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10/31/00

**CAJUNDOME COMMISSION**  
**FINANCIAL REPORT**  
**OCTOBER 31, 2000**

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

Release Date 05/09/01

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INDEPENDENT AUDITORS' REPORT

To the Cajundome Commission  
Lafayette, Louisiana

We have audited the general purpose financial statements of Cajundome Commission, a component unit of the Lafayette City-Parish Consolidated Government, and the individual fund and account group financial statements of the Commission, as of and for the year ended October 31, 2000, as listed in the table of contents. These financial statements are the responsibility of the Commission's 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, the standards applicable to financial and compliance audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. 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 above present fairly, in all material respects, the financial position of Cajundome Commission as of October 31, 2000, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the individual funds and the account group of Cajundome Commission at October 31, 2000, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting standards.

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2001, on our consideration of Cajundome Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund and account group financial statements. The accompanying financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Cajundome Commission. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, individual fund, and account group financial statements and, in our opinion, is fairly, stated in all material respects, in relation to such financial statements taken as a whole.

The financial information for the 1999 fiscal year, which is included for comparative purposes, was taken from the financial report of Cajundome Commission for that year in which we expressed an unqualified opinion on the combined (general purpose), individual fund and account group financial statements.

*Broussard, Poche', Lewis + Arnaud, C.L.P.*

Lafayette, Louisiana  
March 9, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

CAJUNDOME COMMISSION

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
October 31, 2000

ASSETS	Governmental Fund Types		Account Group
	General	Capital Projects	General Long-Term Debt
Cash	\$ 739,461	\$2,313,035	\$ -
Accounts receivable, net of allowance for uncollectibles	268,854	-	-
Accrued interest	-	7,366	-
Due from other funds	54,136	-	-
Due from other governmental agencies	-	153,202	-
Deposits	7,692	-	-
Amount to be provided for retirement of general long-term debt	-	-	308,559
Total assets	<u>\$ 1,070,143</u>	<u>\$2,473,603</u>	<u>\$ 308,559</u>
LIABILITIES			
Accounts payable	\$ 217,017	\$ 21,618	\$ -
Accrued liabilities	129,096	309	-
Due to other funds	-	54,136	-
Deferred revenues	344,595	-	-
Accrued compensated absences	-	-	85,441
Notes payable	-	-	164,450
Capital leases payable	-	-	58,668
Total liabilities	<u>690,708</u>	<u>76,063</u>	<u>308,559</u>
FUND EQUITY			
Fund balance -			
Reserved for capital expenditures	180,907	2,397,540	-
Reserved for event promotion	65,462	-	-
Undesignated - unreserved	<u>133,066</u>	<u>-</u>	<u>-</u>
Total fund equity	<u>379,435</u>	<u>2,397,540</u>	<u>-0-</u>
Total liabilities and fund equity	<u>\$ 1,070,143</u>	<u>\$2,473,603</u>	<u>\$ 308,559</u>

See Notes to Financial Statements.

Totals (Memorandum Only)	
<u>2000</u>	<u>1999</u>
\$3,052,496	\$3,370,246
268,854	228,875
7,366	8,580
54,136	-
153,202	237,690
7,692	7,692
<u>308,559</u>	<u>370,331</u>
<u>\$3,852,305</u>	<u>\$4,223,414</u>

\$ 238,635	\$ 107,817
129,405	68,213
54,136	-
344,595	519,520
85,441	87,468
164,450	217,068
<u>58,668</u>	<u>65,795</u>
<u>1,075,330</u>	<u>1,065,881</u>

2,578,447	2,982,996
65,462	100,000
<u>133,066</u>	<u>74,537</u>
<u>2,776,975</u>	<u>3,157,533</u>
<u>\$3,852,305</u>	<u>\$4,223,414</u>



CAJUNDOME COMMISSION

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
Years Ended October 31, 2000 and 1999

