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SULPHUR PARKS AND RECREATION
SULPHUR, LOUISIANA
ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITORS' REPORT
Year Ended December 31, 1998

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 APR 28 1999

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INDEPENDENT AUDITORS' REPORT

March 31, 1999

Board of Commissioners
Sulphur Parks and Recreation
Sulphur, Louisiana

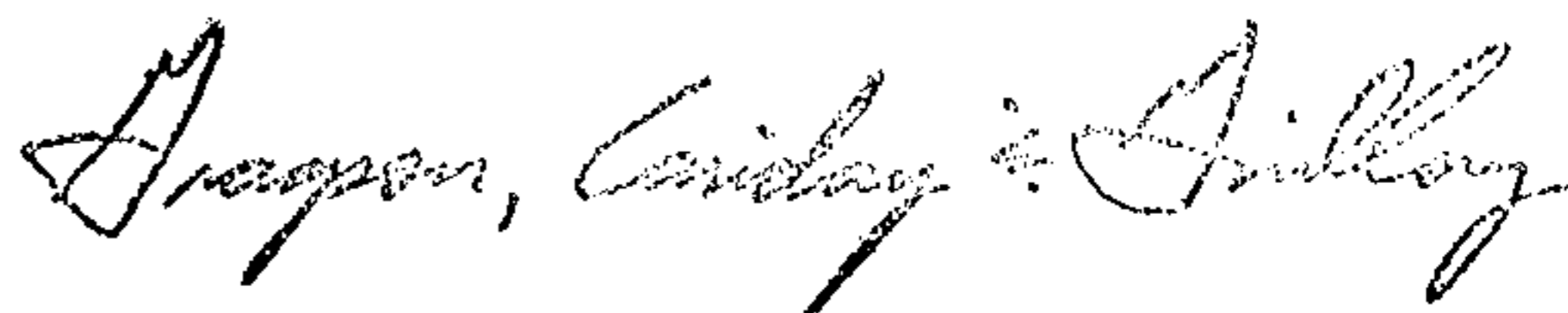
We have audited the accompanying general purpose financial statements of Sulphur Parks and Recreation, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility 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, 1998, 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 31, 1999 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.



SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Combined Balance Sheet -
All Fund Types and Account Groups

December 31, 1998

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Debt Service</u>
ASSETS		
Cash and cash equivalents	\$ 1,394,528	\$ 132,748
Receivables:		
Ad valorem tax, net	2,461,633	960,035
State revenue sharing	78,453	-
Inventory, at cost	39,453	-
Prepaid expenses	-	-
Fixed assets	-	-
Amount available in Debt Service Fund	-	-
Amount to be provided for retirement of General Long-Term Debt	-	-
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 3,974,067</u>	<u>\$ 1,092,783</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	1998	1997
\$ 85	\$ -	\$ -	\$ 1,527,361	\$ 1,461,792
-	-	-	3,421,668	3,348,512
-	-	-	78,453	78,453
-	-	-	39,453	34,544
-	-	-	-	30,436
-	20,774,069	-	20,774,069	20,557,545
-	-	1,092,783	1,092,783	1,153,248
-	-	2,717,217	2,717,217	3,471,752
<u>\$ 85</u>	<u>\$ 20,774,069</u>	<u>\$ 3,810,000</u>	<u>\$ 29,651,004</u>	<u>\$ 30,136,282</u>

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

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

December 31, 1998

	Governmental Fund Types	
	General	Debt Service
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	\$ 12,879	\$ -
Accrued liabilities	81,687	-
Deferred revenue	26,151	-
General obligation bonds payable	-	-
Total liabilities	120,717	-
FUND EQUITY		
Investment in General Fixed Assets	-	-
Fund balances:		
Reserved for inventory	39,453	-
Reserved for debt service	-	1,092,783
Unreserved - undesignated	3,813,897	-
Total Fund Equity	3,853,350	1,092,783
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,974,067	\$ 1,092,783

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	1998	1997
\$ -	\$ -	\$ -	\$ 12,879	\$ 156,518
-	-	-	81,687	94,688
-	-	-	26,151	26,151
-	-	3,810,000	3,810,000	4,625,000
-	-	3,810,000	3,930,717	4,902,357
-	20,774,069	-	20,774,069	20,557,545
-	-	-	39,453	34,544
-	-	-	1,092,783	1,153,248
85	-	-	3,813,982	3,488,588
85	20,774,069	-	25,720,287	25,233,925
<u>\$ 85</u>	<u>\$ 20,774,069</u>	<u>\$ 3,810,000</u>	<u>\$ 29,651,004</u>	<u>\$ 30,136,282</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, 1998

