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SULPHUR PARKS AND RECREATION
SULPHUR, LOUISIANA

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 1995

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

Release Date 8-14-96

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

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

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

JULIA W. PORTUS, C.P.A.
CRAIG A. CHILDRESS, C.P.A.
CAMUS CASTILLE, C.P.A.
DAWN REDD, C.P.A.
MICHELLE BOURNE, C.P.A.
COY VINCENT, C.P.A.

ONE LAKESIDE PLAZA, SUITE 700
P.O. DRAWER 1847
LAKE CHARLES, LOUISIANA 70602-1847
TELEPHONE (318) 439-1986
FACSIMILE (318) 439-1366

INDEPENDENT AUDITORS' REPORT

February 26, 1996

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, 1995, as listed in the table of contents. These financial statements are the responsibility of Sulphur Parks and Recreation management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Sulphur Parks and Recreation as of December 31, 1995, 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.

Gragson Casiday & Guillory

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Combined Balance Sheet -
All Fund Types and Account Groups

December 31, 1995

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Debt Service</u>
ASSETS		
Cash and cash equivalents	\$ 1,534,257	\$ 811,381
Receivables:		
Ad valorem tax, net	2,639,294	318,343
State revenue sharing	78,453	-
Accrued interest	12,895	-
Miscellaneous	-	-
Inventory, at cost	48,518	-
Prepaid expenses	10,535	-
Due from other funds	-	9,504
Fixed assets	-	-
Amount available in Debt Service Fund	-	-
Amount to be provided for retirement of General Long-Term Debt	-	-
TOTAL ASSETS	\$ <u>4,323,952</u>	\$ <u>1,139,228</u>

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	1995	1994
\$ 146,120	\$ -	\$ -	\$ 2,491,758	\$ 4,272,054
-	-	-	2,957,637	3,971,137
-	-	-	78,453	78,453
-	-	-	12,895	2,411
-	-	-	-	4,670
-	-	-	48,518	39,725
-	-	-	10,535	14,107
1,692	-	-	11,196	11,196
-	18,948,668	-	18,948,668	16,493,913
-	-	1,137,536	1,137,536	1,819,836
-	-	4,967,464	4,967,464	4,955,164
\$ <u>147,812</u>	\$ <u>18,948,668</u>	\$ <u>6,105,000</u>	\$ <u>30,664,660</u>	\$ <u>31,662,666</u>

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Combined Balance Sheet - Continued
All Fund Types and Account Groups

December 31, 1995

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Debt Service</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	\$ 27,957	\$ -
Retainage payable	-	-
Local services agreement payable	506,843	-
Accrued liabilities	132,267	-
Due to other funds	9,504	1,692
General obligation bonds payable	-	-
Total liabilities	676,571	1,692
FUND EQUITY		
Investment in General Fixed Assets	-	-
Fund balances:		
Reserved for inventory	48,518	-
Reserved for debt service	-	1,137,536
Unreserved - undesignated	3,598,863	-
Total Fund Equity	3,647,381	1,137,536
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,323,952	\$ 1,139,228

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	1995	1994
\$ 102,305	\$ -	\$ -	\$ 130,262	\$ 218,705
150,739	-	-	150,739	269,114
-	-	-	506,843	531,323
-	-	-	132,267	39,417
-	-	-	11,196	11,196
-	-	6,105,000	6,105,000	6,775,000
<u>253,044</u>	<u>-</u>	<u>6,105,000</u>	<u>7,036,307</u>	<u>7,844,755</u>
-	18,948,668	-	18,948,668	16,493,913
-	-	-	48,518	39,725
-	-	-	1,137,536	1,819,836
(105,232)	-	-	3,493,631	5,464,437
<u>(105,232)</u>	<u>18,948,668</u>	<u>-</u>	<u>23,628,353</u>	<u>23,817,911</u>
\$ <u>147,812</u>	\$ <u>18,948,668</u>	\$ <u>6,105,000</u>	\$ <u>30,664,660</u>	\$ <u>31,662,666</u>

