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COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1  
OF CALCAHOU PARISH, CALCAHOU PARISH POLICE JURY  
LAFAYETTE, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

December 31, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date Jan 17 1988

COMMUNITY CENTER AND PLAZAHOUSE  
DISTRICT NO. 4 OF WARD 1  
OF CALCAHOUO PARISH  
LAFAYETTE, LOUISIANA

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# McELROY, QUIRK & BURCH

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Community Center and Playground  
District No. 4 of Ward 1  
of Calcasieu Parish  
Calcasieu Parish Police Jury  
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1997, as listed in the accompanying table of contents. These financial statements are the responsibility of management of the District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and generally accepted governmental auditing standards contained in the governmental auditing standards, *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 23, 1998 on our consideration of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish's internal control structure and a report dated May 23, 1998 on its compliance with laws and regulations.

*Mr. Elroy, David & Beech*

Lake Charles, Louisiana  
May 23, 1998

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1  
OF CALCUTTA PARIS, CALCUTTA DISTRICT POLICE JURY  
LAKSHY CHARRI, COCHIN.

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1997

ASSETS	DEVELOPMENTAL FUNDS		ACCOUNT Group General Funds Assets	Total	
	General Fund	Capital Projects Fund		1997	1996
Cash	\$ 18,182	\$ 15,941	\$ -	\$ 34,123	\$ 30,843
Receivables	44,458	32,088	-	76,546	79,878
Due from general fund	-	843	-	843	843
land, buildings and equipment	-	-	823,104	823,104	809,848
Total assets	<u>\$ 62,640</u>	<u>\$ 47,829</u>	<u>\$ 823,104</u>	<u>\$ 1,356,518</u>	<u>\$ 1,219,612</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 8,314	\$ 8,832	\$ -	\$ 17,146	\$ 7,808
Due to regional projects fund	843	-	-	843	843
Total liabilities	<u>9,157</u>	<u>8,832</u>	<u>-</u>	<u>18,000</u>	<u>8,651</u>
<b>FUND EQUITY</b>					
Investment in general fixed assets	-	-	823,104	823,104	809,848
Fund balances:					
Unreserved-unassigned	52,483	39,000	-	91,483	55,821
Total fund equity	<u>52,483</u>	<u>39,000</u>	<u>823,104</u>	<u>914,587</u>	<u>805,670</u>
Total liabilities and fund equity	<u>\$ 61,640</u>	<u>\$ 47,832</u>	<u>\$ 823,104</u>	<u>\$ 1,356,518</u>	<u>\$ 1,219,612</u>

The accompanying notes are an integral part of this statement.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1  
OF CALOUSHI BRUSH, CHAKMAHAR POLICE JURY  
LAKE CHAKMAH, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED DECEMBER 31, 1997  
WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1996

	General Fund	Capital Projects Fund	Totals	
			1997	1996
<b>Revenues:</b>				
Net oil volume taxes	\$ 12,494	\$ 28,521	\$ 41,015	\$ 49,474
Intergovernmental revenues:				
Bel Vista Revenue Sharing	12,792	8,287	21,079	21,287
Gaming Revenue-River Boat	-	2,880	2,880	7,080
Leases	544	844	1,388	2,927
Seaming pool receipts	-	-	-	8,284
Donation for Capital Improvement	-	2,100	2,100	4,401
Miscellaneous	222	-	222	820
Total revenues	<u>26,052</u>	<u>42,532</u>	<u>68,584</u>	<u>90,126</u>
<b>Expenditures:</b>				
<b>CLIFFS AND DECKING:</b>				
Contracted services	14,414	-	14,414	14,482
Office supplies and postage	32	-	32	-
Utilities	14,320	-	14,320	14,664
Telephone	200	-	201	484
Insurance	4,944	-	4,944	8,208
Auditing and legal	7,442	-	7,442	2,722
Fuel expense	-	-	-	3,472
Medical reimbursement and repair	4,704	-	4,704	14,444
Portable restrooms	122	-	121	-
Capital outlay	-	17,120	17,120	22,424
Embarkation from oil volume				
video-production	2,244	487	2,731	2,444
Miscellaneous	<u>4,824</u>	<u>4,824</u>	<u>9,648</u>	<u>7,822</u>
Total expenditures	<u>54,424</u>	<u>22,420</u>	<u>76,844</u>	<u>82,824</u>
<b>Excess (deficiency) of revenues</b> <b>over expenditures</b>	<u>11,628</u>	<u>20,112</u>	<u>31,740</u>	<u>7,302</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	14,000	-	14,000	14,000
Operating transfers out	-	(24,000)	(24,000)	(14,000)
Total other financing sources (uses)	<u>14,000</u>	<u>(24,000)</u>	<u>-</u>	<u>-</u>
<b>Change of revenues and other</b> <b>sources over expenditures</b> <b>and other uses</b>	<u>25,628</u>	<u>(3,888)</u>	<u>21,740</u>	<u>21,302</u>
<b>Fund balances at beginning of year</b>	<u>41,442</u>	<u>54,170</u>	<u>95,612</u>	<u>84,732</u>
<b>Fund balances at end of year</b>	<u>67,070</u>	<u>50,282</u>	<u>117,352</u>	<u>106,034</u>

