

FINANCIAL STATEMENTS
AND AUDITORS' REPORT

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

December 31, 2003

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

Release Date 7-28-04

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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
Vivian, Louisiana

We have audited the accompanying financial statements 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, 2003, and for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in 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. 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 financial statements referred to above present fairly, in all material respects, the financial position of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish as of December 31, 2003, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 6 to the basic financial statements, the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* as of January 1, 2003.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated May 13, 2004, on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 5-8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of per diem paid board members is presented for purposes of additional analysis as required by the Louisiana Legislative Auditor, and it is not a required part of the financial statements.



May 13, 2004

**COMMUNITY CENTER & PLAYGROUND DISTRICT
NO. 3 OF WARD 7 OF CALCASIEU PARISH
P.O. BOX 867
VINTON, LOUISIANA 70668**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2003. Please read it in conjunction with the District's financial statements, which begin on page 18.

FINANCIAL HIGHLIGHTS

The Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish total general revenue was \$153,887 compared to \$138,744 in 2002.

During the year ended December 31, 2003 the District had total expenses, excluding depreciation of \$202,523.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 10 and 11) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

The Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish was determined to be a component unit of the Calcasieu Parish Police Jury. The Police Jury is financially accountable for the District because it appoints the Board of Commissioners and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish.

Reporting the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish as a Whole

Our analysis of the District as a whole begins on page 18. One of the most important questions asked about the District's finances is "Is the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, to assess the overall health of the District.

In the Statement of Net Assets and the Statement of Activities, we record the funds maintained by the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish as governmental activities.

Governmental activities – all of the expenses paid from the funds maintained by the District are reported here which consists primarily of personal services, materials and supplies, fuel, repairs and maintenance, salaries, and other program services. Ad valorem taxes finance most of these activities.

Reporting the District's Most Significant Funds

Our analysis of the major funds maintained by the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish begins on page 12. The fund financial statements begin on page 13 and provide detailed information about the most significant funds maintained by the District as a whole. The District's governmental funds use the following accounting approach: Governmental funds – All of the District basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain District expenses. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on page 13.

THE COMMUNITY CENTER & PLAYGROUND DISTRICT NO. 3 OF WARD 7 OF CALCASIEU PARISH AS A WHOLE

The District's total net assets changed from a year ago, increasing from \$911,715 to \$1,133,918. The December 31, 2003, year was the first period that GASB Statement 34 was applied. The District was not required to restate the prior periods for purposes of providing comparative data. However, our analysis below will focus on key elements of the total governmental funds for the December 31, 2003 year. In future years, when prior year information is available, a comparative analysis of the funds maintained by the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish will be presented.

Table 1
Net Assets

	Governmental Activities 2003
Current and other assets	\$ 643,963
Capital assets	502,803
Total assets	<u>1,146,766</u>
Current liabilities	<u>11,647</u>
Total liabilities	<u>11,647</u>
Net assets:	
Investment in capital assets	502,803
Unrestricted	631,913
Total net assets	<u>\$ 1,134,716</u>

Net assets of the District's governmental activities increased by \$189,153 or 11%. Unrestricted net assets, the part of net assets that can be used to finance the District's expenses without constraints or other legal requirements, increased from a year ago, from \$486,846 at December 31, 2002 to \$631,916 at December 31, 2003.

Table 2
Change in Net Assets

	<u>Governmental Activities 2003</u>
Revenues	
General revenues	
Ad valorem taxes	\$ 303,364
Miscellaneous	46,610
Interest	<u>1,893</u>
Total revenues	<u>351,867</u>
Expenses	
General government	<u>238,993</u>
Increase in net assets	<u>\$ 112,874</u>

Total revenues increased \$14,143 (4%) from total revenues in the year ended December 31, 2002 of \$338,744 to total revenues of \$352,887 in the year ended December 31, 2003.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$631,906, which is higher than last year's fund balance of \$506,846. The primary reason for the excess is that the general government fund revenues exceed general expenditures by \$123,878.

