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LEGISLATIVE AUDITOR

**CAJUNDOME COMMISSION  
FINANCIAL REPORT  
OCTOBER 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or received, 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 1998

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**KROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.**  
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To the Cajundome Commission  
Lafayette, Louisiana

We have audited the accompanying general purpose financial statements of Cajundome Commission, a component unit of the City of Lafayette, Louisiana, now part of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Commission's 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. The standards applicable to financial audits contained in 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 general purpose financial statements are free of material misstatements. 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 Cajundome Commission as of October 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 1, 1998, on our consideration of Cajundome Commission's internal control structure and a report dated April 1, 1998, on its compliance with laws and regulations.

**Signatures:**

Robert L. Brownson, CPA # 1880

Lawrence E. Poché, CPA # 1880

James H. Lewis, CPA # 1880

Emile S. Wilson, CPA # 1880

George A. Lewis, CPA # 1880

William J. Winkler, CPA # 1880

Robert G. Berry, CPA # 1880

Larry E. Brownson, CPA # 1880

Members of Internal Structure of

Certified Public Accountants

State of Louisiana/Certified

Public Accountants

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of Cajunone COMMISSION.

*Ernst, Peltz, Davis & Brown, L. L. P.*

Lafayette, Louisiana  
April 1, 1988

GENERAL PURPOSE FINANCIAL STATEMENTS  
(CONDENSED STATEMENTS - OVERVIEW)

CAUTIONS COMMISSION

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
October 31, 1997

ASSETS	Governmental Fund Types			Account Group
	General	Capital Systems	Debt Service	General Long-Term Debt
Cash	\$ 181,000	\$1,413,481	\$ 97,977	\$ -
Investments	-	-	-	-
Accounts receivable, net of allowance for uncollectibles	278,499	-	-	-
Accrued interest	-	3,044	-	-
Due from other governmental agencies	183,864	-	-	-
Due from other funds	-	-	32,480	-
Reposits	3,490	-	-	-
Available for debt retirement	-	-	-	80,827
Amount to be provided for retirement of general long-term debt	-	-	-	1,087,348
<b>TOTAL ASSETS</b>	<b>\$ 656,281</b>	<b>\$1,416,525</b>	<b>\$ 97,977</b>	<b>\$1,168,348</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 89,840	\$ 8,300	\$ -	\$ -
Accrued liabilities	79,943	-	-	-
Due to other funds	32,480	-	-	-
Deferred revenues	581,365	-	-	-
Accrued compensated absences	-	-	-	84,470
Bonds payable	-	-	-	718,000
Notes payable	-	-	-	312,558
Capital leases payable	-	-	-	82,318
<b>Total liabilities</b>	<b>803,278</b>	<b>8,300</b>	<b>-0-</b>	<b>1,197,348</b>
<b>FUND EQUITY</b>				
Fund balance -				
Reserved for capital expenditures	38,518	1,407,448	-	-
Reserved for assets previously designated for debt retirement	180,990	-	-	-
Total liabilities and fund equity	<u>\$ 656,281</u>	<u>\$1,416,525</u>	<u>\$ 97,977</u>	<u>\$1,168,348</u>

See Notes to Financial Statements.

Totals  
 (Nonconsolidated basis)

1997	1998
\$1,873,138	\$2,293,808
-	4,287
378,877	194,981
3,046	18
188,884	604,108
32,488	14,318
7,492	7,492
98,007	14,617
\$ 851,112	\$ 1,109,792
\$1,022,026	\$1,201,012
\$ 89,848	\$ 788,462
73,843	88,268
82,488	14,318
901,248	1,882,400
84,478	51,414
718,008	1,873,008
312,888	-
\$2,012,112	-
1,864,818	2,061,748
1,483,480	1,185,344
380,800	380,800
80,827	14,821
\$1,945,107	\$1,580,965

CALIFORNIA COMMISSION

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
 Years Ended October 31, 1997 and 1998

