SULPHUR PARKS AND RECREATION
SULPHUR, LOUISIANA

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

June 23, 2021

Board of Commissioners
Sulphur Parks and Recreation
Sulphur, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Sulphur Parks and Recreation, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Sulphur Parks and Recreation's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

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 Sulphur Parks and Recreation as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, the schedule of employer's proportionate share of net pension liability, the schedule of employer's contributions and the other postemployment benefits – schedule of changes in total OPEB liabilities and related ratios on pages 3 through 11 and 47 through 50 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally 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.

The District has not presented 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sulphur Parks and Recreation's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is the responsibility of management and was derived from the relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 23, 2021, on our consideration of Sulphur Parks and Recreation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 Sulphur Parks and Recreation's internal control over financial reporting and compliance.

Gragson, Casiday & Guillory

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Statement of Net Position

December 31, 2020

ASSETS		
Cash	$	12,833,058
Investments		596,256
Receivables		8,962,935
Inventory		21,462
Capital assets:		
Land		23,149,397
Capital assets, net		30,967,811
Total assets		76,530,919
DEFERRED OUTFLOWS OF RESOURCES		1,079,488
LIABILITIES		
Accounts and other accrued payables		697,724
Long-term liabilities		
Net pension liability		12,520
Net OPEB obligation		1,946,433
Total liabilities		2,656,677
DEFERRED INFLOWS OF RESOURCES		602,757
NET POSITION		
Net investment in capital assets		54,117,208
Net position - unrestricted		20,233,765
	$	74,350,973

The accompanying notes are an integral part of the basic financial statements.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Statement of Activities

Year Ended December 31, 2020

		Program Revenues		Net Revenues (Expenses) and Changes in Net Position
Activities	Expenses	Fees, Fines and Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
General and administrative	$ 1,795,670	$ -	$ -	$ (1,795,670)
Recreation	2,160,894	39,067	10,562	(2,111,265)
Aquatic center	1,512,957	299,540	-	(1,213,417)
Golf course	763,294	303,481	-	(459,813)
Grill	59,048	24,029	-	(35,019)
Swimming pools	10,613	-	-	(10,613)
Tennis	9,482	-	-	(9,482)
Total Governmental Activities	$ 6,311,958	$ 666,117	$ 10,562	(5,635,279)
General Revenues:				
Taxes -				
Property taxes, levied for general purposes				7,886,468
State revenue sharing				78,345
Interest				6,584
Insurance proceeds				3,122,684
Miscellaneous				51,112
Total general revenues				11,145,193
Change in net position				5,509,914
Net position- Beginning				68,841,059
Net position - Ending				$ 74,350,973

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Balance Sheet - Governmental Funds

December 31, 2020

	2020	2019
ASSETS		
Cash and cash equivalents	$ 12,833,058	$ 7,977,927
Investments	596,256	576,205
Receivables:		
Ad valorem tax, net	7,993,187	7,520,265
State revenue sharing	52,230	51,903
Other	917,518	513,394
Inventory, at cost	21,462	20,271
Total Assets	22,413,711	16,659,965
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 22,413,711	$ 16,659,965
LIABILITIES		
Accounts payable	$ 497,069	$ 73,198
Accrued liabilities	200,655	417,833
Total Liabilities	697,724	491,031
DEFERRED INFLOWS OF RESOURCES	-	-
FUND BALANCES		
Unassigned	21,715,987	16,168,934
Total Fund Balances	21,715,987	16,168,934
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 22,413,711	$ 16,659,965

The accompanying notes are an integral part of the basic financial statements.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Reconciliation of the Balance Sheet-Governmental Funds to the
Statement of Net Position

December 31, 2020

Total fund balance for governmental fund at December 31, 2020		$ 21,715,987
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	$ 23,149,397	
Capital assets, net of $14,727,699 accumulated depreciation	30,967,811	54,117,208
Deferred outflows and inflows are not financial recources or currently payable		
Deferred outflows related to pensions	412,634	
Deferred outflows related to OPEB	666,855	
Deferred inflows related to pensions	(602,758)	476,731
Long-term obligations which are not included as a liability in the governmental fund type balance sheet:		
Net pension asset		(12,520)
Net OPEB obligation		(1,946,433)
Total net position of governmental activities at December 31, 2020		$ 74,350,973