General Fund Budgetary Highlights

The District adopted a budget for its General Fund for the year ended December 31, 2003. There was one amendment to the budget during the year. The District's budgetary comparison is presented as required supplementary information and shown on page 13. Highlights for the year are as follows:

- Revenue from ad valorem taxes was approximately \$16,364 higher than projected due to increased number of households assessed and commercial property improvements.
- The District spent significantly less on capital outlay from its General Fund than projected. The budgetary comparison schedule presents information only on the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2003, the District had invested \$960,998 in capital assets. (See table 3 below)

Table 3
Capital Assets at Year End

	Governmental Activities 2003
Land	\$ 33,862
Building & Improvements	825,817
Equipment	79,319
Total	<u>\$ 960,998</u>

This year's major additions included:

Building Improvements	\$ 17,654
Equipment	8,640
Total	<u>\$ 26,294</u>

More detail information about capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The District's management considered many factors when setting a fiscal year December 31, 2004 budget. Amounts available for appropriation in the governmental funds are expected to increase due to an increase in the property valuations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the District and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Community Center & Playground District, No. 3 of Ward 7 of Calcasieu Parish, at P.O. Box 867, Vidou, Louisiana 70668.



Karen Douglas
Board President

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

Statement of Net Assets

December 31, 2003

ASSETS

Cash	\$	339,315
Ad valorem tax receivable, net of allowance for doubtful accounts		297,277
State revenue sharing receivable		6,900
Capital assets, net of accumulated depreciation		<u>502,853</u>
Total assets		<u>1,146,345</u>

LIABILITIES

Accounts payable		1,195
Payroll taxes payable		1,214
Deductions from ad valorem tax receivable: Retirement systems		<u>1,208</u>
Total liabilities		<u>3,617</u>

NET ASSETS

Investment in capital assets		502,853
Unrestricted		<u>643,289</u>

TOTAL NET ASSETS

\$ 1,142,728

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

For the Year Ended December 31, 2003

FUNCTION/PROGRAMS	Expenses	Program Expenses		Governmental Activities - Net (Expenses) Revenues and Changes in Net Assets
		Charges For Services	Operating Grants and Contributions	
General government	\$116,993	\$ 16,914	\$ -	\$ (123,079)
Total Government Activities	\$116,993	\$ 16,914	\$ -	\$ (123,079)
Taxes				
Ad valorem taxes				303,164
State revenue sharing				6,950
Grants and contributions not restricted to specific purposes:				
Revolving endowment				8,200
Interest				3,693
Loss on disposal of assets				(4,761)
Miscellaneous				14,366
				<u>332,352</u>
Total general revenues and special items				
				<u>332,352</u>
Excess of revenue over expenses				109,151
Net assets - beginning of year				1,024,783
Net assets - end of year				<u>\$ 1,133,934</u>

The accompanying notes are an integral part of this statement.

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

Balance Sheet - Governmental Funds

December 31, 2003

	GENERAL FUND
ASSETS	
Cash	\$ 339,215
Ad valorem tax receivable, net of allowance for doubtful accounts	297,297
State revenue sharing receivable	<u>6,890</u>
Total assets	\$ <u>643,402</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 1,183
Payroll taxes payable	1,214
Deductions from ad valorem tax receivable	
Retirement systems	<u>7,208</u>
Total liabilities	<u>11,605</u>
Fund balance:	
Unassigned	<u>631,797</u>
Total fund balance	<u>631,797</u>
Total liabilities and fund balance	\$ <u>643,402</u>

The accompanying notes are an integral part of this statement.

Community Center & Playground District
No. 3 of Ward 7 of Calumet Parish, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets

December 31, 2003

Total Fund Balance at December 31, 2003 - Governmental Funds		\$	651,913	
Cost of capital assets at December 31, 2003	\$	900,998		
Less - accumulated depreciation as of December 31, 2003:				
Building and building improvements		(435,777)		
Equipment		<u>(12,218)</u>		
			<u>352,003</u>	
Net Assets at December 31, 2003 - Governmental Activities		\$	<u>1,113,916</u>	

The accompanying notes are an integral part of this statement.