	<u>General</u>	<u>Capital</u>	<u>Other</u>
<b>Revenues:</b>			
Intergovernmental	\$ 104,384	\$ 1,018,489	\$ -
Charges for services	4,313,983	-	-
Invested assets	845,315	-	-
Interest	48,558	42,888	18,928
Miscellaneous	<u>21,823</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<b><u>5,034,063</u></b>	<b><u>1,061,377</u></b>	<b><u>18,928</u></b>
<b>Expenditures:</b>			
Current -			
General government	-	123,878	-
Culture and recreation	5,178,613	-	-
Capital projects	-	599,494	-
Debt service -			
Principal retirement	37,718	-	358,088
Interest coupons paid	4,188	-	83,088
Sinking agent fees and penalties	<u>-</u>	<u>-</u>	<u>8,938</u>
<b>Total expenditures</b>	<b><u>5,212,519</u></b>	<b><u>713,372</u></b>	<b><u>450,114</u></b>
Excess (deficiency) of revenues over expenditures	<u>-178,456</u>	<u>-651,995</u>	<u>-431,186</u>
<b>Other financing sources (uses):</b>			
Proceeds from issuance of debt	484,559	-	-
Operating transfers in	-	-	525,250
Operating transfers out	<u>-122,820</u>	<u>-18,381</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<b><u>361,739</u></b>	<b><u>-18,381</u></b>	<b><u>525,250</u></b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	183,283	-670,376	94,064
Fund balance, beginning	<u>131,424</u>	<u>1,181,823</u>	<u>14,422</u>
Fund balance, ending	<b><u>314,707</u></b>	<b><u>511,447</u></b>	<b><u>108,526</u></b>

See Notes to Financial Statements.



## Totals

## Memorandum (Cont'd)

<u>1957</u>	<u>1958</u>
\$3,873,000	\$ 1,848,738
4,533,960	3,373,818
948,328	-
104,327	113,818
<u>10,000</u>	<u>110,918</u>
<u>T. 108,481</u>	<u>B. 148,303</u>
128,078	7,808
3,878,432	4,050,066
899,496	187,328
583,718	477,008
87,880	131,538
<u>8,878</u>	<u>-</u>
<u>P. 188,018</u>	<u>A. 279,008</u>
<u>118,000</u>	<u>568,388</u>
814,188	-
515,008	829,188
<u>(128,288)</u>	<u>(189,188)</u>
<u>814,188</u>	<u>100</u>
389,818	548,588
<u>1,209,871</u>	<u>831,688</u>
<u>11,000,000</u>	<u>11,200,000</u>

CAJALONCE COMMISSION

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

Year Ended October 31, 1997

With Comparative Actual Amounts for Year Ended October 31, 1996

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	BUDGET	Actual		
<b>Revenues:</b>				
Intergovernmental -				
City of Lafayette subsidy				
for:				
operations	\$ 600,000	\$ 594,344	\$ (55,656)	\$ 600,000
Capital expenditures	-	100,000	100,000	510,000
University of Southeastern				
Louisiana subsidy for				
capital expenditures	-	-	-	100,000
Donations	-	940,310	940,310	-
Charges for services -				
Rentals and lease office space	1,840,710	1,867,857	(27,147)	2,400,807
Reimbursed event expenses	-	920,832	920,832	301,950
Food and beverage				
commissions	1,400,000	1,450,070	(50,070)	870,000
Advertising	110,000	127,500	(17,500)	70,000
Parking lot fees	411,012	320,040	90,972	417,070
Utility leases	101,000	100,000	1,000	100,000
Interest	51,500	40,510	10,990	70,130
Miscellaneous	0,000	11,000	11,000	510,000
<b>Total revenues</b>	<b>3,743,212</b>	<b>4,324,063</b>	<b>(580,851)</b>	<b>4,324,180</b>
<b>Expenditures:</b>				
Current -				
Culture and recreation:				
Personnel costs	1,100,000	1,000,700	(99,300)	800,100
Supplies and materials	50,000	80,000	(30,000)	80,000
Telephone and utilities	300,000	280,000	20,000	340,000
Postage	10,000	10,700	(700)	10,000
Repairs and maintenance	130,000	210,000	(80,000)	200,100
Advertising	47,000	11,400	35,600	10,000
Travel and meetings	10,000	10,000	-	10,100
Audit and legal fees	10,700	40,000	(29,300)	10,100
Event expenses	1,070,000	1,240,100	(170,100)	1,100,100
Contractual services	-	0,000	0,000	11,710
Debt service	200,000	100,000	100,000	170,000
Capital expenditures	-	1,200,000	1,200,000	700,000
Other	80,000	80,000	-	20,000
Debt service -				
Principal	-	27,770	27,770	-
Interest	-	0,000	0,000	-
<b>Total expenditures</b>	<b>3,580,710</b>	<b>4,310,770</b>	<b>(270,940)</b>	<b>4,310,770</b>