The accompanying notes are an integral part of this statement.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1  
 OF CHICAGO PARKS, CRACKERS PARKING POLICE JURY  
 LAKE CHARLES, ILLINOIS  
 GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES—BUDGET (NON-CASH BASIS) AND ACTING  
 YEAR ENDED DECEMBER 31, 1991  
 WITH ACTUAL AMOUNT FOR YEAR ENDED DECEMBER 31, 1990

	1991		1990	
	Budget	Actual	Variance Favorable (Deficit)	Actual
<b>Revenues:</b>				
Ad valorem taxes	\$ 10,000	\$ 10,188	\$ 188	\$ 10,188
Intergovernmental revenues:				
State revenue sharing	10,000	12,783	2,783	12,783
Granting revenue—river boat	-	-	-	5,000
Interest	-	306	306	317
Swimming pool receipts	6,000	-	6,000	8,200
Miscellaneous	3,000	15,327	12,327	18,800
Total revenues	<u>32,000</u>	<u>48,604</u>	<u>16,604</u>	<u>67,288</u>
<b>Expenditures:</b>				
Culture and recreation:				
Contracted services	12,000	14,418	2,418	21,014
Office supplies and postage	100	32	68	12
Utilities	10,400	10,014	3,816	17,200
Telephone	100	100	314	800
Insurance	8,500	6,000	2,500	8,000
Auditing and legal	1,000	4,148	(1,848)	2,700
Travel expenses	1,000	-	1,000	3,000
General maintenance and repair	2,000	8,010	(6,010)	10,100
Notable restrooms	-	100	(100)	-
Total expenditures	<u>38,000</u>	<u>46,722</u>	<u>8,000</u>	<u>63,136</u>
Surplus (deficiency) of revenues over expenditures	13,000	12,110	10,190	4,000
Fund balances (deficit) at beginning of year	<u>124,000</u>	<u>2,400</u>	<u>27,000</u>	<u>150</u>
Fund balances (deficit) at end of year	<u>2,000</u>	<u>14,510</u>	<u>40,000</u>	<u>2,400</u>

The accompanying notes are an integral part of this statement.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1  
OF CALCAGHUI PARISH, CALCAGHUI PARISH POLICE JURY  
LAKE CHARLES, LOUISIANA  
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-SUBJECT (FROM DAILY BASIS) AND ACTUAL  
Year Ended December 31, 1997  
WITH ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1996

	1997		Variance Favorable (Unfavorable)	1996	
	Budget	Actual		Budget	Actual
<b>Revenues:</b>					
Ad valorem taxes	\$ 21,000	\$ 24,944	\$ (3,944)	\$ 21,788	
Intergovernmental revenues:					
State revenue sharing	3,488	4,507	(1,019)	15,432	
Gaming revenue-Civil Board	-	3,800	3,800	4,800	
INDORAC	-	868	(868)	708	
Donation for capital project	-	2,900	(2,900)	4,225	
Total revenues	<u>24,488</u>	<u>39,917</u>	<u>(15,429)</u>	<u>46,953</u>	
<b>Expenditures:</b>					
Salaries and retirement:					
Reported outlay	18,880	22,284	3,404	27,828	
Miscellaneous	<u>18,488</u>	<u>21,248</u>	<u>(2,760)</u>	<u>22,627</u>	
Total expenditures	<u>37,368</u>	<u>43,532</u>	<u>6,164</u>	<u>50,455</u>	
Excess (deficiency) of revenues over expenditures	(12,880)	(3,615)	(9,265)	(3,492)	
Fund balances (deficits) at beginning of year	<u>402,421</u>	<u>38,222</u>	<u>(364,199)</u>	<u>42,200</u>	
Fund balances (deficits) at end of year	<u>\$289,541</u>	<u>\$34,607</u>	<u>(\$254,934)</u>	<u>\$44,692</u>	

The accompanying notes are an integral part of this statement.



COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1  
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY  
LAKE CHARLES, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

NOTE 1: Summary of Significant Accounting Policies

The Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish (District) was created by the Calcasieu Parish Police Jury, as authorized by Act 81 of 1948. The District is governed by a Board of five commissioners who are appointed by the Calcasieu Parish Police Jury. The commissioners serve terms of six years, without compensation, with their terms expiring on a rotating basis. The District owns and operates recreational facilities and engages in activities designed to encourage recreation and promote the general health and well being of youth of the community. The District serves approximately 59,890 people within its service area. The 38 acre recreational park operated by the District provides facilities for softball, meetings, and family gatherings. The District is operated by using contract labor.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

Section 1180 of the GASB Codification of governmental accounting and financial reporting standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the Police Jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

## NOTES TO FINANCIAL STATEMENTS

Because the Police Jury appoints the governing board, has the ability to significantly influence operations, and because of the scope of public services, the District was determined to be a component unit of the Chickasaw Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

### 3. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

### 4. Fund Accounting

The District uses funds as an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net reportable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. The governmental funds of the District include:

**General fund** - The general fund is the general operating fund of the District. It accounts for all financial resources, except those required to be accounted for in the capital projects fund.

## NOTES TO FINANCIAL STATEMENTS

Capital Projects Fund - The capital projects fund accounts for financial resources to be used for the acquisition, improvement, and development of major public recreational facilities within the District.

### D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement basis applied. The governmental funds are MAINTAINED ON the modified accrual basis of accounting. The following practices are used in recording revenues and expenditures:

Revenues - Ad valorem taxes and state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis and become due on November 15, of each year and become delinquent on December 31.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available to the District.

Substantially all other revenues are recorded when they become available to the District.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is INCURRED.

### E. Budgets

The District adopts an annual budget on the cash basis of accounting for the general fund and the capital projects fund. The budget for 1997 is adopted on December 15, 1996. Appropriations lapse at year end, and the District does not employ commitment accounting. A reconciliation of the amounts reflected on page 4 with the amounts reflected on the budget comparison on pages 8 and 9 are as follows:

NOTES TO FINANCIAL STATEMENTS

	General Fund	Capital Projects Fund
Excess of revenues over expenditures (pages 3 and 6)	\$ 12,138	\$ 8,149
Add:		
current year receivables	44,428	10,008
prior year payables	3,912	4,088
Less:		
prior year receivables	42,804	20,874
current year payables	<u>3,912</u>	<u>3,912</u>
Excess of revenues over expenditures (page 4)	<u>\$ 16,462</u>	<u>\$ 7,459</u>
Fund balances at December 31, 1987: non-GAAP basis (pages 5 and 8)	\$ 14,526	\$ 26,504
Add receivables	64,814	21,204
Less payables	<u>3,912</u>	<u>3,822</u>
Fund balance at December 31, 1987: GAAP basis (page 4)	<u>\$ 35,428</u>	<u>\$ 43,886</u>

F. Cash

Cash includes amounts in various bearing demand deposit accounts and time deposits accounts.

G. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds. The account group is not a fund. It is concerned only with the measurement of financial position, not with the measurement of results of operations. Depreciation has not been provided for on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost, if historical cost is not available.

NOTES TO FINANCIAL STATEMENTS

B. Compensated Absence and Pension Plan

The District has no employees and, therefore, does not have a formal policy on vacation and sick leave and does not contribute to a pension plan.

I. Total Columns on Statements

The total column on the statements are captioned Memo (nonaudited) only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial positions or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenses during the reporting period. Actual results could differ from these estimates.