The accompanying notes are an integral part of the basic financial statements.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Funds

Year Ended December 31, 2020

	2020	2019
REVENUES		
Ad valorem tax, net	$ 7,886,468	$ 7,519,197
State revenue sharing	78,345	77,854
Intergovernmental	10,562	500,000
Recreation center concessions	39,067	77,115
Aquatic center	299,540	1,793,844
Golf course	303,481	342,227
Grill	24,029	26,805
Interest	6,584	17,638
Insurance proceeds	3,122,684	-
Miscellaneous	51,112	34,490
Total Revenues	11,821,872	10,389,170
EXPENDITURES		
Current operating:		
Recreation	2,625,861	4,506,664
Aquatic center	968,364	1,420,099
Golf course	799,931	870,778
Grill	55,618	65,928
Swimming pools	10,613	29,553
Tennis	9,482	8,283
General and administration	1,804,950	1,748,785
Total Expenditures	6,274,819	8,650,090
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,547,053	1,739,080
FUND BALANCE - BEGINNING	16,168,934	14,429,854
FUND BALANCE - ENDING	$ 21,715,987	$ 16,168,934

The accompanying notes are an integral part of the basic financial statements.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

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

Year Ended December 31, 2020

Total net changes in fund balance at December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balance		$ 5,547,053
The change in net position reported for governmental activities in the statement of activities 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.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	$ 1,185,211	
Depreciation expense for the year ended December 31, 2020	(1,264,198)	
Loss on disposal of assets	-	(78,987)
Net pension (expense) benefit is reported in the governmental funds as expenditures as they are paid, however, in the satatement of activities the net position (expense) benefit is reported according to estimates required by GASB 68		37,282
In the Statement of Activities, post employment benefits (OPEB) are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used (essentially the amounts actually paid).		4,566
Total changes in net position at December 31, 2020 per Statement of Activities		$ 5,509,914

The accompanying notes are an integral part of the basic financial statements.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sulphur Parks and Recreation was created by the Calcasieu Parish Police Jury as authorized by Act 82 of 1948. The District is governed by a board of five commissioners who are appointed by the Calcasieu Parish Police Jury. The District establishes regulations governing the parks, playgrounds and community centers and provides administration, management, maintenance and operations of the facilities.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Sulphur Parks and Recreation includes all funds, account groups, et cetera, that are within the oversight responsibility of the Sulphur Parks and Recreation.

As the governing authority, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (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. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
   a. The ability of the Calcasieu Parish 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 Calcasieu Parish Police Jury.
2. Organizations for which the Calcasieu Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Calcasieu Parish Police Jury.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Based upon the application of these criteria, Sulphur Parks and Recreation is a component unit of the Calcasieu Parish Police Jury's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of Sulphur Parks and Recreation have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, “Basic Financial Statements and Management’s Discussion and Analysis-for State and Local Governments”, issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The District 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 District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the District 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 of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The District reports the following major fund:

The General Fund is the primary operating fund of the District. It accounts for all financial resources.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, activities 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. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Governmental fund financial statements are reported using the current financial resources management focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

4. Cash and investments

Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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, 2020, the District has $8,322,088 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

Investments

State statutes authorize the District to invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities, and other governmental debt obligations with limited exceptions as noted in LA-R.S. 33.2955. Investments in time certificates of deposits can be placed with state banks, national banks or federal credit unions as permitted in state statute. Corporate bonds can be purchased from companies incorporated in the United States, with a Standards and Poor’s credit rating of AA- and have a maturity date of 5 years or less.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

As of December 31, 2020, the District had its assets in money market instruments, certificates of deposits, U.S. Treasury notes, U.S. agency securities and municipal bonds held in custody by financial institutions. The below schedule identifies the investments by type:

Type of Debt Investment	Fair Value	Maturity: Less than 1 Year	Maturity: 1 to 5 Years	Maturity: 6 to 10 Years	Credit Rating (Moody's/ Standards and Poor's)
Investments at fair value					
UBS Money Market Fund	$ 263,845	$ 263,845	$ -	$ -	Aaa
Investments measured at the net asset value (NAV)					
External Investment Pool	332,411	332,411	-	-	AAAm
Total Investments	$ 596,256	$ 596,256	$ -	$ -	

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of December 31, 2020:

> Level 2 inputs – with UBS Select Treasury Investor Fund totaling $263,845 are valued at amortized cost, which approximates fair value.