(continued)

CALIFORNIA COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (PLANS BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)  
 Year Ended October 31, 1991  
 With Comparative Actual Amounts for Year Ended October 31, 1990

	1991		Variance - Favorable (Unfavorable)	1990 Actual
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	\$41,049	\$1,000	(40,049)	\$17,000
Other financing sources (uses):				
Proceeds from issuance of debt	-	414,109	414,109	-
Operating transfers out	-	(413,109)	(413,109)	(413,109)
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$41,049</u>	<u>10,000</u>	<u>(31,049)</u>	<u>17,000</u>
Fund balance, beginning		<u>451,814</u>		<u>434,814</u>
Fund balance, ending		<u>\$ 500,814</u>		<u>\$ 501,814</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 governmental 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 City of Lafayette, Louisiana, is an entity established for the purpose of overseeing the operations of the Cajundome, a multi-purpose civic center. On June 1, 1990, the City of Lafayette became part of Lafayette Consolidated Government and any further reference to City of Lafayette takes this into consideration.

The Commission was established in September 1987, by an intergovernmental agreement between the City of Lafayette, Louisiana, and the University of Southwestern Louisiana. The Commission is made up of five members, three are appointed by the City of Lafayette, Louisiana and two are appointed by the University of Southwestern Louisiana. The Commission took over operations of the Cajundome in September 1989. 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 collection and disbursement of assessed taxes (special revenue funds), the acquisition or construction of general fund assets (capital projects funds), and the servicing of general long-term debt (debt service 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 Oklahoma Commission earn vacation pay at the rate of 12 - 14 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

Wasted 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 wasted 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 appropriate for expenditures 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 \$2,722 at October 31, 1999.

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. Reversing or corrective payment 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 Council by August 17, in order to identify to the City of Lafayette 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 \$1,820,100 and the bank balance was \$1,890,719. Of the bank balance, \$191,592 was covered by Federal Depositary Insurance and \$690,742 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 \$1,073,885 is considered uncollateralized. In addition, cash on hand totaled \$19,138.

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

Receivables at October 31, 1997 consist of the following:

Receivables	\$117,188
Commissions	47,873
Other	<u>94,803</u>
Gross receivables	259,864
Less: allowance for uncollectibles	<u>1,893</u>
Net receivables	<u>\$257,971</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 City of Lafayette, Louisiana, and the University of Southeastern Louisiana. In accordance with the intergovernmental agreement creating the Commission, the assets purchased by the Commission are assignable to the City of Lafayette or University of Southeastern Louisiana, depending on the nature of the item. All movable items are assigned to the City of Lafayette and all immovable items which attach to the building are assigned to the University of Southeastern Louisiana.

The balance of these assets at October 31, 1997 was \$8,184,841. Of the total, \$558,488 was purchased by or assigned to the City of Lafayette, Louisiana, and \$4,124,854 was purchased by or assigned to the University of Southeastern Louisiana.

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

**Income Bonds.** The Commission issued bonds during the fiscal year ended October 31, 1996 for the construction of a perimeter concrete ramp and acquisition of equipment. Furnishings and expenditures necessary for installation of an ice rink to accommodate ice hockey and other ice skating events. The bonds are to be repaid from revenues received from ice hockey, public skating, family ice shows and other ice events or activities performed on the ice rink lease revenues. In the event income revenues are insufficient for the payment of debt service on the bonds, two letters of credit, issued by outside parties, will be drawn upon to cover the deficiency.



