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**CAJUNDOME COMMISSION
FINANCIAL REPORT
OCTOBER 31, 1998**

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Release Date MAY 12 1999

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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, as of and for the year ended October 31, 1998, 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 for 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, "Disclosures about Year 2000 Issues," requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- Any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- A general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- The additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Cajundome Commission has omitted such disclosures. We do not provide the Commission's assurance that the Commission is or will be year 2000 ready, that year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Commission does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Cajundome Commission at October 31, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, except for the omission of the information discussed in the preceding paragraph, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the individual fund and each of the account groups of Cajundome Commission at October 31, 1998, and the results of operations of such fund for the year then ended, in conformity with generally accepted accounting standards.

In accordance with Government Auditing Standards, we have also issued a report dated March 23, 1999, 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 made 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 1997 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, individual fund and account group financial statements.

Bruceard, Poche, Lewis & Breault LLP

Lafayette, Louisiana
March 23, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

CAJUNDOME COMMISSION

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
October 31, 1998

ASSETS	<u>Governmental Fund Types</u>			<u>Account Group</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>General Long-Term Debt</u>
Cash	\$ 408,638	\$1,728,776	\$ 62,753	\$ -
Accounts receivable, net of allowance for uncollectibles	257,429	-	-	-
Accrued interest	-	-	-	-
Due from other governmental agencies	302,856	358,285	-	-
Due from other funds	62,753	-	-	-
Deposits	7,692	-	-	-
Available for debt retirement	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	378,501
Total assets	<u>\$1,039,368</u>	<u>\$2,087,061</u>	<u>\$ 62,753</u>	<u>\$ 378,501</u>
LIABILITIES				
Accounts payable	\$ 318,407	\$ -	\$ -	\$ -
Accrued liabilities	152,700	-	-	-
Due to other funds	-	-	62,753	-
Deferred revenues	396,629	-	-	-
Accrued compensated absences	-	-	-	67,544
Bonds payable	-	-	-	-
Notes payable	-	-	-	266,354
Capital leases payable	-	-	-	44,603
Total liabilities	867,736	-0-	62,753	378,501
FUND EQUITY				
Fund balance -				
Reserved for capital expenditures	106,170	2,087,061	-	-
Reserved for event promotion	65,462	-	-	-
Designated for debt retirements	-	-	-	-
Total liabilities and fund equity	<u>\$1,039,368</u>	<u>\$2,087,061</u>	<u>\$ 62,753</u>	<u>\$ 378,501</u>

See Notes to Financial Statements.

Totals (Memorandum Only)	
<u>1998</u>	<u>1997</u>
\$2,200,167	\$1,872,238
257,429	276,677
-	3,044
661,141	160,864
62,753	32,450
7,692	7,692
-	90,027
<u>378,501</u>	<u>1,057,313</u>
<u>\$3,567,683</u>	<u>\$3,500,305</u>
\$ 318,407	\$ 89,840
152,700	73,943
62,753	32,450
396,629	501,245
67,544	54,470
-	718,000
266,354	312,558
<u>44,603</u>	<u>62,312</u>
1,308,990	1,844,818
2,193,231	1,465,460
65,462	100,000
<u>-</u>	<u>90,027</u>
<u>\$3,567,683</u>	<u>\$3,500,305</u>

CAJUNDOME COMMISSION

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

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
Revenues:			
Intergovernmental	\$ 697,274	\$ 1,356,001	\$ -
Charges for services	4,220,387	-	-
Donated assets	-	-	-
Interest	42,625	72,346	14,846
Miscellaneous	<u>14,379</u>	<u>2,735</u>	<u>-</u>
Total revenues	<u>4,974,665</u>	<u>1,431,082</u>	<u>14,846</u>
Expenditures:			
Current -			
General government	-	753,971	-
Culture and recreation	4,256,783	-	-
Capital projects	-	17,495	-
Debt service -			
Principal retirement	-	-	718,000
Interest coupons paid	-	-	60,958
Paying agent fees and penalties	<u>-</u>	<u>-</u>	<u>10,180</u>
Total expenditures	<u>4,256,783</u>	<u>771,466</u>	<u>789,138</u>
Excess (deficiency) of revenues over expenditures	<u>717,882</u>	<u>659,616</u>	<u>(774,292)</u>
Other financing sources (uses):			
Proceeds from issuance of debt	-	-	-
Operating transfers in	-	-	684,265
Operating transfers out	<u>(684,265)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(684,265)</u>	<u>-0-</u>	<u>684,265</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	33,617	659,616	(90,027)
Fund balance, beginning	<u>138,015</u>	<u>1,427,445</u>	<u>90,027</u>
Fund balance, ending	<u>\$ 171,632</u>	<u>\$ 2,087,061</u>	<u>\$ -0-</u>

See Notes to Financial Statements.

