)
Total Government Activities	$ 1,630,574	$ 74,557	$ -	$ -	(1,556,017)
General revenues:					
Ad valorem taxes					1,442,338
State revenue sharing					4,677
Rental					6,721
Interest income					54,721
Miscellaneous					2,749
Total general revenues					1,511,206
Change in net position					(44,811)
Net position - beginning of year					6,854,745
Net position - end of year					$ 6,809,934

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, 2025

	Major Funds			
	General Fund	Debt Service Fund	Project Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 2,579,897	$ -	$ -	$ 2,579,897
Ad valorem tax receivable, net of allowance for doubtful accounts of $58,166	895,150	500,843	-	1,395,993
Prepaid expenses	135,632	-	-	135,632
Due from contractor, net of allowance for doubtful accounts of $3,000	-	-	-	-
Due from other fund	-	385,841	2,782	388,623
Restricted cash	-	179,218	233,209	412,427
Total assets	$ 3,610,679	$ 1,065,902	$ 235,991	$ 4,912,572
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	$ 13,704	$ -	$ -	$ 13,704
Payroll taxes payable	71,790	-	-	71,790
Ad valorem pension payable	30,029	16,999	-	47,028
Deferred membership dues	4,864	-	-	4,864
Due to other fund	175,457	-	213,166	388,623
Total liabilities	295,844	16,999	213,166	526,009
Fund balance:				
Assigned	-	869,685	(210,384)	659,301
Nonspendable	135,632	-	-	135,632
Restricted	-	179,218	233,209	412,427
Unassigned	3,179,203	-	-	3,179,203
Total fund balance	3,314,835	1,048,903	22,825	4,386,563
Total liabilities and fund balance	$ 3,610,679	$ 1,065,902	$ 235,991	$ 4,912,572

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, 2025

FUND BALANCE OF GOVERNMENTAL FUNDS		$ 4,386,563
Amounts reported for governmental activities in the Statement of Net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, not reported in the funds.		
Land and other capital assets not being depreciated	157,354	
Cost of capital assets	10,509,804	
Less - accumulated depreciation and amortization		
Moveable property	(2,291,139)	
Intangible right-of-use subscription based IT arrangements	(43,315)	
		8,332,704
Accrued interest payable		(72,088)
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Bond payable	(5,495,000)	
Bond premium	(319,696)	
Subscription based IT arrangement liabilities	(22,548)	
		(5,837,244)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 6,809,934

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, 2025

	General Fund	Debt Service Fund	Project Fund	Total Governmental Funds
Revenue:				
Ad valorem taxes	$ 921,003	$ 521,336	$ -	$ 1,442,339
State revenue sharing	4,677	-	-	4,677
Rental	6,721	-	-	6,721
Admission and concession fees	74,557	-	-	74,557
Interest	52,526	897	1,299	54,722
Other	2,750	-	-	2,750
Total revenues	1,062,234	522,233	1,299	1,585,766
Expenditures:				
Governmental				
Personnel services and related benefits	426,650	-	-	426,650
Operating services	579,681	29,241	-	608,922
Maintenance and supplies	114,221	-	-	114,221
Capital outlay	43,972	-	-	43,972
Debt service:				
Principal payment	25,028	255,150	-	280,178
Interest expense	3,806	253,675	-	257,481
Total expenditures	1,193,358	538,066	-	1,731,424
Net change	(131,124)	(15,833)	1,299	(145,658)
Other financing sources:				
Transfer in	85,361	-	-	85,361
Transfer (out)		(48,850)	(36,511)	(85,361)
Total other financing sources	85,361	(48,850)	(36,511)	-
Net change in fund balance	(45,763)	(64,683)	(35,212)	(145,658)
Fund balance at beginning of year	3,360,598	1,113,586	58,037	4,532,221
Fund balance at end of year	$ 3,314,835	$ 1,048,903	$ 22,825	$ 4,386,563

