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SULPHUR PARKS AND RECREATION
SULPHUR, LOUISIANA

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 1999

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 at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 26 2000

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INDEPENDENT AUDITORS' REPORT

March 1, 2000

Board of Commissioners
Sulphur Parks and Recreation
Sulphur, Louisiana

We have audited the accompanying general purpose financial statements of Sulphur Parks and Recreation, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Sulphur Parks and Recreation management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Sulphur Parks and Recreation as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Sulphur Parks and Recreation. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated March 1, 2000 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 and contracts.

Gragsom Casiday & Guillory

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Combined Balance Sheet -
All Fund Types and Account Groups

December 31, 1999

| | <u>Governmental Fund Types</u> | |
|---|--------------------------------|---------------------|
| | <u>General</u> | <u>Debt Service</u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 1,836,618 | \$ 29,322 |
| Receivables: | | |
| Ad valorem tax, net | 2,556,703 | 1,097,230 |
| State revenue sharing | 78,453 | - |
| Accrued interest | 5,484 | - |
| Inventory, at cost | 38,721 | - |
| Fixed assets | - | - |
| Amount available in Debt Service Fund | - | - |
| Amount to be provided for retirement of General Long-Term Debt | - | - |
| TOTAL ASSETS | \$ 4,515,979 | \$ 1,126,552 |

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

| Governmental Fund Types Capital Projects | Account Groups | | Totals (Memorandum Only) | |
|---|----------------------------|------------------------------|-----------------------------|---------------|
| | General Fixed Assets | General Long-Term Debt | 1999 | 1998 |
| | | | | |
| \$ - | \$ - | \$ - | \$ 1,865,940 | \$ 1,527,361 |
| - | - | - | 3,653,933 | 3,421,668 |
| - | - | - | 78,453 | 78,453 |
| - | - | - | 5,484 | - |
| - | - | - | 38,721 | 39,453 |
| - | 21,524,408 | - | 21,524,408 | 20,774,069 |
| - | - | 1,126,552 | 1,126,552 | 1,092,783 |
| - | - | 1,818,448 | 1,818,448 | 2,717,217 |
| \$ - | \$ 21,524,408 | \$ 2,945,000 | \$ 30,111,939 | \$ 29,651,004 |

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Combined Balance Sheet -
All Fund Types and Account Groups (Continued)

December 31, 1999

| | <u>Governmental Fund Types</u> | |
|--|--------------------------------|---------------------|
| | <u>General</u> | <u>Debt Service</u> |
| LIABILITIES AND FUND EQUITY | | |
| LIABILITIES | | |
| Accounts payable | \$ 5,415 | \$ - |
| Accrued liabilities | 148,490 | - |
| Deferred revenue | 26,151 | - |
| General obligation bonds payable | - | - |
| Total liabilities | 180,056 | - |
| FUND EQUITY | | |
| Investment in General Fixed Assets | - | - |
| Fund balances: | | |
| Reserved for inventory | 38,721 | - |
| Reserved for debt service | - | 1,126,552 |
| Unreserved - undesignated | 4,297,202 | - |
| Total Fund Equity | 4,335,923 | 1,126,552 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 4,515,979 | \$ 1,126,552 |

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

| Governmental Fund Types Capital Projects | Account Groups | | Totals (Memorandum Only) | |
|---|----------------------------|------------------------------|-----------------------------|---------------|
| | General Fixed Assets | General Long-Term Debt | 1999 | 1998 |
| | | | | |
| \$ - | \$ - | \$ - | \$ 5,415 | \$ 12,879 |
| - | - | - | 148,490 | 81,687 |
| - | - | - | 26,151 | 26,151 |
| - | - | 2,945,000 | 2,945,000 | 3,810,000 |
| - | - | 2,945,000 | 3,125,056 | 3,930,717 |
| - | 21,524,408 | - | 21,524,408 | 20,774,069 |
| - | - | - | 38,721 | 39,453 |
| - | - | - | 1,126,552 | 1,092,783 |
| - | - | - | 4,297,202 | 3,813,982 |
| - | 21,524,408 | - | 26,986,883 | 25,720,287 |
| \$ - | \$ 21,524,408 | \$ 2,945,000 | \$ 30,111,939 | \$ 29,651,004 |

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - All Governmental Fund Types