**NOTES TO FINANCIAL STATEMENTS**

Bonds outstanding at October 31, 1997 are as follows:

	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>PLD&amp;L</u> <u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Outstanding</u>
Taxable Revenue				
Bonds -				
Series 1996	07/01/96	01/01/98	8.48%	<u>\$ 150,000</u>

The annual debt service requirements on the bonds outstanding at October 31, 1997, including interest payments of \$417,308, are as follows:

<u>Year Ended</u> <u>October 31,</u>	
1998	\$ 60,000
1999	60,000
2000	60,000
2001	60,000
2002	201,000
2003 - 2005	<u>750,000</u>
	<u>\$ 1,491,000</u>

**Nota Nevada.** The Commission entered into a preliminary note agreement on July 24, 1997 for the proceeds to buy back of six employees retirement into the Municipal Employees Retirement System (MERS). The original amount financed under the agreement was \$188,000 (See Note 14). The note bears interest at a rate of 8.50%, matures July 8, 2004 and has an outstanding balance of \$188,000 at October 31, 1997.

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 preliminary note issued by the bond to a bank (See Note 17). The note bears interest at a rate of 10.50% and matures on January 17, 2001. The present value of the future payments amounted to \$21,814. The outstanding balance at October 31, 1997 was \$18,531.

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, 1987, including interest payments of \$89,892, are as follows:

Year Ended October 31,	
1988	\$ 88,892
1989	88,892
2090	89,891
2091	91,891
2092	91,892
2093-2094	<u>89,892</u>
	<u>\$ 489,890</u>

**Capital Leases.** The Commission entered into various lease agreements during the 1987 fiscal year for purchases of office equipment and arena accommodations. The original amount of these leases totaled \$41,387 and are considered capital leases for accounting purposes. Interest rates on these leases vary from 8.82% to 9.92%, and maturities range from March 12, 2008 to August 12, 2021. The debt service requirements to maturity of the leases as of October 31, 1987, including interest payments of \$31,281, are as follows:

Year Ended October 31,	
1988	\$ 22,958
1989	22,958
2090	18,614
2091	<u>11,143</u>
	<u>\$ 75,673</u>

**Changes in Long-Term Liabilities.** During the year ended October 31, 1987, the following changes occurred in the liability reported in the general long-term debt account group:

	Balance November 1, 1986	Additions	Reductions	Balance October 31, 1987
Revenue Debt	\$ 1,073,800	\$ -	\$ 155,800	\$ 918,000
Compensated absences	91,614	8,823	4,987	95,450
Notes payable	-	122,583	28,328	122,583
Capital leases	-	41,387	28,823	12,564
	<u>\$ 1,165,414</u>	<u>\$ 172,793</u>	<u>\$ 317,938</u>	<u>\$ 920,269</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 7. Fund Equity

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

1. The City of Lafayette 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, 1997, is shown as a reservation of fund balance.
2. According to the intergovernmental agreement creating the Commission, the City of Lafayette subsidizes the operations of the Cajundome up to \$50,000 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:

Beginning October 9, 1988, all full time employees of the Cajundome Commission participated in the Municipal Employees' Retirement System (MERS) of Louisiana, a multiple-employer, cost-sharing public employee retirement system. The payroll of Commission employees covered by the System for the year ended October 31, 1997 was \$487,804; the total payroll was \$1,455,199.

Employees are eligible to retire under Plan B of the System at age 55 or 60 depending on years of creditable service. Monthly benefits consist of 2% 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.

Description of funding policy:

Covered employees are required to contribute 5.18% of their salary to MERS; the Commission contributed 5.25% through June 30, 1997, at which time the rate changed to 5.75%. Contributions for the year ended October 31, 1997 were \$27,407 from employees and \$44,375 from the Commission.

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in one future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the plan's funding status on a going-concern basis, among programs made in accumulating sufficient assets to pay benefits when

NOTES TO FINANCIAL STATEMENTS

due, and make comparisons among government pension plans and employers. The FERS does not conduct separate measurements of assets and pension benefit obligations for individual employers. Information concerning the pension plan benefit obligation for the System as a whole at June 30, 1997 was not available.