Totals	
(Memorandum Only)	
<u>1998</u>	<u>1997</u>
\$2,053,275	\$1,571,053
4,220,387	4,533,963
-	945,315
129,817	104,227
<u>17,114</u>	<u>11,923</u>
<u>6,420,593</u>	<u>7,166,481</u>
753,971	120,075
4,256,783	5,978,432
17,495	599,494
718,000	382,775
60,958	97,683
<u>10,180</u>	<u>6,575</u>
<u>5,817,387</u>	<u>7,185,034</u>
<u>603,206</u>	<u>(18,553)</u>
-	414,169
684,265	515,250
<u>(684,265)</u>	<u>(515,250)</u>
<u>-0-</u>	<u>414,169</u>
603,206	395,616
<u>1,655,487</u>	<u>1,259,871</u>
<u>\$2,258,693</u>	<u>\$1,655,487</u>

CAJUNDOME COMMISSION

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

Year Ended October 31, 1998

With Comparative Actual Amounts for Year Ended October 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
Lafayette City-Parish				
Consolidated Government				
subsidy for:				
Operations	\$ -	\$ 396,356	\$ 396,356	\$ 254,364
Capital expenditures	-	300,918	300,918	300,000
Donations	-	-	-	945,315
Charges for services -				
Rentals and box office fees	1,930,085	1,434,255	(495,830)	1,367,857
Reimbursed event expenses	-	514,426	514,426	923,032
Food and beverage				
commissions	1,545,256	1,288,189	(257,067)	1,439,673
Advertising	183,950	159,759	(24,191)	137,520
Parking lot fees	523,812	606,730	82,918	520,046
Suite leases	210,500	217,028	6,528	145,835
Interest	50,000	42,625	(7,375)	48,518
Miscellaneous	7,500	14,379	6,879	11,923
Total revenues	<u>4,451,103</u>	<u>4,974,665</u>	<u>523,562</u>	<u>6,094,083</u>
Expenditures:				
Current -				
Culture and recreation:				
Personnel costs	1,322,774	1,229,290	93,484	1,685,762
Supplies and materials	66,558	97,882	(31,324)	89,524
Telephone and utilities	445,300	424,719	20,581	384,533
Postage	11,585	13,417	(1,832)	10,700
Repairs and maintenance	153,312	198,258	(44,946)	233,464
Advertising	27,325	11,702	15,623	11,431
Travel and meetings	36,450	50,562	(14,112)	25,043
Audit and legal fees	58,600	46,215	12,385	40,451
Event expenses	1,509,021	1,688,122	(179,101)	1,948,390
Contractual services	-	32,048	(32,048)	6,313
Insurance	198,874	172,635	26,239	192,057
Capital expenditures	-	191,768	(191,768)	1,292,677
Other	69,220	83,165	(13,945)	58,087
Debt service -				
Principal	-	15,786	(15,786)	27,775
Interest	-	1,214	(1,214)	6,585
Total expenditures	<u>3,899,019</u>	<u>4,256,783</u>	<u>(357,764)</u>	<u>6,012,792</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, 1998
 With Comparative Actual Amounts for Year Ended October 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	552,084	717,882	165,798	81,291
Other financing sources (uses):				
Proceeds from issuance of debt	-	-	-	414,169
Operating transfers out	-	684,265	(684,265)	(510,869)
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 552,084</u>	33,617	<u>\$(518,467)</u>	(15,409)
Fund balance, beginning		<u>138,015</u>		<u>153,424</u>
Fund balance, ending		<u>\$ 171,632</u>		<u>\$ 138,015</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. 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 Southwestern Louisiana. 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 collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed 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 Cajundome Commission earn vacation pay at the rate of 12 - 18 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 \$4,581 at October 31, 1998.

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 \$2,187,097 and the bank balance was \$2,502,410. Of the bank balance, \$200,000 was covered by federal depository insurance and \$721,228 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 \$1,581,182 is considered uncollateralized. In addition, cash on hand totaled \$13,070.

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

Receivables at October 31, 1998 consist of the following:

Rentals	\$ 161,812
Commissions	94,085
Other	<u>6,113</u>
Gross receivables	262,010
 Less: allowance for uncollectibles	 <u>4,581</u>
 Net receivables	 <u>\$ 257,429</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 Southwestern Louisiana. 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 Southwestern Louisiana, 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 Southwestern Louisiana.