Year Ended December 31, 1999

| | Governmental Fund Types | |
|---|-------------------------|-----------------|
| | General | Debt Service |
| REVENUES | | |
| Ad valorem tax | \$ 2,490,960 | \$ 1,073,887 |
| State revenue sharing | 78,453 | - |
| Recreation center concessions | 116,767 | - |
| Golf course | 819,540 | - |
| Grill | 45,780 | - |
| Tennis | 18,725 | - |
| Interest | 143,685 | 27,430 |
| Miscellaneous | 45,978 | - |
| Total Revenues | 3,759,888 | 1,101,317 |
| EXPENDITURES | | |
| Current operating: | | |
| Recreation | 1,851,162 | - |
| Golf course | 711,484 | - |
| Grill | 44,613 | - |
| Swimming pools | 70,831 | - |
| Tennis | 40,767 | - |
| General and administration | 558,543 | - |
| Debt service: | | |
| Interest | - | 202,548 |
| Principal retirement | - | 865,000 |
| Total Expenditures | 3,277,400 | 1,067,548 |
| Excess (deficiency) of revenues over expenditures | 482,488 | 33,769 |
| OTHER FINANCING SOURCES (USES) | | |
| Operating transfers in | 85 | - |
| Operating transfers out | - | - |
| Total Other Financing Sources (Uses) | 85 | - |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 482,573 | 33,769 |
| Fund Balance - Beginning | 3,853,350 | 1,092,783 |
| Fund Balance - Ending | \$ 4,335,923 | \$ 1,126,552 |

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

| Governmental Fund Types Capital Projects | Totals (Memorandum Only) | |
|---|-----------------------------|------------------|
| | 1999 | 1998 |
| | | |
| \$ - | \$ 3,564,847 | \$ 3,442,628 |
| - | 78,453 | 78,453 |
| - | 116,767 | 124,753 |
| - | 819,540 | 712,601 |
| - | 45,780 | 34,023 |
| - | 18,725 | 20,435 |
| - | 171,115 | 143,844 |
| - | 45,978 | 37,723 |
| - | <u>4,861,205</u> | <u>4,594,460</u> |
| - | 1,851,162 | 1,892,117 |
| - | 711,484 | 712,488 |
| - | 44,613 | 35,721 |
| - | 70,831 | 62,820 |
| - | 40,767 | 44,842 |
| - | 558,543 | 518,223 |
| - | 202,548 | 243,411 |
| - | <u>865,000</u> | <u>815,000</u> |
| - | <u>4,344,948</u> | <u>4,324,622</u> |
| - | 516,257 | 269,838 |
| - | 85 | - |
| <u>(85)</u> | <u>(85)</u> | <u>-</u> |
| <u>(85)</u> | <u>-</u> | <u>-</u> |
| (85) | 516,257 | 269,838 |
| <u>85</u> | <u>4,946,218</u> | <u>4,676,380</u> |
| \$ - | \$ 5,462,475 | \$ 4,946,218 |

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual - General Fund

Year Ended December 31, 1999
With Comparative Actual Amounts for Year Ended December 31, 1998

| | 1999 | | Variance- Favorable (Unfavorable) | 1998 |
|---|---------------------|---------------------|---|---------------------|
| | Budget | Actual | | Actual |
| REVENUES | | | | |
| Ad valorem tax | \$ 2,325,000 | \$ 2,490,960 | \$ 165,960 | \$ 2,477,984 |
| State revenue sharing | 78,400 | 78,453 | 53 | 78,453 |
| Recreation center concessions | 118,000 | 116,767 | (1,233) | 124,753 |
| Golf course | 661,250 | 819,540 | 158,290 | 712,601 |
| Grill | 34,050 | 45,780 | 11,730 | 34,023 |
| Tennis | 21,300 | 18,725 | (2,575) | 20,435 |
| Interest | 80,000 | 143,685 | 63,685 | 110,538 |
| Miscellaneous | 18,000 | 45,978 | 27,978 | 37,723 |
| Total Revenues | <u>3,336,000</u> | <u>3,759,888</u> | <u>423,888</u> | <u>3,596,510</u> |
| EXPENDITURES | | | | |
| Current operating: | | | | |
| Recreation | 2,175,700 | 1,851,162 | 324,538 | 1,892,117 |
| Golf course | 771,100 | 711,484 | 59,616 | 712,488 |
| Grill | 44,850 | 44,613 | 237 | 35,721 |
| Swimming pools | 79,500 | 70,831 | 8,669 | 62,820 |
| Tennis | 49,400 | 40,767 | 8,633 | 44,842 |
| General and administration | 643,750 | 558,543 | 85,207 | 518,139 |
| Total Expenditures | <u>3,764,300</u> | <u>3,277,400</u> | <u>486,900</u> | <u>3,266,127</u> |
| Excess (deficiency) of revenues over expenditures | (428,300) | 482,488 | 910,788 | 330,383 |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | - | 85 | 85 | - |
| Excess (deficiency) of revenues and other sources over expenditures | (428,300) | 482,573 | 910,873 | 330,383 |
| FUND BALANCE-Beginning | <u>3,853,350</u> | <u>3,853,350</u> | - | <u>3,522,967</u> |
| FUND BALANCE-Ending | <u>\$ 3,425,050</u> | <u>\$ 4,335,923</u> | <u>\$ 910,873</u> | <u>\$ 3,853,350</u> |