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, 2025

Total net change in fund balance - governmental funds	$	(145,658)
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 outlay		43,972
Depreciation expense of moveable property		(290,349)
Amortization expense for intangible assets		(24,752)
In the statement of activities some expenses do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in accrued interest payable		5,012
Amortization of bond premiums		56,936
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal payments on bond payable		285,000
Principal payments on subscription based IT arrangements		25,028
Change in net position of governmental activities	$	(44,811)

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

1. Appointing a voting majority of an organization's governing body, and

   a. The ability of the police jury to impose its will on that organization and/or

   b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

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

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

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

Notes to the Financial Statements
For the Year Ended December 31, 2025

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

Basis of Presentation

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

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

Government-Wide Financial Statements

The Community Center's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the Community Center accompanied by a total column.

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

Governmental Fund Financial Statements

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

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

Notes to the Financial Statements
For the Year Ended December 31, 2025

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

Basis of Accounting/Measurement Focus

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Community Center's operations.

The amounts reflected in the governmental fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Community Center considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

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

Revenues

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

Expenditures

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

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

Basis of Accounting/Measurement Focus – (Continued)

Other Financing Sources (Uses)

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

Deferred Revenues

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

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

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

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

Cash and Cash Equivalents

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

Ad Valorem Tax Receivable

Receivables consist of all revenues earned at year-end and not yet received. Receivables are reported net of allowance for doubtful accounts and revenues net of bad debt. Doubtful amounts due for ad valorem taxes are recognized as doubtful using the allowance method. The allowance for doubtful accounts at December 31, 2025, was $58,166.

Capital Assets

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

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

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

Capital Assets – (Continued)

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

Building and building improvements	7 – 50 years
Furniture and fixtures	5 – 15 years
Equipment	5 – 20 years

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

Restricted Cash

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

Long-term Obligations

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

Equity Classification

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

a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of assets with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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

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

Fund Balance Classification

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

a. Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

b. Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

c. Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Community Center. The Community Center board is the highest level of decision-making authority for the Community Center. These amounts cannot be used for any other purpose unless the Community Center removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

d. Assigned: This classification includes amounts that are constrained by the Community Center's intent to be used for a specific purpose but are neither restricted nor committed.

e. Unassigned: includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

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

Budget Practices

1. The proposed budget is prepared and submitted to the Advisory Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.

2. The proposed budget is made available for public inspection.

3. The budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.

4. All budgetary appropriations lapse at the end of each fiscal year.

5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board.

Recently Adopted Accounting Pronouncements

GASB Statement 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This standard is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The effect of implementation had no material effect on the Community Center's financial statements.

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This standard is effective for fiscal years beginning after June 15, 2025. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 105, Subsequent Events Disclosures. This Statement clarifies the types of subsequent events, when note disclosures are required, and the information that should be included in those note disclosures. GASB Statement No. 105 is effective for fiscal years beginning after June 15, 2026, with earlier application encouraged. The District is currently evaluating the impact of GASB Statement No. 105 on the financial statements.

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, 2025, the Community Center has cash and cash equivalents (book balances) totaling $2,992,325.

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, 2025, the Community Center has $3,022,565 in deposits (collected bank balances). These deposits are secured from risk by $500,000 of federal deposit insurance, $300,000 irrevocable standby letter of credit and $3,691,230 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

NOTE 3 - AD VALOREM TAXES

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

For the year ended December 31, 2025, taxes of 17.57 mills were levied on property with assessed valuations totaling $83,972,196. Total taxes levied for the year ended December 31, 2025 were $1,442,642.

Expected collections and collections of the 2025 levy are accrued as receivable and as revenue in the current year (2025). For budget purposes, property taxes collected in 2025 are designated as revenue appropriable in the 2025 budget year.