The balance of these assets at October 31, 1998 was \$5,352,682. Of the total, \$1,084,434 was purchased by or assigned to the Lafayette City-Parish Consolidated Government, and \$4,268,248 was purchased by or assigned to the University of Southwestern 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

Revenue Bonds. The Commission issued bonds during the fiscal year ended October 31, 1995 for the construction of a perimeter concrete ramp and acquisition of equipment, furnishings and appurtenances necessary for installation of an ice rink to accommodate ice hockey and other ice skating events. The bonds were 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 less expenses. In July 1998, the bonds were retired using ice related revenues generated during the first half of the 1998 fiscal year.

NOTES TO FINANCIAL STATEMENTS

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 18). The note bears interest at a rate of 8.50%, matures July 5, 2004 and has an outstanding balance of \$233,588 at October 31, 1998.

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 17). 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, 1998 was \$32,766.

These agreements are considered notes payable for accounting purposes. The debt service requirements to maturity of the notes at October 31, 1998, including interest payments of \$63,445, are as follows:

Year Ended <u>October 31,</u>	
1999	\$ 68,691
2000	68,691
2001	51,691
2002	51,691
2003	51,691
2004	<u>37,344</u>
	<u>\$ 329,799</u>

Capital Lease. The Commission entered into various lease agreements during the 1997 fiscal year for purchases of office equipment and arena scoreboards. The original amount of these leases totaled \$81,387 and are considered capital leases for accounting purposes. Interest rates on these leases vary from 8.61% to 9.91%, and maturities range from March 12, 2000 to August 13, 2001. The debt service requirements to maturity of the leases as of October 31, 1998, including interest payments of \$5,910, are as follows:

Year Ended <u>October 31,</u>	
1999	\$ 22,950
2000	16,416
2001	<u>11,147</u>
	<u>\$ 50,513</u>

NOTES TO FINANCIAL STATEMENTS

Changes in Long-Term Liabilities. During the year ended October 31, 1998, the following changes occurred in the liability reported in the general long-term debt account group:

	Balance November 1, <u>1997</u>	<u>Additions</u>	<u>Reductions</u>	Balance October 31, <u>1998</u>
Revenue debt	\$ 718,000	\$ -	\$ 718,000	\$ -
Compensated absences	54,470	15,276	2,202	67,544
Notes payable	312,558	-	46,204	266,354
Capital leases	<u>62,312</u>	<u>-</u>	<u>17,709</u>	<u>44,603</u>
	<u>\$ 1,147,340</u>	<u>\$ 15,276</u>	<u>\$ 784,115</u>	<u>\$ 378,501</u>

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, 1998, 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:

Beginning October 9, 1995, 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, 1998 was \$746,033; the total payroll was \$1,718,932.

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.

NOTES TO FINANCIAL STATEMENTS

Description of funding policy:

Covered employees are required to contribute 9.25% of their salary to MERS; the Commission contributed 6.25% through June 30, 1997, at which time the rate changed to 5.75%. Contributions for the year ended October 31, 1998 were \$69,008 from employees and \$39,167 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 the 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, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among government pension plans and employers. The MERS 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, 1998.

Note 10. Pending Litigation

At October 31, 1998, 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.

NOTES TO FINANCIAL STATEMENTS

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	\$ 33,995
Capital expenditures	191,768
Professional fees	<u>7,000</u>
	<u>\$ 232,763</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 Southwestern Louisiana.

Changes in the Reserve for Capital Expenditures for the year ended October 31, 1998 were as follows:

Balance, beginning of year	\$ 38,015
Capital funds received during the year	300,918
Capital funds expended	<u>(232,763)</u>
Balance, end of year	<u>\$ 106,170</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, 1998, the event promotion cost center had a deficiency of revenues over expenditures of \$34,538.

NOTES TO FINANCIAL STATEMENTS

Note 14. Ice Hockey

During the year ended October 31, 1995, 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 \$1,550,000 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. This amount is included in the general fixed assets assigned to the University of Southwestern Louisiana. The excess revenues of operating the rink were dedicated to repayment of the bonds which were paid in full during the 1998 fiscal year.

Note 15. 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.

Note 16. Convention Center

During the October 31, 1996 fiscal year, the Cajundome began receiving a portion of a one percent state hotel/motel revenue tax, enacted in 1992 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 Act provided for funding to commence in the 1995-1996 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 \$11,600,000. 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 mid 1999. The Board of Trustees issued bonds, dated June 1, 1997, in the amount of \$9,600,000 on June 30, 1997.

NOTES TO FINANCIAL STATEMENTS

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, 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. The bonds will be issued for a thirty year period.

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, 1998 and 1997, the Cajundome collected hotel/motel tax revenues of \$1,356,001 and \$1,016,689, respectively.

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

Year Ended <u>October 31,</u>	
1999	\$ 666,564
2000	670,131
2001	668,036
2002	670,556
2003	667,456
2004-2008	3,346,728
2009-2013	3,357,350
2014-2018	3,375,600
2019-2023	3,386,093
2024-2027	<u>2,040,745</u>
	<u>\$18,849,259</u>

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NOTES TO FINANCIAL STATEMENTS

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 have to be based on estimated amounts.