	<u>General</u>	<u>Capital Projects</u>
Revenues:		
Intergovernmental	\$ 300,000	\$ 1,229,195
Charges for services	3,917,647	-
Interest	36,138	127,073
Miscellaneous	<u>54,792</u>	<u>-</u>
Total revenues	<u>4,308,577</u>	<u>1,356,268</u>
Expenditures:		
Current -		
General government	-	871,135
Culture and recreation	4,337,667	-
Capital projects	<u>-</u>	<u>861,847</u>
Total expenditures	<u>4,337,667</u>	<u>1,732,982</u>
Excess (deficiency) of revenues over expenditures	<u>(29,090)</u>	<u>(376,714)</u>
Other financing sources (uses):		
Proceeds from issuance of debt	25,246	-
Operating transfers in	54,136	-
Operating transfers out	<u>-</u>	<u>(54,136)</u>
Total other financing sources (uses)	<u>79,382</u>	<u>(54,136)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	50,292	(430,850)
Fund balances, beginning	<u>329,143</u>	<u>2,828,390</u>
Fund balances, ending	<u>\$ 379,435</u>	<u>\$ 2,397,540</u>

See Notes to Financial Statements.



Totals (Memorandum Only)	
<u>2000</u>	<u>1999</u>
\$1,529,195	\$1,621,547
3,917,647	3,815,094
163,211	139,110
<u>54,792</u>	<u>43,929</u>
<u>5,664,845</u>	<u>5,619,680</u>
871,135	677,476
4,337,667	4,086,510
<u>861,847</u>	<u>9,451</u>
<u>6,070,649</u>	<u>4,773,437</u>
<u>(405,804)</u>	<u>846,243</u>
25,246	52,597
54,136	-
<u>(54,136)</u>	<u>-</u>
<u>25,246</u>	<u>52,597</u>
(380,558)	898,840
<u>3,157,533</u>	<u>2,258,693</u>
<u>\$2,776,975</u>	<u>\$3,157,533</u>

CAJUNDOME COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

Year Ended October 31, 2000

With Comparative Actual Amounts for Year Ended October 31, 1999

	2000		Variance -	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental -				
Lafayette City-Parish				
Consolidated Government				
subsidy for:				
Capital expenditures	\$ -	\$ 300,000	\$ 300,000	\$ 300,000
Charges for services -				
Rentals and box office fees	1,727,904	1,397,825	(330,079)	1,233,239
Reimbursed event expenses	-	533,158	533,158	705,532
Food and beverage				
commissions	1,194,453	1,046,612	(147,841)	1,012,713
Advertising	182,600	169,077	(13,523)	149,261
Parking lot fees	471,975	471,725	(250)	442,619
Suite leases	378,256	299,250	(79,006)	271,730
Interest	54,000	36,138	(17,862)	32,401
Miscellaneous	-	54,792	54,792	43,929
Total revenues	<u>4,009,188</u>	<u>4,308,577</u>	<u>299,389</u>	<u>4,191,424</u>
Expenditures:				
Current -				
Culture and recreation:				
Personnel costs	1,344,265	1,449,970	(105,705)	1,350,923
Supplies and materials	90,745	86,787	3,958	75,942
Telephone and utilities	443,460	481,343	(37,883)	441,807
Postage	12,585	12,089	496	14,049
Repairs and maintenance	169,306	168,373	933	159,495
Advertising	23,010	19,452	3,558	23,144
Travel and meetings	50,562	49,265	1,297	55,539
Audit and legal fees	52,500	36,768	15,732	24,974
Event expenses	1,517,639	1,481,797	35,842	1,405,100
Contractual services	-	27,279	(27,279)	15,015
Insurance	180,222	140,462	39,760	147,441
Capital expenditures	-	259,857	(259,857)	262,347
Other	97,561	107,225	(9,664)	93,734
Debt service -				
Principal	-	16,585	(16,585)	16,181
Interest	-	415	(415)	819
Total expenditures	<u>3,981,855</u>	<u>4,337,667</u>	<u>(355,812)</u>	<u>4,086,510</u>

(continued)

CAJUNDOME COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)

Year Ended October 31, 2000

With Comparative Actual Amounts for Year Ended October 31, 1999

	<u>2000</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
			<u>1999 Actual</u>
Excess (deficiency) of revenues over expenditures	<u>27,333</u>	<u>(29,090)</u>	<u>(56,423)</u>
Other financing sources (uses):			
Proceeds from issuance of debt	<u>-</u>	<u>25,246</u>	<u>25,246</u>
Operating transfers in	<u>-</u>	<u>54,136</u>	<u>54,136</u>
Total other financing sources (uses)	<u>-0-</u>	<u>79,382</u>	<u>79,382</u>
Excess of revenues and other sources over expenditures	<u>\$ 27,333</u>	<u>50,292</u>	<u>\$ 22,959</u>
Fund balance, beginning		<u>329,143</u>	<u>171,632</u>
Fund balance, ending		<u>\$ 379,435</u>	<u>\$ 329,143</u>

See Notes to Financial Statements.

