

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Statement of Expenditures - Budget and Actual -  
General Fund

Year Ended December 31, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995
	Budget	Actual		Actual
<b>RECREATION</b>				
Chemical and fertilizer	\$ 57,000	\$ 39,064	\$ 17,936	\$ 36,535
Concession purchases	72,800	74,553	(1,753)	66,946
Contract labor	80,000	81,086	(1,086)	72,463
Ground improvements	47,400	63,752	(16,352)	24,503
Miscellaneous	-	-	-	-
Recreation equipment	54,400	148,944	(94,544)	250,256
Repairs and maintenance	492,500	448,701	43,799	272,671
Salaries	532,695	484,650	48,045	395,411
Telephone	22,000	21,254	746	20,743
Utilities	131,000	152,993	(21,993)	111,610
Volunteer training	5,000	407	4,593	4,122
Acquisitions	<u>221,000</u>	<u>89,911</u>	<u>131,089</u>	<u>61,823</u>
Total Recreation	\$ <u>1,715,795</u>	\$ <u>1,605,315</u>	\$ <u>110,480</u>	\$ <u>1,317,083</u>
<b>GOLF COURSE</b>				
Chemicals and fertilizer	\$ 85,000	\$ 55,143	\$ 29,857	\$ 72,041
Driving range purchases	13,100	11,110	1,990	8,056
Grill purchases for resale	40,100	27,653	12,447	40,165
Ground improvements	60,500	97,137	(36,637)	54,806
Miscellaneous	-	9,260	(9,260)	-
Pro shop purchases for resale	75,100	52,198	22,902	72,755
Repairs and maintenance	62,500	55,743	6,757	69,013
Salaries	338,036	268,565	69,471	282,470
Telephone	6,000	4,801	1,199	5,729
Utilities	32,250	38,593	(6,343)	28,005
Acquisitions	<u>38,500</u>	<u>35,202</u>	<u>3,298</u>	<u>55,513</u>
Total Golf Course	\$ <u>751,086</u>	\$ <u>655,405</u>	\$ <u>95,681</u>	\$ <u>688,553</u>

Continued

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

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1996

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, 1996

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 - Continued

December 31, 1996

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 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 - Continued

December 31, 1996

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, 1996, the District has \$1,079,276 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$879,276 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.

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, 1996

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, 1996 follows:

	Balance January 1, <u>1996</u>	Net Additions (Deletions)	Balance December 31, <u>1996</u>
Recreational facilities	\$ 15,514,952	\$ 2,626,330	\$ 18,141,282
Furniture and equipment	1,072,995	204,704	1,277,699
Construction in progress	<u>2,360,721</u>	<u>(1,804,142)</u>	<u>556,579</u>
 Total general fixed assets	 \$ <u>18,948,668</u>	 \$ <u>1,026,892</u>	 \$ <u>19,975,560</u>

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 1996.

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, 1996

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 1996 were 7.25% of covered employees' salaries under Plan A.

The payroll for the district employees covered by the system for the year ended December 31, 1996 was \$626,274; the district's total payroll was \$890,357. The district contributed \$45,407 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, 1996:

	Balance <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31</u>
General Obligation Bond	\$ <u>6,105,000</u>	\$ <u>-</u>	\$ <u>720,000</u>	\$ <u>5,385,000</u>