Rental payments under the lease agreement during the fiscal year ended 1998 totaled \$753,971 which consisted of the bond principal and interest payments and cash management fees.

Note 17. 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.

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 18. 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

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

CAJUNDOME COMMISSION
 CAPITAL PROJECTS FUND
 CONFERENCE CENTER PROJECT

BALANCE SHEETS
 October 31, 1998
 With Comparative Totals for Year Ended October 31, 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash	\$1,728,776	\$1,433,601
Accrued interest	-	3,044
Due from other governmental agency	<u>358,285</u>	<u>-</u>
Total assets	<u>\$2,087,061</u>	<u>\$1,436,645</u>
LIABILITIES		
Accounts payable	\$ -0-	\$ 9,200
FUND EQUITY		
Fund balance -		
Reserved for capital expenditures	<u>2,087,061</u>	<u>1,427,445</u>
Total liabilities and fund equity	<u>\$2,087,061</u>	<u>\$1,436,645</u>

CAJUNDOME COMMISSION
 CAPITAL PROJECTS FUND
 CONFERENCE CENTER PROJECT

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

	1998	1997
Revenues:		
Intergovernmental	\$ 1,356,001	\$ 1,016,689
Interest	72,346	42,791
Miscellaneous	2,735	-
Total revenues	1,431,082	1,059,480
Expenditures:		
Current -		
General government	753,971	120,075
Capital projects	17,495	599,494
Total expenditures	771,466	719,569
Excess (deficiency) of revenues over expenditures	659,616	339,911
Fund balance, beginning	1,427,445	1,087,534
Fund balance, ending	\$ 2,087,061	\$ 1,427,445



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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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Erna R. Walton, CPA 1988

George A. Lewis, CPA* 1992

Geraldine J. Wimberley, CPA* 1995

Rodney L. Savoy, CPA* 1996

Larry G. Broussard, CPA* 1997

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

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, as of and for the year ended October 31, 1998, and have issued our report thereon dated March 23, 1999, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, "Disclosures about Year 2000 Issues." 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 a condition in which the design or operation of one or more of the

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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 of management. However, this report is a matter of public record and its distribution is not limited.

Brussard, Poché, Lewis & Breault LLP

Lafayette, Louisiana
March 23, 1999

March 20, 1999

Broussard, Poche, Lewis & Breaux, L.L.P.
Certified Public Accountants
P. O. Box 61400
Lafayette, LA 70596-1400

The CAJUNDOME Commission respectfully submits the following schedule of prior year findings for the year ended October 31, 1998.

I. Internal Control and Compliance Material to the Financial Statements

Bond Commission Approval

Recommendation: All laws and regulations regarding restrictions on debt of a public entity be adhered to and followed.

Action Taken: Commission and management have ensured that Bond Commission approval be obtained for all applicable borrowings.

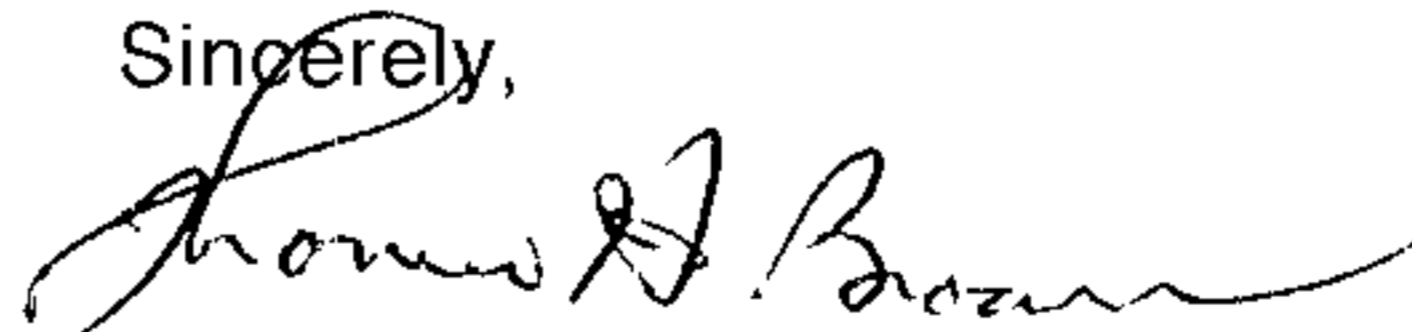
II. Internal control and compliance Material to Federal Awards

The prior year's report did not include any findings related to federal awards.

III. Management Letter

The prior year's report did not include a management letter.

Sincerely,



Thomas Brown
Chairman

/pw