Interest Rate Risk: The District's policy on investments states that safety of principal is the foremost objective, followed by liquidity and yield. Each investment transaction shall seek to first insure that capital losses are avoided no matter the sources.

Credit Rate Risk: The District's has investments in an external investment pool $332,411 that is rated AAAm by Standard & Poor's. Its policy states that investment decisions should not incur unreasonable risks in order to obtain current investment income and requires the overall quality rating to be no lower than AA- as measured by Standard & Poor's or the equivalent rating (Aa3) by Moody's Investor Service.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Concentration of Credit Risk: The District's investment portfolio had concentration of credit risk on December 31, 2020 due to the holdings of securities issued by the following U.S. government securities that are both permitted by Statute and by the District's Investment Policy. The District's investment portfolio consisted of 44% of securities issued by the UBS Select Treasury Investor Fund and 56% in money market investments in LAMP.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy addresses custodial credit risk for investments by requiring that they must be held by national banks, state chartered banks or a national or state trust company in the name of the District.

The $330,269 in money market investments is invested in LAMP. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955. LAMP is a governmental investment pool that reports at fair value. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAm by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Budgets

A budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America 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 government'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.

The budget was amended once during the year.

6. Inventory

Inventory is valued at cost, which approximates net realizable value, and is determined using the FIFO method. Inventory consists of golf equipment and concessions held for resale.

7. Accounts Receivable

Sulphur Parks and Recreation utilizes the allowance method to recognize doubtful accounts for ad valorem taxes. The allowance for doubtful accounts at December 31, 2020 was $0.

Uncollectible amounts due for other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

8. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

assets are recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and infrastructures	20-40 years
Furniture and fixtures	5-7 years
Equipment	5-7 years
Transportation equipment	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

9. Compensated Absences

Vacation Employees may carry forward only a maximum of forty (40) hours of vacation past December 31st of any given year. Those hours in excess of forty (40) hours will be converted into sick leave. Employees may request monetary compensation for unused vacation up to forty (40) hours. The request must be made in writing no later than December 15th and compensation will be at the employee's regular hourly rate.

Sick leave The extent permitted by law, employees hired prior to January 1, 2007, at the time of retirement from Sulphur Parks and Recreation through the Parochial Retirement System shall be able to convert any unused accumulated sick leave to obtain additional benefits from said retirement system. Employees hired on or after January 1, 2007, who has at least twenty (20) years of service with Sulphur Parks and Recreation, shall be paid for accrued unused sick leave at the time of regular retirement up to a maximum of four hundred eighty (480) hours. No unused sick leave will be transferable to the Parochial Retirement System for these employees.

Each full time employee with less than two years of service is eligible for five (5) days of sick leave. Each full time employee with two or more years of service is eligible for eighteen (18) days of sick leave. Employees may accumulate up to 480 hours of sick leave. Any sick leave above the 480 hours will be accumulated as retirement time and may not at any time be converted to sick leave. Upon retirement from SPAR's employ, accumulated retirement time will be added to actual time worked, thereby increasing the employee's retirement benefits.

At December 31, 2020, the District did not have an accrual for compensated absences.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Equity Classification

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

a. Net investment in capital assets – 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 net position with constraints placed on the use either by (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 net position that does not meet the definition of "restricted" or "net invested in capital assets".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, assigned and unassigned.

a. Restricted fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on generally outside actions.

b. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.

c. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Revenues, Expenditures, and Expenses

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayers, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year 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 on December 31. The taxes are generally collected in December, January and February of the fiscal year. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

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

13. Subsequent Events

Management has evaluated subsequent events as of June 23, 2021. In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our citizens, employees and local industries all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

14. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government’s financial position and operation.