## CAJUNDOME COMMISSION

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Summary of Significant Accounting Policies

The financial statements of the Cajundome Commission 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 Commission's accounting policies are described below.

##### Reporting entity:

The Cajundome Commission, a component unit of the Lafayette City-Parish Consolidated Government, is an entity established for the purpose of overseeing the operations of the Cajundome, a multi-purpose civic center.

The Commission was established in September 1987, by an intergovernmental agreement between the City of Lafayette, Louisiana, and the University of Southwestern Louisiana. On June 3, 1996, the City of Lafayette became part of the Lafayette City-Parish Consolidated Government. On August 27, 1999, the University of Southwestern Louisiana became the University of Louisiana at Lafayette. The Commission is made up of five members; three are appointed by the Lafayette City-Parish Consolidated Government and two are appointed by the University of Louisiana at Lafayette. The Commission took over operations of the Cajundome in September 1988. Prior to that time, the Cajundome was operated by the City of Lafayette.

##### Fund accounting:

The Cajundome Commission uses funds and an account group 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 related to certain government functions or activities.

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

Governmental funds are used to account for all or most of the Commission's general activities, including the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

## NOTES TO FINANCIAL STATEMENTS

### Basis of accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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. Expenditures are recorded when the related fund liability is incurred.

The two major sources of revenues are intergovernmental and charges for services. Both of these are susceptible to accrual.

The Commission reports deferred revenue on its combined balance sheet. Deferred revenues arise when resources are received by the Commission before it has a legal claim to them. In subsequent periods, when the Commission has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

### Budgets:

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year end.

### Short-term interfund receivables/payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

### Compensated absences:

Employees of the Cajundome Commission earn vacation pay at the rate of 12 - 24 days per year. Employees may carry forward vacation time earned but not taken without any limitation. Unused vacation is paid to an employee upon retirement or resignation at the hourly rate being earned by that employee upon separation, not to exceed the equivalent of two years earned vacation. No payment is made for accrued and unused sick leave.



## NOTES TO FINANCIAL STATEMENTS

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

### Long-term debt:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

### Fund equity:

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

### Bad debts:

The Commission uses the allowance method to recognize uncollectible accounts. The allowance for doubtful accounts totaled \$5,350 at October 31, 2000.

### Interfund transactions:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

### Memorandum only - total columns:

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 are such data comparable to a consolidation.

## NOTES TO FINANCIAL STATEMENTS

### Comparative data:

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Commission's financial position and operations.

### Note 2. Legal Compliance - Budgets

The Commission follows these procedures in establishing budgetary data reflected in the financial statements:

1. At the beginning of July, the director submits to the Commission a proposed operating and capital budget for the fiscal year commencing November 1. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. After the public hearing, which is usually in the middle or end of July, the budget is adopted by the Commission.
4. The adopted budget is submitted to the Lafayette City-Parish Council by August 17, in order to identify to the Lafayette City-Parish Consolidated Government the amount of subsidy the Cajundome Commission will need to operate for the ensuing fiscal year.
5. Any revisions to the original budget must be approved by the Commission.

The budget presented in these financial statements is as originally adopted or as amended in accordance with required procedures.

### Note 3. Deposits

At year end, the carrying amount of the Commission's deposits was \$3,044,976 and the bank balance was \$3,079,641. Of the bank balance, \$200,000 was covered by federal depository insurance and \$1,530,041 was covered by collateral held by a third party bank in the Commission's name. The trustee bank for the Conference Center Project does not pledge specific collateral to its individual accounts. Collateral is pledged on the bank's trust department as a whole. Therefore, the remaining \$1,349,600 is considered uncollateralized. In addition, cash on hand totaled \$7,520.