Continued

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

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

Year Ended December 31, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem tax	\$ 2,600,000	\$ 2,310,261	\$(289,739)	\$ 2,533,199
State revenue sharing	85,000	78,453	(6,547)	78,453
Recreation center concessions	121,500	141,863	20,363	116,247
Golf course	751,300	534,762	(216,538)	594,498
Tennis	12,100	24,217	12,117	11,360
Interest	50,000	84,247	34,247	88,830
Miscellaneous	2,500	37,564	35,064	32,797
Total Revenues	<u>3,622,400</u>	<u>3,211,367</u>	<u>(411,033)</u>	<u>3,455,384</u>
<b>EXPENDITURES</b>				
Current operating:				
Recreation	1,715,795	1,605,315	110,480	1,317,083
Golf course	751,086	655,405	95,681	688,553
Swimming pools	73,000	77,651	(4,651)	56,011
Tennis	3,600	16,259	(12,659)	4,860
General and administration	530,319	503,681	26,638	526,256
Total Expenditures	<u>3,073,800</u>	<u>2,858,311</u>	<u>215,489</u>	<u>2,592,763</u>
Excess of revenues over expenditures	548,600	353,056	(195,544)	862,621
<b>OTHER FINANCING (USES)</b>				
Local Services Agreement	(500,000)	-	500,000	(498,670)
Operating transfers out	-	(888,497)	(888,947)	(65,867)
Total Other Financing (Uses)	<u>(500,000)</u>	<u>(888,497)</u>	<u>(388,947)</u>	<u>(564,537)</u>
Excess (deficiency) of revenues over expenditures and other uses	48,600	(535,891)	(584,491)	298,084
FUND BALANCE - January 1	<u>3,647,381</u>	<u>3,647,381</u>	-	<u>3,349,297</u>
FUND BALANCE - December 31	\$ <u>3,695,981</u>	\$ <u>3,111,490</u>	\$ <u>(584,491)</u>	\$ <u>3,647,381</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 - Continued

December 31, 1996

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.

NOTE G - FUND DEFICIT - CAPITAL PROJECTS FUND

The Capital Projects Fund has a negative fund balance at December 31, 1996 of \$12,269. This will be eliminated in the year ending December 31, 1997 through operating transfers from the general fund.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1996

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.

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SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

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

Year Ended December 31, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance- Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
<b>SWIMMING POOLS</b>				
Chemicals	\$ 6,000	\$ 5,510	\$ 490	\$ 4,705
Utilities	7,000	8,712	(1,712)	5,776
Maintenance	25,000	18,190	6,810	10,530
Joint Service Agreement	<u>35,000</u>	<u>45,239</u>	<u>(10,239)</u>	<u>35,000</u>
Total Swimming Pools	\$ <u>73,000</u>	\$ <u>77,651</u>	\$ <u>(4,651)</u>	\$ <u>56,011</u>
<b>TENNIS</b>				
Concessions	\$ 3,100	\$ 4,253	\$ (1,153)	\$ 4,413
Supplies	500	889	(389)	447
Utilities	<u>-</u>	<u>11,117</u>	<u>(11,117)</u>	<u>-</u>
	\$ <u>3,600</u>	\$ <u>16,259</u>	\$ <u>(12,659)</u>	\$ <u>4,860</u>
<b>GENERAL AND ADMINISTRATIVE</b>				
Bank service charges	\$ 1,500	\$ 2,981	\$ (1,481)	\$ 2,246
Computer expense	10,000	9,871	129	15,251
Insurance	219,900	219,387	513	222,004
Janitorial supplies	18,000	14,061	3,939	16,053
Legal & professional fees	6,000	6,000	-	5,775
Miscellaneous	10,500	11,518	(1,018)	18,159
Office expense	21,000	12,362	8,638	15,427
Payroll taxes	33,000	30,784	2,216	25,009
Professional development	10,000	8,373	1,627	11,839
Retirement contributions	50,000	45,405	4,595	47,009
Safety program expenses	2,000	1,387	613	624
Salaries	148,419	137,141	11,278	136,919
Acquisitions	<u>-</u>	<u>4,411</u>	<u>(4,411)</u>	<u>9,941</u>
Total General and Administrative	\$ <u>530,319</u>	\$ <u>503,681</u>	\$ <u>26,638</u>	\$ <u>526,256</u>

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

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

CERTIFIED PUBLIC ACCOUNTANTS

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

March 14, 1997

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, 1996, and have issued our report thereon dated March 14, 1997.

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, 1996, 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.

*Gragson Casiday & Guillory*

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

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

March 14, 1997

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, 1996, and have issued our report thereon dated March 14, 1997.