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

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

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.

The financial statements of the District 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.

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:

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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. Fund Accounting

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

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

The following funds and group of accounts are used by the District:

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Governmental Funds:

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

1. General Fund - the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.
2. Debt Service Fund - accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
3. Capital Projects Fund - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Account Groups:

General Fixed Assets Account Group:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Substantially all of the furniture and equipment are reported at estimated costs.

General Long-Term Debt Account Group:

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, state revenue sharing and interest. Swimming pool, concessions and golf course revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

4. 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.

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 1999, the District has \$1,909,659 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$1,709,659 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

5. Budgets

A budget is adopted on a basis consistent with generally accepted accounting principles 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 market, and is determined using the FIFO method. Inventory consists of golf equipment and concessions held for resale. Inventory at year end is equally offset by fund balance reserve.

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Compensated Absences

Vacation time is earned at various rates depending on years of service. Earned vacation time is generally required to be used within one year of accrual and is not cumulative.

Sick leave is earned at various rates depending on years of service. Employees can accumulate up to fifteen weeks of unused sick leave. Upon retirement or termination, employees are not paid for any accumulated sick leave.

8. Total Columns on Combined Statements - Overview

Total Columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

9. 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 District's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE B - AD VALOREM TAXES

For the year ended December 31, 1999, taxes were levied on property with taxable assessed valuations as follows:

| | Approximate <u>Valuations</u> | <u>Taxes</u> |
|----------------------------|----------------------------------|-------------------|
| General corporate purposes | \$ 264,970,500 | 10.00 mills |
| Debt service | 264,970,500 | <u>4.30 mills</u> |
| | | 14.30 mills |

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE B - AD VALOREM TAXES - CONTINUED

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.

NOTE C - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 1998 follows:

| | Balance December 31, 1998 | Net Additions (Deletions) | Balance December 31, 1999 |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|
| Recreational facilities | \$ 19,060,573 | \$ 559,818 | \$ 19,620,391 |
| Furniture and equipment | 1,672,320 | 14,715 | 1,687,035 |
| Construction in progress | <u>41,176</u> | <u>175,806</u> | <u>216,982</u> |
| Total general fixed assets | <u>\$ 20,774,069</u> | <u>\$ 750,339</u> | <u>\$ 21,524,408</u> |

The construction in progress consists of the McMurry Field #39 concrete and cover project at \$84,061 and the North Frasch lighting, concrete and cover project at \$132,921. Estimated remaining costs to complete the projects are \$18,000 and \$119,000, respectively.

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 1999.

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

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

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. 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 1999 were 7.75% of covered employees' salaries under Plan A.

The payroll for the district employees covered by the system for the year ended December 31, 1999 was \$601,318; the district's total payroll was \$999,171. The district contributed \$46,602 to the system during the year.