## NOTES TO FINANCIAL STATEMENTS

### Note 4. Receivables

Receivables at October 31, 2000 consist of the following:

Rentals	\$ 131,873
Commissions	88,708
Other	<u>53,623</u>
Gross receivables	274,204
Less: allowance for uncollectibles	<u>(5,350)</u>
Net receivables	<u>\$ 268,854</u>

### Note 5. Fixed Assets

The Cajundome Commission is charged with the responsibility of managing and accounting for assets which make up the Cajundome premises. These assets were purchased by the Commission, the Lafayette City-Parish Consolidated Government, and the University of Louisiana at Lafayette. In accordance with the intergovernmental agreement creating the Commission, the assets purchased by the Commission are assignable to the Lafayette City-Parish Consolidated Government or University of Louisiana at Lafayette, depending on the nature of the item. All movable items are assigned to the Lafayette City-Parish Consolidated Government and all immovable items which attach to the building are assigned to the University of Louisiana at Lafayette.

The balance of these assets at October 31, 2000 was \$5,719,550. Of the total, \$1,314,637 was purchased by or assigned to the Lafayette City-Parish Consolidated Government, and \$4,404,913 was purchased by or assigned to the University of Louisiana at Lafayette.

These assets are reported on the financial statements of the entity purchasing the equipment or to which the equipment was assigned.

### Note 6. Long-Term Debt

Note Payable. The Commission entered into a promissory note agreement on July 24, 1997 for the retroactive buy back of its employees retirement into the Municipal Employment Retirement System (MERS). The original amount financed under the agreement was \$268,829 (See Note 17). The note bears interest at a rate of 8.50%, matures July 5, 2004 and has an outstanding balance of \$164,450 at October 31, 2000.

Also, as part of an agreement to have a video vision scoreboard donated to the Cajundome, ad panel revenues in the amount of \$17,000 per year for four years were pledged toward a promissory note issued by the donor to a bank (See Note 16). The note bears interest at a rate of 10.00% and matures on January 17, 2001. The present value of the future payments amounted to \$63,954. The outstanding balance at October 31, 2000 was \$-0-.

# NOTES TO FINANCIAL STATEMENTS

These agreements are considered notes payable for accounting purposes. The debt service requirements to maturity of the notes at October 31, 2000, including interest payments of \$27,967, are as follows:

Year Ended  
October 31,

2001	\$ 51,691
2002	51,691
2003	51,691
2004	<u>37,344</u>
	<u>\$ 192,417</u>

Capital Lease. The Commission entered into various lease agreements during the 1999 and 2000 fiscal years for purchases of office equipment and arena scoreboards. The original amount of these leases totaled \$122,544 and are considered capital leases for accounting purposes. Interest rates on these leases vary from 5.15% to 9.91%, and maturities range from August 3, 2001 to March 1, 2004. The debt service requirements to maturity of the leases as of October 31, 2000, including interest payments of \$6,713, are as follows:

Year Ended  
October 31,

2001	\$ 32,308
2002	13,142
2003	11,535
2004	<u>8,396</u>
	<u>\$ 65,381</u>

Changes in Long-Term Liabilities. During the year ended October 31, 2000, the following changes occurred in the liability reported in the general long-term debt account group:

	Balance November 1, <u>1999</u>	<u>Additions</u>	<u>Reductions</u>	Balance October 31, <u>2000</u>
Compensated absences	\$ 87,468	\$ 8,566	\$ 10,593	\$ 85,441
Notes payable	217,068	-	52,618	164,450
Capital leases	<u>65,795</u>	<u>25,246</u>	<u>32,373</u>	<u>58,668</u>
	<u>\$ 370,331</u>	<u>\$ 33,812</u>	<u>\$ 95,584</u>	<u>\$ 308,559</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 7. Fund Equity

Fund equity has been reserved/designated for the following purposes:

1. The Lafayette City-Parish Consolidated Government provides the Commission with an annual subsidy for capital expenditures and, according to the intergovernmental agreement creating the Commission, this subsidy is to be used exclusively for capital expenditures. The balance of the subsidy at October 31, 2000, is shown as a reservation of fund balance.
2. According to the intergovernmental agreement creating the Commission, the Lafayette City-Parish Consolidated Government subsidizes the operations of the Cajundome up to \$500,000 each year, after considering any fund balance remaining from prior years' operations. This fund balance, if any, is designated for subsequent year's operating expenditures in the year end financial statements.

### Note 8. Defined Benefit Pension Plan

Plan description and provisions:

Virtually all of the Commission's employees participate in the Municipal Employees' Retirement Systems (MERS), a multiple-employer, cost-sharing pension plan established by the Louisiana Legislature. Employees are eligible to retire under Plan A of the System at age 60 with 10 years of creditable service, at age 55 with 25 years of creditable service, or at any age with 30 years of creditable service. Monthly benefits consist of 3% of a member's final compensation, multiplied by years of service with certain limitations. The System also provides disability and survivor benefits. All benefits are established by state statute. MERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The current rate is 5.75%. The contribution requirements of plan members and the Commission are established by statute. The Commission's contributions to MERS for the years ended October 31, 2000, 1999, and 1998 were \$48,710, \$52,178, and \$39,167, respectively, equal to the required contribution each year.