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 instance of noncompliance that is 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 1996 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, 1996, the carryover allowed was \$86,554 and the least amount of cash on hand during 1996 was \$127,615 or \$41,061 in excess. The District plans to reduce future tax millages until this excess is utilized.

We considered this instance of noncompliance in forming our opinion on whether Sulphur Parks and Recreation's 1996 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 March 14, 1997, 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*

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1996

NOTE E - LONG-TERM DEBT - CONTINUED

General obligation bond payable at December 31, 1996 is comprised of the following issue:

\$8,000,000 bonds due in annual principal  
installments ranging from \$760,000 to \$1,045,000  
through September 1, 2002, interest rate is 5.38% \$ 5,385,000

Annual requirements to amortize all debt outstanding at December 31, 1996, including interest of \$1,047,011 are as follows:

Year ending <u>December 31,</u>	
1997	\$ 1,038,648
1998	1,057,546
1999	1,066,798
2000	1,077,682
2001	1,089,384
2002	<u>1,101,953</u>
	\$ <u>6,432,011</u>

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, 1996, the annual principal due date, the carryover allowed was \$86,554 and the cash on hand at that date was \$127,615 or \$41,061 in excess.

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

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INDEPENDENT AUDITORS' REPORT

March 14, 1997

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, 1996, 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, 1996, 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 a report dated March 14, 1997 on our consideration of Sulphur Parks and Recreation's internal control structure and a report dated March 14, 1997 on its compliance with laws and regulations.

*Gragsom Casiday & Guillory*

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SULPHUR PARKS AND RECREATION  
SULPHUR, LOUISIANA  
  
ANNUAL FINANCIAL REPORT  
  
Year Ended December 31, 1996

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 MAY 13 1997

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements - Continued

December 31, 1996

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, 1996, taxes were levied on property with taxable assessed valuations as follows:

	<u>Approximate Valuations</u>	<u>Taxes</u>
General corporate purposes	\$ 237,865,000	10.00 mills
Debt service	237,865,000	<u>4.40</u> mills
		<u>14.40</u> mills

Continued

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Governmental Fund Types	Totals	
	(Memorandum Only)	
	1996	1995
Capital Projects		
\$ -	\$ 3,327,424	\$ 2,828,564
-	78,453	78,453
-	141,863	116,247
-	534,762	594,498
-	24,217	11,360
876	112,720	161,786
-	<u>37,564</u>	<u>32,797</u>
<u>876</u>	<u>4,257,003</u>	<u>3,823,705</u>
-	1,605,315	1,317,083
-	655,405	688,553
-	77,651	56,011
-	16,259	4,860
-	503,681	526,256
796,860	796,860	2,368,038
-	311,979	338,547
-	<u>720,000</u>	<u>670,000</u>
<u>796,860</u>	<u>4,687,150</u>	<u>5,969,348</u>
(795,984)	(430,147)	(2,145,643)
-	-	(498,670)
888,947	888,947	65,867
-	<u>(888,947)</u>	<u>(65,867)</u>
<u>888,947</u>	<u>-</u>	<u>(498,670)</u>
92,963	(430,147)	(2,644,313)
<u>(105,232)</u>	<u>4,679,685</u>	<u>7,323,998</u>
\$ <u>(12,269)</u>	\$ <u>4,249,538</u>	\$ <u>4,679,685</u>

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

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Combined Balance Sheet -  
All Fund Types and Account Groups

December 31, 1996

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Debt Service</u>
ASSETS		
Cash and cash equivalents	\$ 763,194	\$ 136,952
Receivables:		
Ad valorem tax, net	2,303,101	1,013,365
State revenue sharing	78,453	-
Accrued interest	-	-
Inventory, at cost	30,384	-
Prepaid expenses	-	-
Due from other funds	-	-
Fixed assets	-	-
Amount available in Debt Service Fund	-	-
Amount to be provided for retirement of General Long-Term Debt	-	-
TOTAL ASSETS	\$ <u>3,175,132</u>	\$ <u>1,150,317</u>