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

	Authorized Millage	Levied Millage	Expiration Date	Tax Amount
Maintenance #1	7.97	7.97	2029	$ 669,258
Maintenance #2	3.00	3.00	2031	251,917
Bond	16.78	6.21	2038	521,467
	27.75	17.18		$ 1,442,642

NOTE 3 - AD VALOREM TAXES – (Continued)

During the year, the tax assessor made adjustments to decrease previous year taxpayer valuations of $33,986 worth of taxes, which were net against the allowance account. Current year ad valorem taxes were reduced by $3,219 worth of prior year tax refunds by the tax assessor. The Community Center also made $34,245 increase adjustment to their allowance for uncollectible taxes that management deemed necessary.

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

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital asset for the year ended December 31, 2025, follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 157,354	$ -	$ -	$ -	$ 157,354
Total capital assets not being depreciated	$ 157,354	$ -	$ -	$ -	$ 157,354
Capital assets being depreciated:					
Building and improvements	$ 9,388,321	$ -	$ -	$ -	$ 9,388,321
Furniture and fixtures	91,726		-	-	91,726
Equipment	873,626	43,972	-	-	917,598
Intangible right of use subscription based IT agreements	112,159	-	-	-	112,159
Total capital assets being depreciated	10,465,832	43,972	-	-	10,509,804
Less accumulated depreciation:					
Building and improvements	(1,640,706)	(233,568)	-	-	(1,874,274)
Furniture and fixtures	(22,246)	(6,744)	-	-	(28,990)
Equipment	(337,838)	(50,037)	-	-	(387,875)
Intangible right of use subscription based IT agreements	(18,564)	(24,751)	-	-	(43,315)
Total accumulated depreciation	(2,019,354)	(315,100)	-	-	(2,334,454)
Total capital assets being depreciated, net	$ 8,446,478	$ (271,128)	$ -	$ -	$ 8,175,350

Depreciation and amortization expense for the year ended December 31, 2025, was charged to governmental activity in the amount of $315,100.

NOTE 5 – DUE FROM CONTRACTOR

In 2016, the Community Center entered into a contract with a contractor to upgrade the electrical services at the City's baseball complex. Upon completion of the project the Community Center received the final invoice for the amount of the contract, which was paid in full. However, the contractor neglected to reflect the interim payments that the Community Center had paid during the construction period. In 2019, management did not believe this amount would be collected so they have set up an allowance for bad debt of $27,000. Prior to 2023 the Community Center had $3,750 in bad debt recovery, which was included in other income in the year of collection. These recoveries reduced the allowance for bad debt to $23,250 as of December 31, 2025.

NOTE 6 – RESTRICTED CASH

The Community Center maintains a project fund's bank account with a book balance of $233,209 as of December 31, 2025 which is held by First Federal Bank. These are the remaining bond funds at December 31, 2025 that have not been spent. See note 7 for more details.

The Community Center maintains a debt service fund's bank account with a book balance of $179,218 as of December 31, 2025 which is held by First Federal Bank. These are funds are to be used to pay the debt service. See note 7 for more details.

NOTE 7 – LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2025, all of which are associated with governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bond payable:					
General obligation bond	$ 5,780,000	$ -	$ (285,000)	$ 5,495,000	$ 300,000
Unamortized premium	376,632	-	(56,936)	319,696	49,283
Subscription-based information technology arrangements	47,576		(25,028)	22,548	22,548
Total long-term liabilities	$ 6,204,208	$ -	$ (366,964)	$ 5,837,244	$ 371,831

See Note 8, bond payable and Note 9, subscription-based information technology arrangements, for maturity schedules.

NOTE 8 – BOND PAYABLE

The Community Center incurred debt and issued bonds in the amount of $7,000,000 for a period not to exceed twenty (20) years from the date thereof, with interest at a rate not exceeding seven (7.0%) percent per annum, for the purpose of establishing, acquiring, construction, improving, extending, maintaining and operating within the District a recreational system and facilities, including a community center/gymnasium and streets and roads, for the benefit of all its citizens, with all necessary equipment and installations in connection therewith, title to which shall be in the public, which said bonds shall be retired with, paid from and secured by ad valorem taxes on all taxable property within the limits of the Community Center and Playground District No. 3 of Ward 7 of Calcasieu Parish, Louisiana, sufficient in rate and amount to pay said bonds in principal and interest.