Note 9. Compensation of Commission Members

No compensation was paid to Commission members during the year ended October 31, 1997.

Note 10. Pending Litigation

On October 31, 1997, the Cajundome Commission was re-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. Securing Contract

The Cajundome Commission entered into a contract with Louisiana Promotions, Inc. (LPI) on July 9, 1994, whereby LPI 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.

In consideration for the granting of the food and beverage concessions privileges, LPI pays to the Commission a percentage of annual gross receipts as outlined in the contract. The contract was amended on May 18, 1994 to increase the percentage permitted to the Commission and to extend the term of the contract until November 2, 1998.

Note 12. Capital Expenditures From City Appropriations

Each year the Commission submits a request for capital funds to the City of Lafayette 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	\$	95,405
Capital expenditures		185,532
Supplies		<u>28,182</u>
	\$	<u>309,119</u>

NOTES TO FINANCIAL STATEMENTS

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

Changes in the Reserve for Capital Expenditures for the year ended October 31, 1997 were as follows:

Balance, beginning of year	\$ 93,424
capital funds received during the year	148,000
Capital funds expended	<u>(147,999)</u>
Balance, end of year	<u>\$ 148,425</u>

Note 13. Event Promotion

Included in the City's operating subsidy last 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 allocated for this money in a separate cost center in its General Fund, thereby segregating it from other activities. As of October 31, 1997, the event promotion cost center had generated an excess of revenues over expenditures of \$18,802.

Note 14. Ice Rink

During the year ended October 31, 1996, the Commission entered into a contract with Entertainment Venture Associates to bring ice hockey to the Cajundome. In order to do this, the Commission sold \$1,100,000 of revenue bonds to install an ice rink, as more fully described in Note 6. During the year ended October 31, 1996, the Commission completed construction of the rink and had expended \$104,513 during the 1996 fiscal year on the construction. This amount is reflected in the Capital Projects Funds and is included in the general fixed assets assigned to the University of Southwestern Louisiana.

The excess revenues of operating the rink are dedicated to repayment of the bonds. The rink was completed during the 1996 fiscal year and put into operation at that time.

NOTES TO FINANCIAL STATEMENTS

Note 18. Indoor Soccer

During the 1987 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 \$48,747, the cost of the soccer turf and soccer goals.

Note 19. Convention Center

During the October 31, 1986 fiscal year, the Cajundome began receiving a portion of a one percent state hotel/motel revenue tax, enacted in 1983 by the Louisiana State Legislature to establish a funding mechanism for several visitor enterprise funds established by the act, including one in Lafayette Parish. The primary purpose for the Lafayette Parish Visitor Enterprise Fund is to construct a Convention Center at the Cajundome. The tax provided for funding to commence in the 1991-1992 fiscal year. After allocations to other entities in Lafayette Parish, the remainder of the tax collected in the initial year was to be allocated and used exclusively for planning, development or capital improvements at the Cajundome site. The Convention Center is to be owned by the State of Louisiana through the Board of Trustees for State Colleges and Universities ("the Board") and the University of Southwestern Louisiana. 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 \$11,608,000. Of the construction budget, \$9,600,000 will be funded through bonds issued by the Board of Trustees and 2,000,000 will be funded from the hotel/motel tax revenues allocable to the Cajundome Commission. Construction is anticipated to begin in late 1989. The Board of Trustees issued bonds, dated June 1, 1987, in the amount of \$9,600,000 on June 22, 1987.

In consideration for use and possession of the Convention Center and the issuance of bonds by the Board of Trustees, the Commission has entered into a lease agreement dated June 1, 1987 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 on 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

NOTES TO FINANCIAL STATEMENTS

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 issue term at the election of the Board and/or the Treasurer, if an event of nonperformance occurs. The bonds will be issued for a thirty year period.

In a requirement of the issue 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, 1997 and 1998, the Cajundome collected hotel/motel tax revenues of \$1,616,640 and \$1,155,400, respectively.