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2020 taxes were levied on property with taxable assessed valuations as follows:

	Approximate Valuations	Taxes
General corporate purposes	$ 805,884,570	10.25 mills

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2020

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2020 follows:

	Beginning of Year	Additions	Deletions	End of Year
Governmental activities:				
Land	$ 23,149,397	$ -	$ -	$ 23,149,397
Buildings	15,878,121	-	-	15,878,121
Furniture and Fixtures	125,432	-	-	125,432
Transportation Equipment	382,549	-	-	382,549
Equipment	3,869,140	312,729	-	4,181,869
Infrastructures	21,258,208	1,504,727	-	22,762,935
Construction In Progress	2,996,849	872,482	(1,504,727)	2,364,604
Totals at historical cost	67,659,696	2,689,938	(1,504,727)	68,844,907
Less accumulated depreciation for:				
Buildings	5,053,812	393,047	-	5,446,859
Furniture and Fixtures	109,320	4,827	-	114,147
Transportation Equipment	270,523	31,920	-	302,443
Equipment	2,782,096	272,409	-	3,054,505
Infrastructures	5,247,750	561,995	-	5,809,745
Total accumulated depreciation	13,463,501	1,264,198	-	14,727,699
Governmental activities capital assets, Net	$ 54,196,195	$ 1,425,740	$ (1,504,727)	$ 54,117,208

Depreciation expense was charged to governmental activities as follows:

General and administrative	$ 8,960
Aquatic center	553,198
Recreation	625,823
Golf course	72,173
Grill	4,044
Total	$ 1,264,198

NOTE C - CAPITAL ASSETS - CONTINUED

The construction in progress at December 31, 2020 consisted of the following:

Project	Costs Through December 31, 2020	Estimated Completion Date	Estimated Remaining Costs to Complete
Carlyss Expansion	$ 1,864,544	March 2021	$ 5,500
Dick Ackel Gravity Drainage Proj.	500,060	Unknown	-
	$ 2,364,604		$ 5,500

NOTE D - RETIREMENT COMMITMENTS

Full-time employees of the district are members of the Parochial Employees' Retirement System of Louisiana, a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Eligible employees of the district were members of Plan A during 2020.

Under Plan A, members with 10 years of creditable service may retire at age sixty; members with 25 years of service may retire at age fifty-five; members with 30 years of service may retire regardless of age. The retirement allowance is equal to three percent of the member's final average compensation (defined as the average of the highest consecutive 36 months) multiplied by his years of creditable service. However, any employee who was a member of the supplemental plan only prior to the revision date has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a member's final salary or the final compensation.

Contributions to the System include 1/4 of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries, 2% under Plan B and 9.5% under Plan A, to the System.

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contributions for 2019 were 11.5% of covered employees' salaries under Plan A.

The payroll for the District employees covered by the system for the year ended December 31, 2020 was $1,889,851; the District's total payroll was $2,385,472. The District contributed $193,734 to the system during the year.

The System: issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

At December 31, 2020, the District reported a liability (asset) of $12,520 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2020, the District's proportion was .2659680%.

For the year ended December 31, 2020, the District recognized pension expense of $227,164 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $(4,381) At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 112,084
Difference between expected and actual assumption	174,862	-
Difference between expected and actual Investment	-	469,327
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	6,042	21,347
Contributions subsequent to the measurement date	231,730	-
Total	$ 412,634	$ 602,758

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

$231,730 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2021	$ (83,833)
2022	(111,234)
2023	15,184
2024	(206,923)
2025	-
Thereafter	-

Actuarial methods and assumption. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 4.75%
Cost of Living Adjustments	The present values of future retirement benefits are based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet amortized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale or disable annuitants.

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce

the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Total	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent of the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by suing a set back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

	Changes in Discount Rate 2019		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset)	$ 1,353,217	$ 12,520	$ 1,110,957

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Suits have been filed against the District as a result of falls and injuries by spectators. The suits are in stages of discovery. The cases will be vigorously defended, and unfavorable outcomes are not expected.