NOTE 8 – BOND PAYABLE – (Continued)

The following is a recap of the bond payable:

A. Debt Outstanding

The following is a summary of the debt transactions of the Community Center for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance
Bond payable:				
General obligation bond	$ 5,780,000	$ -	$ (285,000)	$ 5,495,000
Unamortized premium	376,632	-	(56,936)	319,696
Total long-term liabilities	$ 6,156,632	$ -	$ (341,936)	$ 5,814,696

Debt payable at December 31, 2025 is comprised of the following:

$7,000,000 general obligation bond dated June 5, 2019, due in annual installments of $175,000 - $500,000 through March 1, 2039, interest at 2.25% - 5.00%	$ 5,495,000
Total Bonds	5,495,000
Unamortized premium	319,696
Total bonds payable, net	$ 5,814,696

B. Debt Service Requirement to Maturity

The annual requirements, including interest, to amortize the bonds outstanding as of December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest
2026	$ 300,000	$ 209,200
2027	315,000	193,825
2028	330,000	181,000
2029	340,000	172,225
2030	350,000	161,400
2031 - 2039	3,860,000	735,000
	$ 5,495,000	$ 1,652,650

NOTE 8 – BOND PAYABLE – (Continued)

C. Project Fund Requirement

The initial bond proceeds were deposited into a project fund, all disbursements for the purchases of the above related expenses are to be disbursed from this account. The balance in the project fund pertaining to the bond proceeds at December 31, 2025 was $233,209.

D. Debt Service Fund Requirement

The Bond also requires the Community Center to transfer a portion of their ad valorem tax deposits into a debt service fund. Ad valorem taxes were levied on property of the Community Center at 6.90 mills for the year ended December 31, 2025. A portion of these taxes will be used for the principal and interest payments on the bond payable described above.

NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Community Center entered into subscription-based information technology arrangements (“SBITAs”) involving information technology software. Due to the implementation of GASB Statement No. 96, these arrangements for software met the criteria of a SBITA, thus requiring it to be recorded by the Community Center as intangible assets and a SBITA liability. These assets will be amortized over the lease terms of three years based on the agreements. As of December 31, 2025, the total costs of the Community Center’s subscription assets are recorded as $112,159, less accumulated amortization of $43,315. The future subscription payments under SBITA agreements are as follows:

Year Ending December 31,	Principal	Interest
2026	$ 22,548	$ 589

NOTE 10 – COMMITMENT

As of December 31, 2025, the Community Center has a remaining commitment of $233,209 to purchase and maintain items pertaining to the bond issue described in Note 8.

NOTE 11 - 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 12 – <u>STEWARTSHIP, COMPLIANCE AND ACCOUNTABILITY</u>

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.

The following individual fund had revenues and other sources budgeted greater than actual for the year ended December 31, 2025:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General fund	$ 1,220,797	$ 1,247,597	$ 1,147,595	$ (100,002)

The following individual fund had expenses and other sources budgeted greater than actual for the year ended December 31, 2025:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General fund	$ 1,220,797	$ 1,009,597	$ 1,193,358	$ 183,761

NOTE 13 – <u>OPERATING LEASES</u>

The Community Center leases it's 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, 2025 was $6,721.

NOTE 14 – <u>PER DIEM PAID BOARD MEMBERS</u>

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.