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

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

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

Year Ended December 31, 1996

	Governmental Fund Types	
	General	Debt Service
<b>REVENUES</b>		
Ad valorem tax	\$ 2,310,261	\$ 1,017,163
State revenue sharing	78,453	-
Recreation center concessions	141,863	-
Golf course	534,762	-
Tennis	24,217	-
Interest	84,247	27,597
Miscellaneous	<u>37,564</u>	<u>-</u>
Total Revenues	<u>3,211,367</u>	<u>1,044,760</u>
<b>EXPENDITURES</b>		
Current operating:		
Recreation	1,605,315	-
Golf course	655,405	-
Swimming pools	77,651	-
Tennis	16,259	-
General and administration	503,681	-
Capital outlay	-	-
Debt service:		
Interest	-	311,979
Principal retirement	<u>-</u>	<u>720,000</u>
Total Expenditures	<u>2,858,311</u>	<u>1,031,979</u>
Excess (deficiency) of revenues over (under) expenditures	353,056	12,781
<b>OTHER FINANCING SOURCES (USES)</b>		
Local Services Agreement	-	-
Operating transfers in	-	-
Operating transfers out	<u>(888,947)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(888,947)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(535,891)	12,781
Fund Balance - January 1	<u>3,647,381</u>	<u>1,137,536</u>
Fund Balance - December 31	\$ <u>3,111,490</u>	\$ <u>1,150,317</u>

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

Governmental Fund Types	Account Groups		Totals	
	General	General	(Memorandum Only)	
	Fixed Assets	Long-Term Debt	1996	1995
Capital Projects				
\$ 226	\$ -	\$ -	\$ 900,372	\$ 2,491,758
-	-	-	3,316,466	2,957,637
-	-	-	78,453	78,453
-	-	-	-	12,895
-	-	-	30,384	48,518
-	-	-	-	10,535
-	-	-	-	11,196
-	19,975,560	-	19,975,560	18,948,668
-	-	1,150,317	1,150,317	1,137,536
-	-	<u>4,234,683</u>	<u>4,234,683</u>	<u>4,967,464</u>
\$ <u>226</u>	\$ <u>19,975,560</u>	\$ <u>5,385,000</u>	\$ <u>29,686,235</u>	\$ <u>30,664,660</u>

Continued

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Combined Balance Sheet - Continued  
All Fund Types and Account Groups

December 31, 1996

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Debt Service</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 5,580	\$ -
Retainage payable	-	-
Local services agreement payable	-	-
Accrued liabilities	58,062	-
Due to other funds	-	-
General obligation bonds payable	-	-
Total liabilities	63,642	-
<b>FUND EQUITY</b>		
Investment in General Fixed Assets	-	-
Fund balances:		
Reserved for inventory	30,384	-
Reserved for debt service	-	1,150,317
Unreserved - undesignated	3,081,106	-
Total Fund Equity	3,111,490	1,150,317
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 3,175,132</b>	<b>\$ 1,150,317</b>

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

Governmental Fund Types	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	1996	1995
Capital Projects				
\$ 2,638	\$ -	\$ -	\$ 8,218	\$ 130,262
9,857	-	-	9,857	150,739
-	-	-	-	506,843
-	-	-	58,062	132,267
-	-	-	-	11,196
-	-	<u>5,385,000</u>	<u>5,385,000</u>	<u>6,105,000</u>
<u>12,495</u>	<u>-</u>	<u>5,385,000</u>	<u>5,461,137</u>	<u>7,036,307</u>
-	19,975,560	-	19,975,560	18,948,668
-	-	-	30,384	48,518
-	-	-	1,150,317	1,137,536
<u>(12,269)</u>	<u>-</u>	<u>-</u>	<u>3,068,837</u>	<u>3,493,631</u>
<u>(12,269)</u>	<u>19,975,560</u>	<u>-</u>	<u>24,225,098</u>	<u>23,628,353</u>
\$ <u>226</u>	\$ <u>19,975,560</u>	\$ <u>5,385,000</u>	\$ <u>29,686,235</u>	\$ <u>30,664,660</u>

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