NOTE F - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full time employees which have been employed by the District for 12 consecutive months, permits them to defer a portion of their salaries until future years. The District will match sixty-seven

NOTE F - DEFERRED COMPENSATION PLAN - CONTINUED

percent (67%) of the employee's contribution to a maximum of six percent (6%) of the employee's salary, not to include compensatory time or expense reimbursement. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the District (without being restricted to the provisions of benefits under the plan), subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant.

In management's opinion, the District has no liability for losses under the plan. However, the District does have the duty of due care that would be required of an ordinary prudent investor. The District believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE G – BOARD COMMISSIONER PER DIEM

There is no per diem paid to Board Commissioners.

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Sulphur Parks and Recreation’s medical benefits are provided through a comprehensive medical plan under the Calcasieu Parish Police Jury’s plan and are made available to employees upon actual retirement. In 2018, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). This Statement addresses the fact that certain postemployment benefits other than pensions, which for the District consist of healthcare benefits only, are related to employee services and salaries received presently but that will benefit the employee in the future – upon retirement – and whose costs will be borne by the District in the future. The Statement also attempts to quantify the future “retirement” costs that have been earned by the employee during his/her active years of employment. The District will finance the postemployment benefits on a “pay-as-you-go” basis. GASB Statement 75 requires that the liability be recognized in the financial statements for the actuarial determined portion of the projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service. The notes to the financial statements contain other required disclosure information from GASB Statement 75.

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

The Calcasieu Parish Police Jury contracted with a third-party consultant to perform the actuarial valuation required by GASB Statement No. 75 was also contracted to a third party consultant as of January 1, 2020 with a measurement date of December 31, 2020. For the Parish plan, the actuarial valuation is required every other year therefore the actuarial valuation prepared will be utilized for the two-year periods of 2020 and 2021 with the inclusion of the appropriate second year adjustments.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

Plan Description: The District's OPEB Plan is a single employer defined benefit "substantive" plan as understood by the employer and its employees. All of the employees of the District at their option may participate in the employee's group health, dental, and life insurance programs sponsored and administered by the Calcasieu Parish Police Jury in conjunction with its third party insurance providers and administrative agents.

While there is no specific written plan for the District's OPEB plan alone and therefore no separate annual report is issued, the District has reported this plan information based on communications to plan members via the written health plan maintained by the Calcasieu Parish Police Jury. Any amendments to the general health plan as related to types of benefits offered are required to be approved by Parish management before being distributed to Plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided: The District's OPEB Plan provides health (medical and prescription), dental and life insurance programs for retirees and their dependents. Medical coverage, including prescription drugs as part of the medical plan, is offered to pre-65 and post-65 retirees on a self-insured basis. Benefits are subsidized by the District. Dental and life insurance coverage are available to retirees, but these coverages are not subsidized by the Parish. The District does not reimburse for Medicare Part B or Part D premium for Medicare eligible retirees and dependents.

Employees Covered: Employees who have twenty (20) years of cumulative service at retirement will be eligible for the above referenced retiree benefits if hired after January 1, 2007. Employees hired prior to January 1, 2007 must have ten (10) years of cumulative service to be eligible for any retiree benefits. Retirees are required to contribute one hundred percent (100%) of the monthly retiree premium for benefits elected.

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

At December 31, 2020, the following employees were covered by the benefit terms:

Active Employees	33
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	5
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-
Total Covered Employees	38

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, the actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability for the December 31, 2020 actuarial valuation, with a measurement date of December 31, 2020, and inclusive of the measurement period of January 1, 2020 through December 31, 2020, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	Not utilized by the actuary – see discount rate information.
Discount Rate	2.02% using an average of following three 20-year bond indices: (a) Bond Byer 20 Bond GO – 2.12%, (b) S&P Municipal Bond 20 Year High Grade Rate Index – 1.93%, and (c) Fidelity GA AA 20 Years – 2.00%.
Healthcare Cost Trend Rates	8% for pre-65 and post 65 retirees decreasing .5% per year to an ultimate rate of 5% in 2026 and later.
Salary Increases	3.5%
Cost of Living Increases	Not applicable

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Mortality Rate Table Used for Current Valuation	The RP 2014 Healthy Male and Female Tables based on the Employee and Healthy Annuitant Tables for both pre and post retirement with mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