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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenue:				
Ad valorem taxes	$ 830,000	$ 850,000	$ 921,003	$ 71,003
State revenue sharing	7,000	7,000	4,677	(2,323)
Rental	8,500	8,500	6,721	(1,779)
Admission and concession fees	68,000	68,000	74,557	6,557
Interest	26,000	40,800	52,526	11,726
Other	11,000	3,000	2,750	(250)
Total revenues	950,500	977,300	1,062,234	84,934
Expenditures:				
Governmental				
Personnel services and related benefits	350,000	350,000	426,650	(76,650)
Operating services	450,000	533,800	579,681	(45,881)
Maintenance and supplies	119,000	114,000	114,221	(221)
Capital outlay	301,797	11,797	43,972	(32,175)
Debt service payment	-	-	28,834	(28,834)
Total expenditures	1,220,797	1,009,597	1,193,358	(183,761)
Net change	(270,297)	(32,297)	(131,124)	(98,827)
Other financing sources:				
Transfer in	270,297	270,297	85,361	(184,936)
Transfer out	-	-	-	-
Total other financing sources	270,297	270,297	85,361	(184,936)
Net change in fund balance	-	238,000	(45,763)	(283,763)
Fund balance at beginning of year	3,270,699	3,360,598	3,360,598	-
Fund balance at end of year	$ 3,270,699	$ 3,598,598	$ 3,314,835	$ (283,763)

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 - DEBT SERVICE FUND
For Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenue:				
Ad valorem taxes	$ 520,000	$ 520,000	$ 521,336	$ 1,336
Interest	-	-	897	897
Total revenues	520,000	520,000	522,233	2,233
Expenditures:				
Governmental				
Operating services	-		29,241	(29,241)
Debt service:				
Bond principal payment	525,000	525,000	255,150	269,850
Bond interest expense	-	-	253,675	(253,675)
Total expenditures	525,000	525,000	538,066	(13,066)
Net change	(5,000)	(5,000)	(15,833)	(10,833)
Other financing sources:				
Transfer in	-	-	-	-
Total other financing sources	-	-	(48,850)	(48,850)
Net change in fund balance	(5,000)	(5,000)	(64,683)	(59,683)
Fund balance at beginning of year	315,000	1,113,586	1,113,586	-
Fund balance at end of year	$ 310,000	$ 1,108,586	$ 1,048,903	$ (59,683)

The accompanying notes are an integral part of this statement.

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

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - PROJECT FUND
For Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenue:				
Interest	$ 2,000	$ 2,000	$ 1,299	$ (701)
Total revenues	2,000	2,000	1,299	(701)
Expenditures:				
Governmental				
Operating services	-	-	-	-
Total expenditures	-	-	-	-
Net change	2,000	2,000	1,299	(701)
Other financing sources:				
Transfer in	-	-	-	-
Transfer out	(270,297)	(270,297)	(36,511)	233,786
Total other financing sources	(270,297)	(270,297)	(36,511)	233,786
Net change in fund balance	(268,297)	(268,297)	(35,212)	233,085
Fund balance at beginning of year	268,297	58,037	58,037	-
Fund balance at end of year	$ -	$ (210,260)	$ 22,825	$ 233,085

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, 2025

Agency Head Name: Scott Spell

Purpose	Amount
Salary	$ 0
Benefits	0
Per Diem	0
Other	0
	$ 0

Langley, Williams
& Company, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

NICHOLAS J. LANGLEY
PHILLIP D. ABSHIRE, III
SARAH CLARK WERNER
ALEXIS HABETZ O'NEAL
JESSICA LOTT-HANSEN

LESTER LANGLEY, JR. - RETIRED
DANNY L. WILLIAMS - RETIRED
PHILLIP D. ABSHIRE, JR. - RETIRED
DAPHNE BORDELON BERKEN - DECEASED

INDEPENDENT AUDITORS' 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 the governmental activities and each major fund of the 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, 2025, 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 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, internal control over financial reporting (internal control) as a basis for designing 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 & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 25-01(IC) and 25-02(IC) that we consider to be significant deficiencies.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which is described in the accompanying schedule of findings and questioned cost as item 25-01 (C).