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Compensation of Commission Members

No compensation was paid to Commission members during the year ended October 31, 2000.

### Note 10. Pending Litigation

At October 31, 1999, the Cajundome Commission was co-defendant in a law suit. The attorney for the Commission is of the opinion that the Commission has no exposure in this matter.

### Note 11. Catering Contract

The Cajundome Commission entered into a contract with Acadiana Promotions, Inc. (API) on July 7, 1988, whereby API has the exclusive license, right and privilege to maintain the operation of the food and beverage concessions and related services at the Cajundome. There are several exceptions to the exclusive grant which are detailed in the contract.

As consideration for the granting of the food and beverage concessions privileges, API pays to the Commission a percentage of annual gross receipts as outlined in the contract. The contract was amended on May 16, 1995 to increase the percentage remitted to the Commission and to extend the term of the contract until November 1, 2005.

### Note 12. Capital Expenditures From City Appropriations

Each year the Commission submits a request for capital funds to the Lafayette City-Parish Consolidated Government in accordance with the intergovernmental agreement creating the Commission. In this request, they include a budget detailing how the capital dollars will be spent. The total amount of the capital appropriation expended by the Cajundome is reported in the following expenditure accounts on the statement of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - general fund:

Repairs and maintenance	\$ 19,088
Capital expenditures	234,611
Professional fees	<u>20,000</u>
	<u>\$ 273,699</u>

Those amounts classified as other than capital expenditures represent expenditures for items not recorded in general fixed assets records of the Lafayette City-Parish Consolidated Government or the University of Louisiana at Lafayette.



## NOTES TO FINANCIAL STATEMENTS

Changes in the Reserve for Capital Expenditures for the year ended October 31, 2000 were as follows:

Balance, beginning of year	\$ 154,606
Capital funds received during the year	300,000
Capital funds expended	<u>(273,699)</u>
Balance, end of year	<u>\$ 180,907</u>

### Note 13. Event Promotion

Included in the City's operating subsidy in a previous year was a one-time appropriation designated for an event promotion fund in the amount of \$100,000. This money, according to the City ordinance appropriating it, was to be maintained in a separate fund along with any profits from it, and the results of promotions and balances in the fund are to be reported to the City Council as of April 30 and October 31 of each year. In addition, the profits from the fund were to be retained in the separate fund until the City Council directed its use for other purposes.

The Commission accounted for this money in a separate cost center in its General Fund, thereby segregating it from other activities. For the year ended October 31, 2000, the event promotion cost center had an excess of revenues over expenditures of \$19,662.

### Note 14. Indoor Soccer

During the 1997 fiscal year, the Commission entered into a contract with Lafayette Soccer, L.L.C. to bring indoor soccer to the Cajundome. The cost to the Cajundome to update the facility for this sport was \$64,947, the cost of the astroturf and soccer goals. However, during the 1999 fiscal year, the contract was terminated by the mutual written agreement of the Commission and Lafayette Soccer, L.L.C.

### Note 15. Convention Center

The Cajundome receives a portion of a 3.97% state hotel/motel revenue tax collected in Lafayette Parish, which was enacted in 1992 by the Louisiana State Legislature. All of the revenue from the tax was allocated to the Commission with the exception of \$200,000, which was allocated to other governmental entities through June 30, 2000. Thereafter, all of the tax was to be allocated to the Commission. However, during the 2001 fiscal year, the Louisiana State Legislature allocated the \$200,000 to another governmental entity, indefinitely.

The Convention Center is to be owned by the State of Louisiana through the Board of Supervisors for the University of Louisiana System, formerly the Board of Trustees for State Colleges and Universities ("the Board") and the

## NOTES TO FINANCIAL STATEMENTS

University of Louisiana at Lafayette. The Convention Center is to be leased to and operated by the Cajundome Commission and will share administration, food service, support and service facilities with the Cajundome.