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

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

Year Ended December 31, 1995

	Governmental Fund Types	
	General	Debt Service
REVENUES		
Ad valorem tax	\$ 2,533,199	\$ 295,365
State revenue sharing	78,453	-
Swimming pool fees	-	-
Recreation center concessions	116,247	-
Golf course	594,498	-
Tennis	11,360	-
Interest	88,830	30,882
Miscellaneous	<u>32,797</u>	<u>-</u>
Total Revenues	<u>3,455,384</u>	<u>326,247</u>
EXPENDITURES		
Current operating:		
Recreation	1,317,083	-
Golf course	688,553	-
Swimming pools	56,011	-
Tennis	4,860	-
General and administration	526,256	-
Capital outlay	-	-
Debt service:		
Interest	-	338,547
Principal retirement	<u>-</u>	<u>670,000</u>
Total Expenditures	<u>2,592,763</u>	<u>1,008,547</u>
Excess (deficiency) of revenues over (under) expenditures	862,621	(682,300)
OTHER FINANCING SOURCES (USES)		
Local Services Agreement	(498,670)	-
Operating transfers in	-	-
Operating transfers out	<u>(65,867)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(564,537)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	298,084	(682,300)
Fund Balance - January 1	<u>3,349,297</u>	<u>1,819,836</u>
Fund Balance - December 31	\$ <u>3,647,381</u>	\$ <u>1,137,536</u>

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

Governmental Fund Types Capital Projects	Totals (Memorandum Only)	
	1995	1994
	\$ -	\$ 2,828,564
-	78,453	78,453
-	-	14,519
-	116,247	117,206
-	594,498	533,236
-	11,360	-
42,074	161,786	208,381
-	32,797	15,503
<u>42,074</u>	<u>3,823,705</u>	<u>5,033,035</u>
-	1,317,083	1,524,344
-	688,553	697,894
-	56,011	49,498
-	4,860	-
-	526,256	443,151
2,368,038	2,368,038	5,275,979
-	338,547	407,187
-	670,000	630,000
<u>2,368,038</u>	<u>5,969,348</u>	<u>9,028,053</u>
(2,325,964)	(2,145,643)	(3,995,018)
-	(498,670)	(532,578)
65,867	65,867	57,458
-	(65,867)	(57,458)
<u>65,867</u>	<u>(498,670)</u>	<u>(532,578)</u>
(2,260,097)	(2,644,313)	(4,527,596)
<u>2,154,865</u>	<u>7,323,998</u>	<u>11,851,594</u>
\$ <u>(105,232)</u>	\$ <u>4,679,685</u>	\$ <u>7,323,998</u>

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

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

Year Ended December 31, 1995

With Comparative Actual Amounts for Year Ended December 31, 1994

	1995		Variance- Favorable (Unfavorable)	1994
	Budget	Actual		Actual
REVENUES				
Ad valorem tax	\$ 2,370,000	\$ 2,533,199	\$ 163,199	\$ 2,643,782
State revenue sharing	85,000	78,453	(6,547)	78,453
Swimming pool fees	9,000	-	(9,000)	14,519
Recreation center concessions	104,500	116,247	11,747	117,206
Golf course	671,200	594,498	(76,702)	533,236
Tennis	-	11,360	11,360	-
Interest	50,000	88,830	38,830	56,233
Miscellaneous	14,000	32,797	18,797	15,503
Total Revenues	<u>3,303,700</u>	<u>3,455,384</u>	<u>151,684</u>	<u>3,458,932</u>
EXPENDITURES				
Current operating:				
Recreation	1,546,100	1,317,083	229,017	1,524,344
Golf course	765,300	688,553	76,747	697,894
Swimming pools	58,600	56,011	2,589	49,498
Tennis	-	4,860	(4,860)	-
General and administration	491,270	526,256	(34,986)	443,151
Total Expenditures	<u>2,861,270</u>	<u>2,592,763</u>	<u>268,507</u>	<u>2,714,887</u>
Excess of revenues over expenditures	442,430	862,621	420,191	744,045
OTHER FINANCING (USES)				
Local Services Agreement	(450,000)	(498,670)	(48,670)	(532,578)
Operating transfers out	-	(65,867)	(65,867)	(57,458)
Total Other Financing (Uses)	<u>(450,000)</u>	<u>(564,537)</u>	<u>(114,537)</u>	<u>(590,036)</u>
Excess of revenues over expenditures and other uses	(7,570)	298,084	305,654	154,009
FUND BALANCE - January 1	<u>3,349,297</u>	<u>3,349,297</u>	-	<u>3,195,288</u>
FUND BALANCE - December 31	\$ <u>3,341,727</u>	\$ <u>3,647,381</u>	\$ <u>305,654</u>	\$ <u>3,349,297</u>