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

Year Ended October 31,	
1998	\$ 186,367
1999	656,364
2000	670,131
2001	688,818
2002	670,888
2003-2007	7,345,619
2008-2012	3,333,333
2013-2017	3,371,850
2018-2022	3,381,325
2023-2027	2,128,331
	<u>\$22,661,006</u>

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

Interest payments under the issue agreement during the fiscal year ended 1997 totaled \$127,075 which consisted of the bond insurance costs.

NOTES TO FINANCIAL STATEMENTS

Note 17. Scoreboard

During the fiscal year ended October 31, 1986, an agreement by and between the Cajunzone 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.

In order to help PSMI defray the annual debt service for the cost of the system, the Commission committed the revenues from two areas of panels purchased by the Cajunzone toward payment of the system for a period of four years, the term 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 \$17,800 per year. The present value of these rental revenues was imputed to be \$23,934, which was recorded as a note payable in the general long-term debt account group.

Note 18. Retroactive Retirement Buy Back

During the 1987 fiscal year, the Commission elected to retroactively include its employees in the Municipal Employee Retirement System (MERS). Total cost of the buy back was \$489,426. Of this amount, the Commission owed \$100,787 and the employees owed \$388,639. The Commission paid its portion from funds derived from its audits. The employees' portion was increased from a back 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.



FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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#### CAPITAL PROJECTS FUNDS

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

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

CLATSOP COUNTY COMMISSION  
 SAC CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET  
 OCTOBER 31, 1997

With Comparative Totals for Year Ended October 31, 1996

ASSETS	Ice Risk Accounts	Confidence Covers Fees	Totals	
			1997	1996
Cash	\$ -	\$1,433,600	\$1,433,600	\$ 471,688
Investments	-	-	-	4,287
Accrued Interest	-	3,044	3,044	18
Due from other governmental agencies	-	-	-	616,048
<b>Total assets</b>	<b>\$ -</b>	<b>\$1,436,644</b>	<b>\$1,436,644</b>	<b>\$1,102,041</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 8,200	\$ 8,200	\$ -
<b>FUND EQUITY</b>				
Fund balance - reserved for capital expenditures	-	1,428,444	1,428,444	1,091,820
<b>Total liabilities and fund equity</b>	<b>\$ -</b>	<b>\$1,436,644</b>	<b>\$1,436,644</b>	<b>\$1,091,820</b>

CALIFORNIA COMMISSION  
ALL CAPITAL PROJECTS FUNDS

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

Year Ended October 31, 1987

With Comparative Totals for Year Ended October 31, 1986

	Los Rios Funds	Conference Center Funds	Totals	
			1987	1986
<b>Revenues:</b>				
Intragovernmental	\$ -	\$1,018,889	\$1,018,889	\$ 1,128,448
Interest	98	42,381	42,381	26,381
Total revenues	98	1,061,270	1,061,270	1,154,829
<b>Expenditures:</b>				
Current -				
General government	-	128,078	128,078	-
Capital projects	-	588,484	588,484	192,329
Total expenditures	-	716,562	716,562	192,329
Excess (deficiency) of revenues over expenditures	98	344,708	344,708	96,500
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	\$ 148
Operating transfers out	(4,381)	-	(4,381)	(88,788)
Total other financing sources (uses)	(4,381)	-	(4,381)	(88,640)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(4,283)	344,708	340,425	7,860
Fund balance, beginning	4,288	1,387,818	1,392,106	158,578
Fund balance, ending	\$ -	\$1,732,526	\$1,732,526	\$ 1,166,438

CALIFORNIA COMMISSION  
CAPITAL PROJECTS FUND  
ICE RISE PROJECT

STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
Years Ended October 31, 1997 and 1998

	<u>1997</u>	<u>1998</u>
Revenues:		
Interest	\$ 88	\$ 4,489
Expenditures:		
capital projects	<u>          -</u>	<u>118,121</u>
Excess (deficiency) of revenues over expenditures	<u>          88</u>	<u>(112,632)</u>
Other financing sources (uses):		
Operating transfers in	-	8,540
Operating transfers out	<u>(8,381)</u>	<u>(88,788)</u>
Total other financing sources (uses)	<u>(8,381)</u>	<u>(80,248)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(8,293)	(190,392)
Fund balance, beginning	<u>          4,288</u>	<u>184,518</u>
Fund balance, ending	<u>\$          -0-</u>	<u>\$          4,126</u>