Plans for the Convention Center facility call for an approximately eighty-thousand (80,000) square foot building and has a budgeted construction cost of \$16,677,000. Of the construction budget, \$14,100,000 will be funded through bonds issued by the Board and \$2,577,000 will be funded from the hotel/motel tax revenues allocable to the Cajundome Commission. Construction of the Convention Center began in March 2000. The Board issued bonds, dated June 1, 1997 and January 1, 2000, in the amount of \$9,600,000 and \$4,500,000, on June 30, 1997 and January 20, 2000, respectively.

In consideration for use and possession of the Convention Center and the issuance of bonds by the Board, the Commission has entered into a lease agreement dated June 1, 1997 with the Board. Under the terms of the agreement, the Commission will pay rentals for the facility in the amount of debt service of the bonds issued by the Board, including any penalties or premiums, and any and all expenses related to the trustee for the bonds. Rentals are defined as amounts sufficient to pay in full the principal and interest and other requirements of the bonds, and must be paid five business days prior to any due date of payments of principal and interest on the bonds. Payments for any trustee expenses are due upon demand. However, rental payments are payable only from pledged revenues, which consist of the hotel/motel tax, which is subject to annual appropriation by the legislature, and excess revenues after deduction of operating expenditures of the Convention Center for each fiscal year of operation. The lease expires upon payment or provision for payment in full of the principal of, interest on, premium, if any, and other requirements of the bonds and of any amount owed under the agreement or Bond Resolution. The agreement further provides for termination of lease term at the election of the Board and/or the Trustee, if an event of nonperformance occurs.

As a requirement of the lease agreement, the Cajundome has entered into a Collection and Disbursement Contract with the Louisiana Department of the Treasury and the Louisiana Department of Revenue and Taxation. Under the terms of this agreement, the Department of Revenue and Taxation shall collect the tax revenues and deposit same with the Department of the Treasury. The Treasury Department will remit payments to a sinking fund established for the annual payments of principal and semi-annual payments of interest on the bonds. Collections of the revenue tax in excess of debt service requirements will be transferred quarterly to a revenue fund established by the Trustee for the Bonds. During the fiscal years ended October 31, 2000 and 1999, the Cajundome collected hotel/motel tax revenues of \$1,229,195 and \$1,321,548, respectively.

## NOTES TO FINANCIAL STATEMENTS

Minimum payments under the lease based on bond amortization are as follows:

Year Ended  
October 31,

2001	\$ 971,181
2002	972,396
2003	972,901
2004	972,729
2005	976,866
2006-2010	4,883,745
2011-2015	4,897,675
2016-2020	4,921,468
2021-2025	4,933,400
2026-2029	<u>3,984,568</u>
	<u>\$28,486,929</u>

The trustee fees are not included in the above rents schedule as they are considered contingent rentals. The fees are further regarded to be incidental to the above rentals taken as a whole, and would be based on estimated amounts.

Rental payments under the lease agreement during the fiscal year ended 2000 totaled \$869,199 which consisted of the bond principal and interest payments and cash management fees.

### Note 16. Scoreboard

During the fiscal year ended October 31, 1996, an agreement by and between the Cajundome Commission and Professional Sports Marketing, Inc. (PSMI) was entered into for the donation of a video display/advertising system. As part of the agreement, upon full acceptance by the Commission, PSMI donated the system free of any liens to the Commission. Under the terms of the agreement, PSMI receives all revenue for the advertising panels located on the scoreboard and the Commission receives all revenues generated for advertisements and commercials displayed on the scoreboard's video screens. The agreement is for a period of ten years, at such time all revenues from the advertising panels located on the scoreboard will revert to the Commission.



## NOTES TO FINANCIAL STATEMENTS

In order to help PSMI defray the annual debt service for the cost of the system, the Commission committed the revenues from two arena ad panels purchased by the Cajundome toward payment of the system for a period of four years, the term of PSMI's note payable. The debt for the scoreboard was incurred by PSMI and the Commission has no liability other than the pledge of revenues from the ad panels. Revenues derived from two existing ad panels total \$17,000 per year. The present value of these rental revenues was imputed to be \$63,954, which was recorded as a note payable in the general long-term debt account group.