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

Government Auditing Standards requires the auditor to perform limited procedures on the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's, a component unit of the Calcasieu Parish Police Jury, response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Langley, Williams & Co, L.L.C.

Lake Charles, Louisiana
June 9, 2026

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

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified

Internal control over financial reporting:

• Material weakness identified?	NO
• Significant deficiencies identified that are not considered to be material weaknesses?	YES
Noncompliance material to financial statements noted?	NO

Federal Awards

Not applicable

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

Current Year Findings with Corrective Action Plan
For the Year Ended December 31, 2025

A. Internal Control:

25-01 (IC) – Segregation of Duties

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

Condition: Accounting and financial functions are not adequately segregated.

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

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

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

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

25-02 (IC) – Timely remittance of payroll taxes

Criteria: The Internal Revenue Service and the Louisiana Department of Revenue have guidelines on when payroll tax deposits are due.

Condition: Instances of payroll taxes not being remitted on time.

Cause: Adequate internal controls were not in place over payroll tax deposits.

Effect: Penalties could be incurred due to the payroll tax deposits not being made timely.

Recommendation: We recommend that controls be established to ensure that the accounting personnel in charge review the payment of payroll taxes after each payroll for timeliness.

Management's Response and Corrective Action: District went to a new computer software in the current year and payroll taxes were suppose to be set up in the system to pay payroll taxes automatically after a payroll was completed. This did not happen and payroll taxes were being deducted from checking account on the books but were not being actually paid. Management has gotten with the software provider and is correcting the issue.

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

Current Year Findings with Corrective Action Plan
For the Year Ended December 31, 2025 – (Continued)

B. Compliance:

25-01 (C) – Budget Preparation

Criteria: The District must comply with certain provisions of the Local Government Budget Act set forth in state law, LSA R.S. 39:1301-1314. The Act contains various budget requirements for the General Fund and any major funds regarding public notification and disclosure, and requires budget to be amended when:

1) Total revenues, or other sources plus projected revenue and other sources for the remainder of the year are failing to meet total budgeted revenues and other sources by five percent or more.

2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are failing to meet total budgeted expenditures and other uses by five percent or more.

3) Actual beginning fund balance within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Condition: Actual revenue and other sources failed to meet total budgeted revenues and other sources by five percent, and actual expenditures were over budget by five percent.

Cause: Actual transfer in's were less than projected in the last two months of the year. Actual expenses were more than expected and management did not adjust their expense budget accordingly.

Effect: Noncompliance with the Louisiana Local Government Budget Act.

Recommendation: We recommend that the District review the Louisiana Budget Act annually for any changes. That they monitor all planned revenues, spending and transfers and seek guidance from legal council or CPA if necessary.

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

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

Schedule of Prior Year Findings
For the Year Ended December 31, 2025

A. Internal Control:

<u>24-01 (IC) – Segregation of Duties</u>

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

Condition: Accounting and financial functions are not adequately segregated.

Current Status: See schedule of findings, item 2025-01 (IC)

<u>24-02 (IC) – Timely remittance of payroll taxes</u>

Criteria: The Internal Revenue Service and the Louisiana Department of Revenue have guidelines on when payroll tax deposits are due.

Condition: Instances of payroll taxes not being remitted on time.

Current Status: See schedule of findings, item 2025-02 (IC)

B. Compliance:

24-01 (C) – Budget Preparation

Criteria: The District must comply with certain provisions of the Local Government Budget Act set forth in state law, LSA R.S. 39:1301-1314. The Act contains various budget requirements for the General Fund and any major funds regarding public notification and disclosure, and requires budget to be amended when:

1) Total revenues, or other sources plus projected revenue and other sources for the remainder of the year are failing to meet total budgeted revenues and other sources by five percent or more.

2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are failing to meet total budgeted expenditures and other uses by five percent or more.

3) Actual beginning fund balance within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Condition: Actual revenue and other sources failed to meet total budgeted revenues and other sources by five percent.