	Governmental Fund Types	
	General	Debt Service
REVENUES		
Ad valorem tax	\$ 2,477,984	\$ 964,644
State revenue sharing	78,453	-
Recreation center concessions	124,753	-
Golf course	712,601	-
Grill	34,023	-
Tennis	20,435	-
Interest	110,538	33,302
Miscellaneous	37,723	-
Total Revenues	3,596,510	997,946
EXPENDITURES		
Current operating:		
Recreation	1,892,117	-
Golf course	712,488	-
Grill	35,721	-
Swimming pools	62,820	-
Tennis	44,842	-
General and administration	518,139	-
Capital outlay	-	-
Debt service:		
Interest	-	243,411
Principal retirement	-	815,000
Total Expenditures	3,266,127	1,058,411
Excess (deficiency) of revenues over expenditures	330,383	(60,465)
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	-
Operating transfers out	-	-
Total Other Financing Sources (Uses)	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	330,383	(60,465)
Fund Balance - Beginning	3,522,967	1,153,248
Fund Balance - Ending	\$ 3,853,350	\$ 1,092,783

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

Governmental Fund Types	Totals (Memorandum Only)	
Capital Projects	<u>1998</u>	<u>1997</u>
\$ -	\$ 3,442,628	\$ 3,367,092
-	78,453	78,453
-	124,753	118,962
-	712,601	610,178
-	34,023	35,032
-	20,435	25,664
4	143,844	130,182
-	<u>37,723</u>	<u>39,971</u>
<u>4</u>	<u>4,594,460</u>	<u>4,405,534</u>
-	1,892,117	1,576,440
-	712,488	716,728
-	35,721	41,579
-	62,820	62,680
-	44,842	39,560
84	518,223	498,486
-	-	3,614
-	243,411	279,605
-	<u>815,000</u>	<u>760,000</u>
<u>84</u>	<u>4,324,622</u>	<u>3,978,692</u>
(80)	269,838	426,842
-	-	16,019
-	-	<u>(16,019)</u>
-	-	-
(80)	269,838	426,842
<u>165</u>	<u>4,676,380</u>	<u>4,249,538</u>
<u>\$ 85</u>	<u>\$ 4,946,218</u>	<u>\$ 4,676,380</u>

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

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

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

Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance- Favorable	1997
	Budget	Actual	(Unfavorable)	Actual
REVENUES				
Ad valorem tax	\$ 2,300,000	\$ 2,477,984	\$ 177,984	\$ 2,355,453
State revenue sharing	78,400	78,453	53	78,453
Recreation center concessions	118,800	124,753	5,953	118,962
Golf course	611,550	712,601	101,051	610,178
Grill	36,050	34,023	(2,027)	35,032
Tennis	26,750	20,435	(6,315)	25,664
Interest	78,000	110,538	32,538	99,256
Miscellaneous	24,100	37,723	13,623	39,971
Total Revenues	3,273,650	3,596,510	322,860	3,362,969
EXPENDITURES				
Current operating:				
Recreation	2,114,930	1,892,117	222,813	1,576,440
Golf course	739,830	712,488	27,342	716,728
Grill	45,850	35,721	10,129	41,579
Swimming pools	77,000	62,820	14,180	62,680
Tennis	45,400	44,842	558	39,560
General and administration	581,150	518,139	63,011	498,486
Total Expenditures	3,604,160	3,266,127	338,033	2,935,473
Excess (deficiency) of revenues over expenditures	(330,510)	330,383	660,893	427,496
OTHER FINANCING (USES)				
Operating transfers out	-	-	-	(16,019)
Excess (deficiency) of revenues over expenditures and other uses	(330,510)	330,383	660,893	411,477
FUND BALANCE-Beginning	3,522,967	3,522,967	-	3,111,490
FUND BALANCE-Ending	\$ 3,192,457	\$ 3,853,350	\$ 660,893	\$ 3,522,967

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, 1998

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, 1998

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, 1998

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, 1998

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, 1998

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, 1998, the District has \$1,586,996 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$1,386,996 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.