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

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

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1995

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 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 - Continued

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Reporting Entity - 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:

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Fund Accounting - 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.

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 - Continued

December 31, 1995

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.

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 - Continued

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Cash - 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, 1995, the District has \$2,595,550 in deposits (collected bank balances). These deposits are secured from risk by \$315,004 of federal deposit insurance and \$1,905,215 of pledged securities held by the custodial bank in the name of the fiscal agent bank. \$375,331 on deposit at Edward D. Jones was not secured at December 31, 1995. However, in early 1996 this deposit was withdrawn and the district became in full compliance with pledged security requirement.

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.

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.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1995

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, 1995, taxes were levied on property with taxable assessed valuations as follows:

	<u>Valuations</u>	<u>Taxes</u>
General corporate purposes	\$ 338,662,940	7.81 mills
Debt service	228,769,400	<u>1.44</u> mills
		<u>9.25</u> mills

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1995

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, 1995 follows:

	Balance January 1, <u>1995</u>	Net Additions	Balance December 31, <u>1995</u>
Recreational facilities	\$ 9,757,064	\$ 5,757,888	\$ 15,514,952
Furniture and equipment	974,064	98,931	1,072,995
Construction in progress	<u>5,762,785</u>	<u>(3,402,064)</u>	<u>2,360,721</u>
 Total general fixed assets	 \$ <u>16,493,913</u>	 \$ <u>2,454,755</u>	 \$ <u>18,948,668</u>

The district is currently renovating and constructing various recreational facilities. The total estimated cost remaining to complete is approximately \$749,500. Estimated completion dates are through 1996 with commitments to be financed by available cash balances from the general fund.

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 1995.

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

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1995

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

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 1995 were 8.00% of covered employees' salaries under Plan A.

The payroll for the district employees covered by the system for the year ended December 31, 1995 was \$586,330; the district's total payroll was \$814,800. The district contributed \$47,009 to the system during the year.

NOTE E - LOCAL SERVICES AGREEMENT

On December 14, 1982, a Local Services Agreement was executed between Sulphur Parks and Recreation and Recreation District No. 1 of Calcasieu Parish which expires on December 31, 1995. Under the terms of this agreement, Sulphur Parks and Recreation agreed to relinquish authority and control over the operation of the recreation facilities presently in the Westlake/Mossville area to Recreation District No. 1 of Calcasieu Parish. Also under the terms of this agreement is a condition that requires Recreation District No. 1 of Calcasieu Parish to maintain in operable condition and open to the public all of the facilities presently in operation in the Westlake/Mossville area. These facilities cannot be abandoned or closed without the express written consent of Sulphur Parks and Recreation.

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1995

NOTE E - LOCAL SERVICES AGREEMENT - CONTINUED

To finance the operation and maintenance of the recreation facilities within the boundaries of Recreation District No. 1 of Calcasieu Parish, it was agreed that Sulphur Parks and Recreation would transfer funds equal to sixty percent (60%) of the monies collected for ad valorem taxes and revenue sharing based on the taxable property assessments within the boundaries of Recreation District No. 1 within 15 days of receipt from the Parish Tax Collector.

At December 31, 1995, \$506,843 is recorded as a payable to Recreation District No. 1 of Calcasieu Parish, representing its share of ad valorem taxes and revenue sharing revenues accrued.