Changes in the Total OPEB Liability: The following table shows the components of the District's total OPEB liability for the current year:

Total OPEB Liability at Beginning of Year	$ 1,618,646
Current Period Changes:	
Service Cost	16,249
Interest on Total OPEB Liability	31,831
Change in Assumptions	365,069
Benefit Payments	(85,365)
Net Change in Total OPEB Liability	327,784
Total OPEB Liability at End of Year – Measurement Date	$ 1,946,430

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District's, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.02%) or one percentage point higher (3.02%) than the current discount rate of 2.02%:

	1% Decrease (1.02%)	Discount Rate (2.02%)	1% Increase (3.02%)
Total OPEB Liability	$ 2,473,694	$ 1,945,784	$ 1,577,747

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the total OPEB liability of the District's, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (8% to 7%) or one percentage point higher (8% to 9%) than the current healthcare cost trend rate of 3.9%:

	1% Decrease (6%)	Healthcare Cost Trend Rate (7%)	1% Increase (9%)
Total OPEB Liability	$ 1,584,427	$ 1,945,784	$ 2,490,279

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended December 31, 2020, the District recognized OPEB expense of $4,566. At December 31, 2020, the District reported any deferred outflows of resources of $666,855 and deferred inflows of resources of $0 related to OPEB.

NOTE I – TAX ABATEMENTS

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Calcasieu Parish Police Jury and directly affect the District's ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the District's financial statements to record a receivable. As of December 31, 2020. $727,595,713 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to $7,268,681 in ad valorem taxes.

NOTE J – COMMITMENTS AND CONTINGENCIES

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana and caused significant damage to the District's assets. The estimated damages to the District's assets were $6.2 million. Of this amount $3.9 million is expected to be covered by insurance. The remaining $2.3 million will be the responsibility of the District. As of December 31, 2020 the District has received insurance proceeds of $3,122,684 as reported on the statement of revenues and expenditures.

REQUIRED SUPPLEMENTAL INFORMATION

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2020

	Original	Amended	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad valorem tax	$ 6,850,000	$ 6,850,000	$ 7,886,468	$ 1,036,468
State revenue sharing	75,000	75,000	78,345	3,345
Intergovernmental reveunes	-	-	10,562	10,562
Recreation center concessions	70,000	50,000	39,067	(10,933)
Aquatic center	1,629,500	266,000	299,540	33,540
Golf course	307,000	245,500	303,481	57,981
Grill	32,000	32,000	24,029	(7,971)
Interest	3,000	3,000	6,584	3,584
Insurance proceeds	-	-	3,122,684	3,122,684
Miscellaneous	2,000	2,000	51,112	49,112
Total Revenues	8,968,500	7,523,500	11,821,872	4,298,372
EXPENDITURES				
Current operating:				
Recreation	6,076,000	6,076,000	2,625,861	3,450,139
Aquatic center	1,948,300	1,948,300	968,364	979,936
Golf course	1,240,000	1,240,000	799,931	440,069
Grill	46,000	46,000	55,618	(9,618)
Swimming pools	22,000	22,000	10,613	11,387
Tennis	11,900	11,900	9,482	2,418
General and administration	2,284,000	2,284,000	1,804,950	479,050
Total Expenditures	11,628,200	11,628,200	6,274,819	5,353,381
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,659,700)	(4,104,700)	5,547,053	9,651,753
FUND BALANCE - BEGINNING	16,168,934	16,168,934	16,168,934	-
FUND BALANCE - ENDING	$13,509,234	$ 12,064,234	$ 21,715,987	$ 9,651,753

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31, 2020

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Parocial Employees Retirement System of Louisiana:					
2015	$ 207,608	$ 207,608	$ -	$1,431,779	14.5%
2016	$ 188,929	$ 188,929	$ -	$1,453,298	13.0%
2017	$ 190,688	$ 190,688	$ -	$1,525,500	12.5%
2018	$ 190,460	$ 190,688	$ -	$1,656,170	11.5%
2019	$ 193,734	$ 193,734	$ -	$1,684,638	11.5%
2020	$ 231,730	$ 231,730	$ -	$1,889,851	12.3%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