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1998

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, 1998, taxes were levied on property with taxable assessed valuations as follows:

	<u>Approximate Valuations</u>	<u>Taxes</u>
General corporate purposes	\$ 254,241,600	10.00 mills
Debt service	254,241,600	<u>3.90</u> mills
		<u>13.90</u> mills

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1998

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, <u>1997</u>	Net Additions (Deletions)	Balance December 31, <u>1998</u>
Recreational facilities	\$ 19,038,734	\$ 21,839	\$ 19,060,573
Furniture and equipment	1,518,811	153,509	1,672,320
Construction in progress	<u>-</u>	<u>41,176</u>	<u>41,176</u>
 Total general fixed assets	 <u>\$ 20,557,545</u>	 <u>\$ 216,524</u>	 <u>\$ 20,774,069</u>

The construction in progress consists of the McMurry Field #39 lighting project. Estimated total cost to complete the project is \$20,759.

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 1998.

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, 1998

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 1997 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, 1998 was \$629,802; the district's total payroll was \$969,860. The district contributed \$48,810 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, 1998:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance ending</u>
General Obligation Bond	<u>\$ 4,625,000</u>	<u>\$ -</u>	<u>\$ 815,000</u>	<u>\$ 3,810,000</u>

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1998

NOTE E - LONG-TERM DEBT - CONTINUED

General obligation bond payable at December 31, 1998 is comprised of the following issue:

\$8,000,000 bonds due in annual principal
installments ranging from \$865,000 to \$1,045,000
through September 1, 2002, interest rate is 5.38% \$ 3,810,000

Annual requirements to amortize all debt outstanding at December 31, 1998, including interest of \$525,817 are as follows:

<u>Year ending</u> <u>December 31,</u>	
1999	\$ 1,066,798
2000	1,077,682
2001	1,089,384
2002	<u>1,101,953</u>
	<u>\$ 4,335,817</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, 1998, the annual principal due date, the carryover allowed was \$88,900 and the cash on hand at that date was \$111,009 or \$22,109 in excess.

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

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Notes to Financial Statements

December 31, 1998

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 - 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.

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

Statement of Expenditures - Budget and Actual -
General Fund

Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>		Variance- Favorable (Unfavorable)	<u>1997</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
RECREATION				
Capital improvements	\$ 695,000	\$ 638,044	\$ 56,956	\$ 297,017
Chemical and fertilizer	36,000	27,832	8,168	23,998
Concession purchases	76,080	61,605	14,475	62,240
Contract labor	90,000	84,243	5,757	85,974
Ground improvements	50,500	18,833	31,667	44,906
Recreation equipment	178,200	169,827	8,373	173,707
Repairs and maintenance	126,500	139,641	(13,141)	142,454
Salaries	581,650	490,245	91,405	492,563
Telephone	20,000	18,221	1,779	18,060
Utilities	168,000	125,781	42,219	138,908
Volunteer training	3,000	-	3,000	-
Acquisitions	90,000	117,845	(27,845)	96,613
	<u>\$ 2,114,930</u>	<u>\$ 1,892,117</u>	<u>\$ 222,813</u>	<u>\$ 1,576,440</u>
GOLF COURSE				
Chemicals and fertilizer	\$ 65,000	\$ 34,834	\$ 30,166	\$ 42,755
Driving range purchases	13,100	12,575	525	10,075
Ground improvements	63,300	84,785	(21,485)	58,585
Pro shop purchases for resale	64,700	91,838	(27,138)	77,982
Repairs and maintenance	62,000	66,272	(4,272)	85,311
Salaries	343,000	308,110	34,890	303,574
Telephone	6,500	5,988	512	6,341
Utilities	42,200	33,329	8,871	36,500
Acquisitions	80,030	74,757	5,273	95,605
	<u>\$ 739,830</u>	<u>\$ 712,488</u>	<u>\$ 27,342</u>	<u>\$ 716,728</u>