Note 1. Levied Taxes

The following is a summary of the authorized and levied ad valorem taxes of the district:

	Authorized Millage	Levied Millage
General corporate purposes	2.21	2.11
Capital improvements	2.48	2.48

Note 2. Cash

As December 31, 1987, the District has cash (bank balances) totaling \$1,121, as follows:

Interest bearing demand deposits	\$ 42,121
Time deposits	_____
	<u>\$ 42,121</u>

NOTES TO FINANCIAL STATEMENTS

These deposits must be secured at all times by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 1997, the District had \$10,133 (collected bank balances) in interest bearing demand accounts and time deposit accounts. These deposits were fully secured at December 31, 1997 from risk by Federal deposit insurance pledged by the fiscal agent bank.

Note 4. Receivables

Receivables at December 31, 1997 included the following:

	General <u>Fund</u>	Capital PROJECTS <u>Fund</u>	Total
Ad valorem taxes	\$ 45,940	\$ 18,488	\$ 64,428
State income sharing	4,822	2,838	7,660
Receivables	<u>12,820</u>	<u>12,422</u>	<u>25,242</u>
	<u>\$ 63,582</u>	<u>\$ 33,748</u>	<u>\$ 97,330</u>

Note 5. Changes in General Fund Assets

A summary of the changes in fixed assets for 1997 is as follows:

	Balance <u>12/31/96</u>	ADDITIONS	DELETIONS	Balance <u>12/31/97</u>
Land	\$ 411,139	1 2,840	-	\$ 413,979
Buildings	332,081	4,374	-	336,455
Equipment	<u>87,438</u>	<u>4,842</u>	<u>-</u>	<u>92,280</u>
	<u>\$ 830,658</u>	<u>\$ 12,056</u>	<u>\$ -</u>	<u>\$ 842,714</u>

Note 6. Salaries for Board Members

There were no per diem or salary payments made to any Board members during the year ended December 31, 1997.

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Community Center and Playground  
District No. 4 of Ward 1  
of Calcasieu Parish  
Calcasieu Parish Police Jury  
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, Louisiana, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 20, 1998.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the community center and playground District No. 4 of Ward 1 of Calcasieu Parish, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections of any evaluation of the

structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Community Center and Playground District No. 4 of Ward 3 of Calcasieu Parish, Louisiana, for the year ended December 31, 1987, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Solely to assist us in planning and performing our audit, we made a study and evaluation of the internal control structure of the Community Center and Playground District No. 4 of Ward 3 of Calcasieu Parish. That study and evaluation was limited to a preliminary review of the structure to obtain an understanding of the control environment and the flow of transactions through the accounting system. Because of the lack of segregation of duties that is inherent to a small staff, our study and evaluation did not extend beyond this preliminary review phase.

We noted no matters involving the internal control structure and its operation that we considered to be material weaknesses as defined below.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

This report is intended for the information of the audit committee, management, and the legislative auditor. However, this report is a matter of public record, and its distribution is not limited.

*M. Cheryl David - Beach*

Lake Charles, Louisiana  
May 28, 1988



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Community Center and Playground  
District No. 4 of Ward 1  
of Calcasieu Parish  
Calcasieu Parish Police Jury  
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 25, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish is the responsibility of the district's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the district's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

The following instances of immaterial noncompliance were noted during our review:

1. Attendance at board meetings

Board members are required to attend 75% of all meetings annually or be subject to removal. We noted that two board members did not comply with such requirement.

Management's response:

Management agreed that a violation of the meeting requirement occurred and will continue to monitor meeting attendance.

2. Issuance of 1099's

It has come to our attention that the 1998 1099's that the client submitted to us were never issued for the customer labor provided. We are fully aware that the 1099's were not issued for 1997. We advised the client that 1099's are required to be issued for anyone who receives income of \$400 or more. We also informed the client that the IRS does assess penalties for failure to meet this compliance.

Management's response:

Management agreed that a violation of reporting income occurred and will issue 1099's for anyone who receives income of \$400 or more in future.

We considered these immaterial instances of noncompliance in forming our opinion on whether the DISTRICT's 1997 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and thus report does not affect our report dated May 20, 1998 on these financial statements.

This report is intended for the information of the audit committee, management, and the legislative auditor. However, this report is a matter of public record and its distribution is not limited.

*Ms. Elroy, Smith & Beach*

Lake Charles, Louisiana  
May 28, 1998