NOTE F - LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 1995:

	Balance <u>January 1</u>	Additions	Reductions	Balance <u>December 31</u>
General Obligation Bond	\$ <u>6,775,000</u>	\$ <u>-</u>	\$ <u>670,000</u>	\$ <u>6,105,000</u>

General obligation bond payable at December 31, 1995 is comprised of the following issue:

\$8,000,000 bonds due in annual principal installments ranging from \$720,000 to \$1,045,000 through September 1, 2002, interest rate is 5.38%	\$ <u>6,105,000</u>
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Annual requirements to amortize all debt outstanding at December 31, 1995, including interest of \$1,358,057 are as follows:

<u>Year ending</u> <u>December 31,</u>	
1996	\$ 1,031,046
1997	1,038,648
1998	1,057,546
1999	1,066,798
2000	1,077,682
2001 - 02	<u>2,191,337</u>
	\$ <u>7,463,057</u>

In accordance with the 1992 \$8,000,000 bond issue, the District must
Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1995

NOTE F - LONG-TERM DEBT - CONTINUED

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 December 31, 1995, the carryover allowed was \$85,920 and the least amount of cash on hand during 1995 was \$803,500 or \$717,580 in excess. In addition, the 1995 tax assessment will generate approximately \$319,100 in revenues with the debt service requirement at \$1,031,048. The result will be approximately \$12,100 in excess at the end of 1996.

The District plans to reduce future tax millages until this excess is utilized.

NOTE G - 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.

NOTE H - FUND DEFICIT - CAPITAL PROJECTS FUND

The Capital Projects Fund has a negative fund balance at December 31, 1995 of \$105,232. This will be eliminated in the year ending December 31, 1996 through operating transfers from the general fund.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Statement of Expenditures - Budget and Actual -
General Fund

Year Ended December 31, 1995

With Comparative Actual Amounts for Year Ended December 31, 1994

	1995		Variance- Favorable (Unfavorable)	1994
	Budget	Actual		Actual
RECREATION				
Chemical and fertilizer	\$ 42,000	\$ 36,535	\$ 5,465	\$ 26,857
Concession purchases	70,000	66,946	3,054	58,919
Contract labor	80,000	72,463	7,537	79,044
Ground improvements	25,000	24,503	497	23,173
Miscellaneous	-	-	-	463
Recreation equipment	254,500	250,256	4,244	61,643
Repairs and maintenance	390,000	272,671	117,329	302,533
Salaries	425,600	395,411	30,189	324,638
Telephone	18,000	20,743	(2,743)	20,729
Utilities	143,000	111,610	31,390	114,672
Volunteer training	5,000	4,122	878	4,676
Acquisitions	<u>93,000</u>	<u>61,823</u>	<u>31,177</u>	<u>506,997</u>
Total Recreation	\$ <u>1,546,100</u>	\$ <u>1,317,083</u>	\$ <u>229,017</u>	\$ <u>1,524,344</u>
GOLF COURSE				
Chemicals and fertilizer	\$ 85,000	\$ 72,041	\$ 12,959	\$ 53,411
Driving range purchases	-	8,056	(8,056)	-
Grill purchases for resale	40,100	40,165	(65)	39,707
Ground improvements	85,000	54,806	30,194	82,361
Miscellaneous	-	-	-	875
Pro shop purchases for resale	80,100	72,755	7,345	80,082
Repairs and maintenance	65,000	69,013	(4,013)	71,197
Salaries	312,100	282,470	29,630	267,748
Telephone	4,500	5,729	(1,229)	4,986
Utilities	34,000	28,005	5,995	25,749
Acquisitions	<u>59,500</u>	<u>55,513</u>	<u>3,987</u>	<u>71,778</u>
Total Golf Course	\$ <u>765,300</u>	\$ <u>688,553</u>	\$ <u>76,747</u>	\$ <u>697,894</u>

Continued

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

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

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

Year Ended December 31, 1995
With Comparative Actual Amounts for Year Ended December 31, 1994