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

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - General Fund**

Year Ended December 31, 2003

REVENUES	
Ad valorem taxes	\$ 301,364
Interest	1,893
Concessions	1,873
Registration fees	6,817
Rental	2,475
State revenue sharing	6,893
Pool admissions	4,049
Event/entertainment	8,200
Other	14,566
Total revenues	<u>347,837</u>
EXPENDITURES	
General government	
Accounting	1,280
Uncollectible ad valorem taxes	7,510
Bank charges	179
Deductions from ad valorem taxes - equipment	7,238
Insurance	31,280
Maintenance and supplies	20,060
Miscellaneous	180
Office	2,091
Officials	4,493
Salaries	82,919
Supplies - consumables	1,793
Sports and recreation	15,188
Payroll taxes	6,060
Telephone and utilities	20,443
Capital outlay	24,784
Total expenditures	<u>234,817</u>
EXCESS OF REVENUES OVER EXPENDITURES	121,020
FUND BALANCE - BEGINNING OF YEAR	<u>396,821</u>
FUND BALANCE - END OF YEAR	\$ <u>517,841</u>

The accompanying notes are an integral part of this statement.

Community Center & Playground District
No. 1 of Ward 7 of Calcasieu Parish, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance to the Statement of Activities

December 31, 2003

Total net change in fund balance - governmental funds	\$	125,070
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:		
Depreciation expense		(71,470)
Capital outlays		<u>26,294</u>
		(45,176)
Net book value of capital assets retired during the year		<u>(4,741)</u>
Change in net assets of governmental activities	\$	<u>109,153</u>

The accompanying notes are an integral part of this statement.

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

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual (GAAP Basis) - General Fund

Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		(Over)
				Final
REVENUES				
Ad valorem taxes	\$ 154,000	\$ 287,000	\$ 283,264	\$ 15,364
Interest	3,000	3,000	3,883	883
Concessions	1,400	2,000	1,973	(427)
Registration fees	7,000	7,000	8,017	1,017
Rental	1,000	2,000	2,473	373
State revenue sharing	7,000	7,000	6,950	(50)
Food admissions	3,000	4,400	4,449	49
Riverboat endorsement	22,000	6,000	6,200	2,000
Other	12,000	12,000	14,266	2,266
Total revenues	227,000	330,600	333,387	22,387
EXPENDITURES				
General government:				
Accounting	3,000	3,000	3,300	-
Uncollectible ad valorem taxes	-	-	7,310	(7,310)
Bank charges	100	100	170	(70)
Deductions from ad valorem taxes	3,000	7,700	7,258	442
Insurance	27,000	26,000	31,280	4,280
Maintenance and supplies	22,700	40,000	20,940	19,060
Miscellaneous	100	100	100	-
Office	4,300	3,800	3,081	819
Officals	4,000	4,800	4,450	350
Salaries	64,000	71,800	82,918	(11,118)
Supplies - recreation	1,000	1,500	1,793	(293)
Sports and recreation	14,000	16,000	15,108	892
Payroll taxes	6,000	7,000	6,400	1,400
Telephone and utilities	19,000	20,000	20,440	(440)
Capital outlay	15,000	154,000	26,294	87,706
Total expenditures	207,000	330,600	278,217	181,783

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

Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual (GAAP Basis) - General Fund
 (Cont'd)

Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance
	Original	Final		(Over) Fund
EXCESS OF REVENUES OVER EXPENDITURES				
EXPENDITURES	-	-	125,879	(125,000)
FUND BALANCE - BEGINNING OF YEAR	<u>306,825</u>	<u>306,825</u>	<u>306,845</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 306,825</u>	<u>\$ 306,825</u>	<u>\$ 371,915</u>	<u>\$ 125,070</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish 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 District. The District establishes regulations governing its parks, playgrounds, and community centers and provides administration, management, maintenance, and operations of the facilities.

A. Basis of Presentation

The financial statements of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish 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 government's accounting policies are described below.

B. Reporting Entity

The District is a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

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 financial reporting entity.

C. Basic Financial Statements – Government-Wide Statements

The Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish net assets are reported in two parts – invested in capital assets (net of related debt), and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish functions. The functions are supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. The net cost (by function) is normally covered by general revenues.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

This government-wide focus is more on the sustainability of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish as an entity and the change in the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's net assets resulting from the current year's activities.

D. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements. The Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish uses the following fund type:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The district's general fund is considered a major fund.

E. Basix of Accounting

Basix of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental funds in the government-wide financial statements are presented on the accrual basix of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2003

Revenues of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish consist principally of property taxes, user fees, other intergovernmental revenues, donations, and interest income. Property taxes are billed and generally collected within the fiscal year in which the taxes are levied. Interest income is recorded when earned. Donations and other intergovernmental revenues are recorded when received in cash because they are generally not measurable until actually received.

E. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is the principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

F. 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.

G. Accounts Receivable

Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for doubtful accounts at December 31, 2003, was \$6,067.

H. Budgets

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures may not legally exceed budgeted appropriations by more than five percent. During the year, several supplementary appropriations were necessary.

i. Capital Assets

Capital assets purchased or acquired with an original cost of \$200 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Building and building improvements	15 - 20 years
Equipment	5 - 10 years

NOTE 2 - AD VALOREM TAXES

For the year ended December 31, 2000, taxes of 7.96 mills and 3.08 mills were levied on property with assessed valuations totaling \$27,679,080 and were dedicated as follows:

General operating purposes	7.96 mills
Swimming pool	3.08 mills

Total taxes levied were \$201,364.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2003

NOTE 3 - CASH AND INVESTMENTS

At December 31, 2003, the District has cash and cash equivalents (book balances) totaling \$319,315. All cash and cash equivalents are held in demand deposit accounts.

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 customarily acceptable to both parties. At December 31, 2003, the district has \$340,303 insured bank balances. These deposits are secured from risk by \$100,000 of federal deposit insurance and \$352,391 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GNSS Category 3).

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2003 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets:				
Land	\$ 55,862	\$ -	\$ -	\$ 55,862
Building & improvements	813,824	17,854	(9,601)	825,817
Equipment	83,518	8,648	(12,886)	79,280
Total capital assets	<u>933,204</u>	<u>26,502</u>	<u>(12,487)</u>	<u>947,219</u>
Less accumulated depreciation:				
Building & improvements	(395,882)	(32,651)	1,156	(427,377)
Equipment	(28,440)	(5,415)	12,644	(21,211)
Total accumulated depreciation	<u>(424,322)</u>	<u>(38,066)</u>	<u>13,800</u>	<u>(448,588)</u>
Total capital assets, net	<u>\$ 508,882</u>	<u>\$ 28,436</u>	<u>\$ (4,687)</u>	<u>\$ 532,631</u>

Depreciation expense for the year ended December 31, 2003, was \$17,478.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2003

NOTE 3 - RETIREMENT COMMITMENTS

Employees of the district are covered under the State of Louisiana Social Security Program. The district is required to remit an amount equal to the employer's contribution. The district does not guarantee any of the benefits granted by the State of Louisiana Social Security Program.

NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2003, the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at January 1, 2003, to be restated in terms of "net assets" in the government-wide financial statements. The following is a reconciliation of governmental fund balance to net assets:

Total Fund Balance at January 1, 2003 - Governmental Funds		\$ 346,645
Cost of capital assets at January 1, 2003	\$ 953,345	
Less - accumulated depreciation as of January 1, 2003:		
Building and building improvements	(395,282)	
Equipment	(39,063)	_____
Net Assets at January 1, 2003 - Governmental Activities		\$ 1,024,765

SUPPLEMENTAL INFORMATION

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

PER DIEM PAID BOARD MEMBERS

December 31, 2003

PER DIEM PAID BOARD MEMBERS

As provided by Louisiana Revised Statute 38:1794, 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 District is not paying per diem.



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COMPTROLLER GENERAL
OF THE UNITED STATES

DAVID W. LANGLEY, JR.
CHARLES E. WILLIAMS
MARTIN J. LANGLEY
FRANK B. HARRIS, JR.
DANIEL S. CLARK
J. ANDREW GIBSON

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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
Vivian, Louisiana

We have audited the basic financial statements of the Community Center & Playground District No. 3 of Ward 7, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2004, and have issued our report thereon dated May 13, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that

Board of Commissioners
Community Center & Playground District
No. 3 of Ward 7 of Calcasieu Parish
Page 2

misstatements in amounts that would be material in relation to the general purpose 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. We noted no matters involving the internal controls over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish's management, the Board of Commissioners, the Calcasieu Parish Police Jury and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



May 13, 2004

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2003

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Community Center & Playground District No. 3 of Ward 7 of Calcasieu Parish.
2. No material weaknesses, reportable conditions, or instances of noncompliance were identified during the audit of the financial statements in the report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. A separate management letter was not issued.