### Note 17. Retroactive Retirement Buy Back

During the 1997 fiscal year, the Commission elected to retroactively include its employees in the Municipal Employee Retirement System (MERS). Total cost of the buy back was \$569,626. Of this amount, the Commission owed \$300,797 and the employees owed \$268,829. The Commission paid its portion from funds derived from ice events. The employees' portion was borrowed from a bank by the Commission and the salaries of participating employees were reduced by the amount of their respective portion of the debt service, less any savings to the Commission for employee benefits (i.e., employer portion of payroll taxes and retirement contributions). The promissory note is guaranteed by participating employees for their respective portion of the buy back.

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FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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CAPITAL PROJECTS FUND

Convention Center Project Fund - This fund is used to account for costs associated with the construction of the Convention Center.

CAJUNDOME COMMISSION  
CAPITAL PROJECTS FUND  
CONVENTION CENTER PROJECT

BALANCE SHEETS  
October 31, 2000 and 1999

ASSETS	<u>2000</u>	<u>1999</u>
Cash	\$2,313,035	\$2,582,577
Accrued interest	7,366	8,580
Due from other governmental agency	<u>153,202</u>	<u>237,690</u>
Total assets	<u>\$2,473,603</u>	<u>\$2,828,847</u>
LIABILITIES		
Accounts payable	\$ 21,927	\$ 457
Due to other funds	<u>54,136</u>	<u>-</u>
Total liabilities	<u>76,063</u>	<u>457</u>
FUND EQUITY		
Fund balance -		
Reserved for capital expenditures	<u>2,397,540</u>	<u>2,828,390</u>
Total liabilities and fund equity	<u>\$2,473,603</u>	<u>\$2,828,847</u>

CAJUNDOME COMMISSION  
CAPITAL PROJECTS FUND  
CONVENTION CENTER PROJECT

STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
Years Ended October 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Revenues:		
Intergovernmental	\$ 1,229,195	\$ 1,321,547
Interest	<u>127,073</u>	<u>106,709</u>
Total revenues	<u>1,356,268</u>	<u>1,428,256</u>
Expenditures:		
Current -		
General government	871,135	677,476
Capital projects	<u>861,847</u>	<u>9,451</u>
Total expenditures	<u>1,732,982</u>	<u>686,927</u>
Excess (deficiency) of revenues over expenditures	(376,714)	741,329
Other financing uses:		
Operating transfers out	<u>(54,136)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	(430,850)	741,329
Fund balance, beginning	<u>2,828,390</u>	<u>2,087,061</u>
Fund balance, ending	<u>\$ 2,397,540</u>	<u>\$ 2,828,390</u>



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# **BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**

C E R T I F I E D   P U B L I C   A C C O U N T A N T S

4112 West Congress  
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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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Stephen L. Lambousy, CPA\*

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Peter C. Borrello, CPA\*

George J. Trappey III, CPA\*

Gregory B. Milton, CPA\*

S. Scott Soileau, CPA\*

Patrick D. McCarthy, CPA\*

Martha B. Wyatt, CPA\*

Troy J. Breaux, CPA\*

Fayette T. Dupré, CPA\*

To the Cajundome Commission  
Lafayette, Louisiana

We have audited the general purpose financial statements of Cajundome Commission, a component unit of the Lafayette City-Parish Consolidated Government, and the individual fund and account group financial statements, as of and for the year ended October 31, 2000, and have issued our report thereon dated March 9, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Compliance**

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

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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

### **Retired:**

Sidney L. Broussard, CPA\* 1980

Leon K. Poché, CPA 1984

James H. Breaux, CPA 1987

Erma R. Walton, CPA 1988

George A. Lewis, CPA\* 1992

Geraldine J. Wimberley, CPA\* 1995

Rodney L. Savoy, CPA\* 1996

Larry G. Broussard, CPA\* 1997

Lawrence A. Cramer, CPA\* 1999

Michael P. Crochet, CPA\* 1999

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Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

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 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 over financial reporting and its operations that we consider to be material weaknesses.

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

*Broussard, Poche', Lewis & Breau, L.L.P.*

Lafayette, Louisiana  
March 9, 2001

CAJUNDOME COMMISSION  
LAFAYETTE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended October 31, 2000

We have audited the financial statements of Cajundome Commission, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 2000, and have issued our report thereon dated March 9, 2001. 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. Our audit of the financial statements as of October 31, 2000 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses      ☐ Yes    ☒ No  
Reportable Conditions    ☐ Yes    ☒ None Reported

Compliance

Compliance Material to Financial Statements    ☐ Yes    ☒ No

Section II - Financial Statement Findings

No matters were reported.