SCHEDULE OF EMPLOYERS' PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended December 31, 2020

Parocial Employees Retirement System of Louisiana:

	December, 31 2020	December, 31 2019	December, 31 2018	December, 31 2017	December, 31 2016	December, 31 2015
Employer's portion of the net pension liablility (asset)	0.26597%	0.29426%	0.24671%	0.24505%	0.24972%	0.23352%
Employer's proportionate share of the net pension liability (asset)	$ 12,520	$ 1,195,809	$ (183,166)	$ 504,690	$ 657,327	$ 63,845
Employer's covered payroll	$ 1,889,851	$ 1,684,638	$ 1,656,170	$ 1,525,500	$ 1,453,298	$ 1,431,779
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.66%	70.98%	-11.06%	33.08%	45.23%	4.46%
Plan fiduciary net position as a percentage of the total pension liability	99.89%	88.86%	101.98%	94.15%	92.23%	99.15%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The amounts presented have a measurement date of December 31, 2019.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

OTHER POSTEMPLOYMENT BENEFITS-
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITIES AND RELATED RATIOS

For the Year Ended December 31, 2020[(1)]

	2018	2019	2020
Total OPEB Liability			
Service Cost	$ 15,234	$ 18,178	$ 16,249
Interest on Total OPEB Liability	49,145	45,706	31,831
Change in Assumption	-	301,785	365,069
Benefit Payments	(58,168)	(42,440)	(85,365)
Net Change in Total OPEB Liability	6,211	323,229	327,784
Total OPEB Liability at Beginning of Year	$ 1,289,206	$ 1,295,417	$ 1,618,646
Total OPEB Liability at End of Year	$ 1,295,417	$ 1,618,646	$ 1,946,430
Covered Employee Payroll	$ 1,369,164	$ 1,635,474	$ 1,889,851
Total OPEB Liability as a Percentage of Covered Employee Payroll	94.61%	98.97%	102.99%

Notes to the Schedule:

(1) This schedule is intended to report information for ten years. Data for the full ten year period is not available but will be reported as the additional years become available.

(2) Changes of Benefit Terms: There were no changes in benefit germs for 2020 which is the first year of implementation for Governmental Accounting Standards Board Statement (GASB) No. 75.

(3) Change of Assumptions: Reflects change in discout rate from prior valuation to current valuation. See Note H - Other Postemployement Benefitsfor detail on the discount rate selction.

(4) There were no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OTHER INFORMATION

Sulphur Parks and Recreation

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended December 31, 2020

Chief Executive Officer: Stephen Gayfield, Director

Purpose	**Amount**
Salary	$ 126,049
Benefits-insurance	13,577
Benefits-retirement - Parochial	15,441
Benefits-retirement – B457	5,067
Car allowance	-
Vehicle provided by government	2,033
Per diem	-
Reimbursements	-
Travel	-
Membership fees	230
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Business use of personal phone	600

GRAGSON, CASIDAY & GUILLORY, LLP
Certified Public Accountants

RAYMOND GUILLORY, JR., C.P.A.
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BRIAN MCCAIN, C.P.A.

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BLAKE MANUEL, C.P.A.

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

June 23, 2021

Board of Commissioners
Sulphur Parks and Recreation
Sulphur, Louisiana

We have audited, 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, the financial statements of the governmental activities and each major fund of the Sulphur Parks and Recreation, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Sulphur Parks and Recreation's basic financial statements, and have issued our report thereon dated June 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sulphur Parks and Recreation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sulphur Parks and Recreation's internal control. Accordingly, we do not express an opinion on the effectiveness of Sulphur Parks and Recreation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Gragson, Casiday & Guillory

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2020

1. Summary of Auditors' Results:

   Financial Statements

   Type of auditors' report issued: unmodified

   Internal control over financial reporting:

• Material weakness(es) identified?	_____ yes	__X__ no
• Control deficiencies identified that are not considered to be material weakness(es)?	_____ yes	__X__ no
Noncompliance material to financial statements noted?	_____ yes	__X__ no

2. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

   None

3. Findings and Questioned Costs for Federal Awards

   N/A

4. Prior Year Findings

   None