NOTE E - LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 1999:

| | <u>Balance</u> <u>Beginning</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>ending</u> |
|-------------------------|------------------------------------|------------------|-------------------|---------------------------------|
| General Obligation Bond | \$ 3,810,000 | \$ - | \$ 865,000 | \$ 2,945,000 |

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE E - LONG-TERM DEBT - CONTINUED

General obligation bond payable at December 31, 1999 is comprised of the following issue:

| | |
|--|--------------|
| \$8,000,000 bonds due in annual principal installments ranging from \$920,000 to \$1,045,000 through September 1, 2002, interest rate is 5.38% | \$ 2,945,000 |
|--|--------------|

Annual requirements to amortize all debt outstanding at December 31, 1999, including interest of \$324,019 are as follows:

| Year ending December 31, | |
|-----------------------------|------------------|
| 2000 | \$ 1,077,682 |
| 2001 | 1,089,384 |
| 2002 | <u>1,101,953</u> |
| | \$ 3,269,019 |

In accordance with the 1992 \$8,000,000 bond issue, the District must spend property tax revenues within thirteen months of receipt, must spend interest earnings within one year of receipt and must deplete funds once a year with a carryover allowed at the greater of one year's interest earnings or one-twelfth (1/12) of annual debt service. The District was in compliance with all bond issue covenants for 1999.

NOTE F - 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.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1999

NOTE G - 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 fifty percent (50%) 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 City 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 H - COMMITMENTS

On August 10, 1999 the District signed agreements with the State of Louisiana Department of Transportation and Development and the City of Sulphur, LA for a sidewalk project of about seven miles along Picard Road to be constructed in 2000. The District's cost is expected to be approximately \$90,000.

The District is in final negotiations to purchase approximately 28 acres of land along Parish Road for a total cost of approximately \$75,000.

At December 31, 1999 the Board approved the purchases of an additional 20 golf carts at a cost of \$57,800 and of fifteen sets of bleachers at a cost of \$93,591. Delivery is expected in early 2000.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Statement of Expenditures - Budget and Actual -
General Fund

Year Ended December 31, 1999
With Comparative Actual Amounts for Year Ended December 31, 1998

| | 1999 | | Variance- Favorable (Unfavorable) | 1998 |
|----------------------------------|---------------------|---------------------|---|---------------------|
| | Budget | Actual | | Actual |
| RECREATION | | | | |
| Chemical and fertilizer | \$ 37,000 | \$ 19,465 | \$ 17,535 | \$ 27,832 |
| Concession purchases | 73,700 | 51,921 | 21,779 | 61,605 |
| Contract labor | 95,000 | 83,033 | 11,967 | 84,243 |
| Ground improvements | 38,000 | 26,374 | 11,626 | 18,833 |
| Recreation equipment | 71,500 | 69,446 | 2,054 | 169,827 |
| Repairs and maintenance | 145,000 | 136,031 | 8,969 | 139,641 |
| Salaries | 588,000 | 514,374 | 73,626 | 490,245 |
| Telephone | 23,000 | 20,619 | 2,381 | 18,221 |
| Utilities | 157,000 | 113,020 | 43,980 | 125,781 |
| Volunteer training | 3,500 | 180 | 3,320 | - |
| Acquisitions | 944,000 | 816,699 | 127,301 | 755,889 |
| | <u>\$ 2,175,700</u> | <u>\$ 1,851,162</u> | <u>\$ 324,538</u> | <u>\$ 1,892,117</u> |
| GOLF COURSE | | | | |
| Chemicals and fertilizer | \$ 55,000 | \$ 26,088 | \$ 28,912 | \$ 34,834 |
| Driving range purchases | 13,100 | 9,837 | 3,263 | 12,575 |
| Ground improvements | 66,000 | 90,333 | (24,333) | 84,785 |
| Pro shop purchases for resale | 87,300 | 102,371 | (15,071) | 91,838 |
| Repairs and maintenance | 75,000 | 77,531 | (2,531) | 66,272 |
| Salaries | 368,000 | 311,381 | 56,619 | 308,110 |
| Telephone | 8,000 | 5,521 | 2,479 | 5,988 |
| Utilities | 40,700 | 30,457 | 10,243 | 33,329 |
| Acquisitions | 58,000 | 57,965 | 35 | 74,757 |
| | <u>\$ 771,100</u> | <u>\$ 711,484</u> | <u>\$ 59,616</u> | <u>\$ 712,488</u> |

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Statement of Expenditures - Budget and Actual -
General Fund - Continued