Current Status: See schedule of findings, item 2025-01 (C)

Langley, Williams & Company, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Community Center & Playground District No. 3
Lake Charles, Louisiana

To the Governing Board of the Community Center & Playground District #3 ("District") and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Community Center & Playground District No. 3's management is responsible for those C/C areas identified in the SAUPs.

The Community Center & Playground District No. 3 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

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

ii. ***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.

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

iii. ***Disbursements***, including processing, reviewing, and approving.

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

iv. ***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).

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

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

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

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

vii. ***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).

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

viii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/Electronic Municipal Market Access ("EMMA") reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

xii. ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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

2) Board or Finance Committee

A. 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:

i. 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.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue fund. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Board reviewed financials at monthly meetings and were notified of major differences of budget.

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned 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.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Exception: The board/finance committee did not receive written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Managements response: Management will update the board regularly of the progress of resolving audit findings going forward.

3) Bank Reconciliations

A. Obtain a listing of entity 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 each selected account, and observe that:

We obtained a list of bank accounts from management and management's representation that the list was complete.

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

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

ii. 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

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

Exception: Two bank statements that were tested did not have any documentation showing the District had researched the reconciling items that had been outstanding for more than 12 months.

Management's response: Management acknowledges that there were items that were outstanding for more than 12 months. Going forward, they will research any item that is outstanding for more than 12 months and either reissue the check or turn it over to the state.

4) Collections (excluding electronic funds transfers)

A. 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).

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

B. 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:

i. Employees responsible for cash collections do not share cash drawers/registers.

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

ii. 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.

iii. 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.

iv. 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/official verifies the reconciliation.

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

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

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

D. 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:

i. Observe that receipts are sequentially pre-numbered.

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

ii. 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.

iii. 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.

iv. Observe 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 and the cash is stored securely in a locked safe or drawer).

Exception: The District does not make deposits within one business day.

Management's response: Management acknowledges that they do not make deposits within one business day. Their policy is to make deposits at a minimum weekly. Going forward, they will try to start making deposits within one business day.

v. Trace the actual deposit per the bank statement to the general ledger.

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

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

A. 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, we noted only one location processes payments for the fiscal period.

B. 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:

  i. 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.

  ii. 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.

  iii. 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.

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

  iv. 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.

  v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

C. 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:

  i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

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

  ii. Observe whether 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.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was;

  i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.

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

ii. Approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

A. 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.

B. 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:

i. Observe whether 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) were reviewed and approved, in writing (or electronically approved), 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.

ii. 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.

C. Using the monthly statements or combined statements selected under #6B above, <u>excluding fuel cards</u>, 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 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

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

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. 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:

   i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

   ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

   iii. Observe 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).

   iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

8) Contracts

A. 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:

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

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

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

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

   iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

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

   iv. 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 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.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or 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.

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

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

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

   ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

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

   iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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

   iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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

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

   There were no terminated employees during the fiscal period thus making this procedure not applicable.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

   Exception: The District was late paying payroll taxes during the year.

   Management's response: Management acknowledges that they were late paying payroll taxes. Going forward, management will make sure that all payroll taxes are paid within IRS guidelines.

10) Ethics

A. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

   i. Observe whether 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.

   ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170

   Inquired of the District and there is no exception noted as a result of applying this procedure.

11) Debt Service

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

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

B. 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

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

12) Fraud Notice

A. 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 as required by R.S. 24:523.

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

B. Observe 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 website the notice required by R.S. 24:523.1.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

   i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

   We performed the procedures and discussed the results with management.

   ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

   We performed the procedures and discussed the results with management.

   iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

   We performed the procedures and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

   We performed the procedures and discussed the results with management.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

   - Hired before June 9, 2020 - completed the training; and
   - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

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

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

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

We were engaged by the Community Center & Playground District #3 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Community Center & Playground District #3 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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, William +Co, L.L.C.

Langley, Williams & Co., LLC
Lake Charles, LA
June 13, 2026