	1995		Variance- Favorable (Unfavorable)	1994
	Budget	Actual		Actual
SWIMMING POOLS				
Chemicals	\$ 6,600	\$ 4,705	\$ 1,895	\$ 5,296
Utilities	7,000	5,776	1,224	4,689
Maintenance	10,000	10,530	(530)	4,513
Joint Service Agreement	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Total Swimming Pools	\$ <u>58,600</u>	\$ <u>56,011</u>	\$ <u>2,589</u>	\$ <u>49,498</u>
TENNIS				
Concessions	\$ -	\$ 4,413	\$ -	\$ -
Supplies	<u>-</u>	<u>447</u>	<u>-</u>	<u>-</u>
	\$ <u>-</u>	\$ <u>4,860</u>	\$ <u>-</u>	\$ <u>-</u>
GENERAL AND ADMINISTRATIVE				
Bank service charges	\$ 1,500	\$ 2,246	\$ (746)	\$ 1,301
Computer expense	15,000	15,251	(251)	7,623
Insurance	217,500	222,004	(4,504)	182,864
Janitorial supplies	16,000	16,053	(53)	12,363
Legal & professional fees	7,000	5,775	1,225	8,230
Miscellaneous	10,500	18,159	(7,659)	3,121
Office expense	11,000	15,427	(4,427)	9,715
Payroll taxes	35,000	25,009	9,991	23,327
Professional development	12,500	11,839	661	9,106
Retirement contributions	24,000	47,009	(23,009)	35,099
Safety program expenses	5,000	624	4,376	1,595
Salaries	121,270	136,919	(15,649)	115,214
Acquisitions	<u>15,000</u>	<u>9,941</u>	<u>5,059</u>	<u>33,593</u>
Total General and Administrative	\$ <u>491,270</u>	\$ <u>526,256</u>	\$ <u>(34,986)</u>	\$ <u>443,151</u>

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

GRAGSON, CASIDAY & GUILLORY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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

JULIA W. PORTUS, C.P.A.
CRAIG A. CHILDRESS, C.P.A.
CAMUS CASTILLE, C.P.A.
DAWN REDD, C.P.A.
MICHELLE BOURNE, C.P.A.
COY VINCENT, C.P.A.

ONE LAKESIDE PLAZA, SUITE 700
P.O. DRAWER 1847
LAKE CHARLES, LOUISIANA 70602-1847
TELEPHONE (318) 439-1986
FACSIMILE (318) 439-1366

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

February 26, 1996

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, 1995, and have issued our report thereon dated February 26, 1996.

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

The management of Sulphur Parks and Recreation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Sulphur Parks and Recreation, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners and management. However, this report is a matter of public record and its distribution is not limited.

Hogson Casiday & Guillory

GRAGSON, CASIDAY & GUILLORY, L.L.P.
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P.O. DRAWER 1847
LAKE CHARLES, LOUISIANA 70602-1847
TELEPHONE (318) 439-1986
FACSIMILE (318) 439-1366

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

February 26, 1996

Board of Commissioners
Sulphur Parks and Recreation
Sulphur, Louisiana

We have audited the 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, 1995, and have issued our report thereon dated February 26, 1996.

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

Compliance with laws, regulations, contracts, and grants applicable to Sulphur Parks and Recreation is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Sulphur Parks and Recreation's 1995 financial statements.

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 December 31, 1995, the carryover allowed was \$85,920 and the least amount of cash on hand during 1995 was \$803,500 or \$717,580 in excess. The District plans to reduce future tax millages until this excess is utilized.

The Public Bid Law, LSA-RS 38:2212, requires public bids on material and supplies purchases that exceed \$10,000. We found three instances where the District did not comply with the Public Bid Law. Management has responded that this was an oversight and that they are now fully aware of Public Bid Law requirement and have taken steps to ensure compliance in the future.

Detailed records of general fixed assets and movable property must be maintained as required by LSA-RS 23:515 and 39:321-332. The District did not have a detailed listing at December 31, 1995. However, management commented that a detailed listing is currently being compiled and should be completed within 1996.

We considered these instances of noncompliance in forming our opinion on whether Sulphur Parks and Recreation's 1995 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated February 26, 1996, on those general purpose financial statements.

This report is intended for the information of the Board of Commissioners and management. However, this report is a matter of public record and its distribution is not limited.

Gragson Casiday & Guillory