Year Ended December 31, 1999
With Comparative Actual Amounts for Year Ended December 31, 1998

| | 1999 | | Variance- Favorable | 1998 |
|---------------------------------------|------------|------------|------------------------|------------|
| | Budget | Actual | (Unfavorable) | Actual |
| GRILL | | | | |
| Purchases for resale | \$ 21,000 | \$ 25,082 | \$ (4,082) | \$ 18,447 |
| Shortages | 100 | 63 | 37 | 121 |
| Salaries | 22,000 | 18,882 | 3,118 | 16,027 |
| Tournament expense | 250 | 319 | (69) | 654 |
| Spoilage | 500 | 267 | 233 | 325 |
| Acquisitions | 1,000 | - | 1,000 | 147 |
| | \$ 44,850 | \$ 44,613 | \$ 237 | \$ 35,721 |
| SWIMMING POOLS | | | | |
| Chemicals | \$ 7,000 | \$ 7,227 | \$ (227) | \$ 4,850 |
| Utilities | 8,500 | 6,526 | 1,974 | 5,968 |
| Maintenance | 14,000 | 6,265 | 7,735 | 6,532 |
| Joint Service Agreement | 50,000 | 50,813 | (813) | 45,470 |
| | \$ 79,500 | \$ 70,831 | \$ 8,669 | \$ 62,820 |
| TENNIS | | | | |
| Concessions: | \$ 4,300 | \$ 2,705 | \$ 1,595 | \$ 4,060 |
| Supplies | 2,600 | 101 | 2,499 | 1,920 |
| Utilities | 16,500 | 14,541 | 1,959 | 14,551 |
| Salaries | 26,000 | 23,420 | 2,580 | 24,311 |
| | \$ 49,400 | \$ 40,767 | \$ 8,633 | \$ 44,842 |
| GENERAL AND ADMINISTRATIVE | | | | |
| Bank service charges | \$ 4,000 | \$ 3,334 | \$ 666 | \$ 3,435 |
| Computer expense | 48,000 | 42,236 | 5,764 | 21,445 |
| Insurance | 278,250 | 224,895 | 53,355 | 210,882 |
| Janitorial supplies | 18,000 | 15,065 | 2,935 | 15,959 |
| Legal & professional fees | 6,000 | 6,000 | - | 6,000 |
| Miscellaneous | 2,000 | 418 | 1,582 | 184 |
| Office expense | 14,000 | 12,392 | 1,608 | 11,835 |
| Payroll taxes | 41,000 | 46,725 | (5,725) | 40,521 |
| Professional development | 10,000 | 8,252 | 1,748 | 7,107 |
| Retirement contributions | 73,000 | 59,226 | 13,774 | 63,121 |
| Safety program expenses | 8,000 | 6,243 | 1,757 | 5,092 |
| Salaries | 137,500 | 133,657 | 3,843 | 132,318 |
| Acquisitions | 4,000 | 100 | 3,900 | 240 |
| | \$ 643,750 | \$ 558,543 | \$ 85,207 | \$ 518,139 |

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.

GRAHAM A. PORTUS, E.A.

JULIA W. PORTUS, C.P.A.
CAMUS CASTILLE, C.P.A.
DAWN REDD, C.P.A.
MICHELLE BOURNE, C.P.A.
COY VINCENT, C.P.A.
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

March 1, 2000

Board of Commissioners
Sulphur Parks and Recreation
Sulphur, Louisiana

We have audited the general purpose financial statements of the Sulphur Parks and Recreation, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1999, and have issued our report thereon dated March 1, 2000. 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 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 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 Sulphur Parks and Recreation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 misstatements in amounts that would be material in relation to the 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 control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Gragson Casiday & Guillory

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

SUMMARY SCHEDULE OF FINDINGS

Year Ended December 31, 1999

I. Summary of Auditors' Results

Type of auditors' report issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no

Reportable condition(s) identified that are
not considered to be material weakness(es)? ___ yes X none reported

Noncompliance material to financial
statements noted? ___ yes X no

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

N/A

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 1999

1. Findings Relating to the Prior Year Financial Statements Which were Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards
 - A. FINDING: In accordance with the 1992 \$8,000,000 bond issue, the District must spend property tax revenues within thirteen months of receipt, must spend interest earnings within one year of receipt and must deplete funds once a year with a carryover allowed at the greater of one year's interest earnings or one-twelfth (1/12) of annual debt service. Based on calculations at September 1, 1998, the annual principal payment date, the carryover allowed was \$88,900 and the amount of cash on hand at that date was \$111,009 or \$22,109 in excess.
 - B. MANAGEMENT RESPONSE: Corrective action was taken.