CLATSOP COMMISSION  
CAPITAL PROJECTS FUND  
CONFERENCE CENTER PROJECT

STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
Years Ended October 31, 1987 and 1986

	<u>1987</u>	<u>1986</u>
Revenues:		
Intergovernmental	\$ 1,818,488	\$ 1,528,448
Interest	42,702	18,802
Total revenues	<u>1,861,190</u>	<u>1,547,250</u>
Expenditures:		
Current -		
General government	118,078	-
Capital projects	<u>598,488</u>	<u>57,802</u>
Total expenditures	<u>716,566</u>	<u>57,802</u>
Excess (deficiency) of revenues over expenditures	1,144,624	1,489,448
Fund balance, beginning	<u>1,087,824</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 2,232,448</u></u>	<u><u>\$ 1,489,448</u></u>

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL  
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

By the Cajundome Commission  
Lafayette, Louisiana

We have audited the general purpose financial statements of Cajundome Commission, a component unit of the City of Lafayette, Louisiana, now part of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 1997, and have issued our report thereon dated April 1, 1998.

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

The management of Cajundome Commission 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 general purpose 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 Cajundome Commission for the year ended October 31, 1997, 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 condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and 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 and its operation that we consider to be a material weakness as defined above.

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

*Jameswood, Peltz, Janni & Blauf, L.L.P.*

Lafayette, Louisiana  
April 2, 1998



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
LAW AND REGULATIONS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO**

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TO the Cajundome Commission,  
Lafayette, Louisiana

We have audited the general purpose financial statements of the Cajundome Commission, a component unit of the City of Lafayette, Louisiana, now part of the Lafayette Consolidated Government, as of and for the year ended December 31, 1997, and have issued our report thereon dated April 1, 1998.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental audit guide. These 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 Cajundome Commission is the responsibility of the Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the commission's compliance with certain provisions of laws, regulations, and contracts. 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 under Government Auditing Standards.

Louise A. Cramer, CPA\*  
Kasper C. Miller, CPA\*  
Donald W. Miller, CPA\*  
Robert Lawrence R. CPA\*  
Frank A. Rapp, CPA\*  
Scott R. Stewart, CPA\*  
L. Charles Starnes, CPA\*  
Kenneth H. Tapp, CPA\*  
F John Wheeler III, CPA\*  
Stephen L. Lashway, CPA\*  
Craig J. Williams, CPA\*  
Pete C. Reynolds, CPA\*  
Michael P. Gaudin, CPA\*  
Joseph Rapp III, CPA\*  
David E. Miller, CPA\*  
Gregory R. Miller, CPA\*  
L. Ann Sullivan, CPA\*  
Patrick D. McCulloch, CPA\*

**Staff:**

William L. Brummett, CPA\* 1998  
Lynn K. Burke, CPA 1998  
James B. Brown, CPA 1997  
Ernest B. Wilson, CPA 1998  
George S. Lewis, CPA\* 1998  
Cynthia L. Winkler, CPA\* 1998  
Madelynn L. Gray, CPA\* 1998  
Lenny D. Brummett, CPA\* 1997

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**Board Commission Approval**

**Findings:**

The Commission issued a promissory note to a bank in the amount of \$28,829 and entered into two noncancelable capital leases totaling \$8,741 without first obtaining approval from the State Bond Commission.

recommendation:

We recommend that all laws and regulations regarding restrictions on debt of a public entity be adhered to in the future.

Response:

The Cajundome will obtain Bond Commission approval for applicable future borrowings.

We considered this instance of noncompliance in forming our opinion on whether Cajundome Commission's 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 April 3, 1998, on those general purpose financial statements.

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

*Bernard Beck, Senior Accountant, L. L. P.*

LaBeyette, Louisiana  
April 3, 1998