Continued

SULPHUR PARKS AND RECREATION
Sulphur, Louisiana

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

Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>		Variance- Favorable	<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	(Unfavorable)	<u>Actual</u>
GRILL				
Purchases	\$ 22,000	\$ 18,447	\$ 3,553	\$ 19,578
Shortages	100	121	(21)	221
Salaries	21,000	16,027	4,973	19,574
Tournament expense	250	654	(404)	333
Spoilage	500	325	175	383
Acquisitions	2,000	147	1,853	1,490
	<u>\$ 45,850</u>	<u>\$ 35,721</u>	<u>\$ 10,129</u>	<u>\$ 41,579</u>
SWIMMING POOLS				
Chemicals	\$ 7,000	\$ 4,850	\$ 2,150	\$ 4,991
Utilities	9,000	5,968	3,032	9,175
Maintenance	14,000	6,532	7,468	1,932
Joint Service Agreement	47,000	45,470	1,530	46,582
	<u>\$ 77,000</u>	<u>\$ 62,820</u>	<u>\$ 14,180</u>	<u>\$ 62,680</u>
TENNIS				
Concessions	\$ 4,800	\$ 4,060	\$ 740	\$ 4,897
Supplies	1,600	1,920	(320)	1,185
Utilities	16,000	14,551	1,449	14,466
Salaries	23,000	24,311	(1,311)	19,012
	<u>\$ 45,400</u>	<u>\$ 44,842</u>	<u>\$ 558</u>	<u>\$ 39,560</u>
GENERAL AND ADMINISTRATIVE				
Bank service charges	\$ 2,700	\$ 3,435	\$ (735)	\$ 2,309
Computer expense	17,000	21,445	(4,445)	11,246
Insurance	265,250	210,882	54,368	230,995
Janitorial supplies	16,000	15,959	41	13,758
Legal & professional fees	6,000	6,000	-	6,000
Miscellaneous	2,000	184	1,816	5,017
Office expense	14,700	11,835	2,865	12,527
Payroll taxes	38,000	40,521	(2,521)	38,232
Professional development	6,000	7,107	(1,107)	1,742
Retirement contributions	76,000	63,121	12,879	55,027
Safety program expenses	6,000	5,092	908	1,794
Salaries	127,500	132,318	(4,818)	115,319
Acquisitions	4,000	240	3,760	4,520
	<u>\$ 581,150</u>	<u>\$ 518,139</u>	<u>\$ 63,011</u>	<u>\$ 498,486</u>

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. (APC)
RAYMOND GUILLORY, JR., C.P.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
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

March 31, 1999

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, 1998, and have issued our report thereon dated March 31, 1999. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

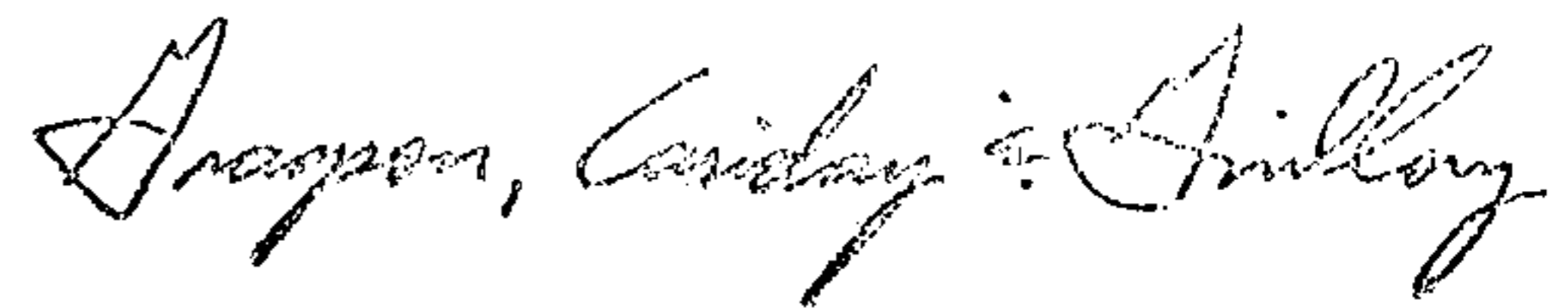
As part of obtaining reasonable assurance about whether Sulphur Parks and Recreation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material 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 an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings and Questioned Cost as Item I-A.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sulphur Parks and Recreation's internal control structure 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 for the information of the management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Gragson, Casiday & Guillory".

SULPHUR PARKS AND RECREATION

SCHEDULE OF FINDINGS

Year Ended December 31, 1998

1. Findings Relating to the Financial Statements Which are 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:** The resulting excess is a fluctuation in the actual taxes collected versus the taxes assessed. On an ongoing basis, each year's assessed taxes is adjusted in consideration of the prior year's calculated excess.
 - C. This is a repeat finding from prior year. Attempts are made by management each year to reduce the excess.