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BEAUREGARD PARISH  
COVERED ARENA AUTHORITY  
BEAUREGARD PARISH POLICE JURY  
DERIDDER, LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
With Auditor's Report  
For the Year Ended  
December 31, 2010

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

Release Date 8/10/11

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# John A. Windham, CPA

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John A. Windham, CPA

## INDEPENDENT AUDITOR'S REPORT

Beauregard Parish Covered Arena Authority  
P.O. Box 430  
DeRidder, LA 70634

I have audited the accompanying financial statements of the business-type activities, and the major fund of the Beauregard Parish Covered Arena Authority, a component unit of the Beauregard Parish Police Jury, DeRidder, Louisiana, as of and for the year ended December 31, 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beauregard Parish Covered Arena Authority's management. My responsibility is to express opinions on these financial statements based on my audit.

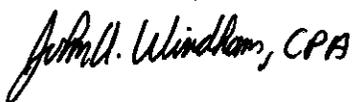
I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the major fund of the Beauregard Parish Covered Arena Authority, as of December 31, 2010, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 11, 2011 on my consideration of the Beauregard Parish Covered Arena Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Beauregard Parish Covered Arena Authority, a component unit of the Beauregard Parish Police Jury, DeRidder, Louisiana, has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beauregard Parish Covered Arena Authority's financial statements as a whole. The schedule of prior year audit findings and current year audit findings and management's response is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of prior year audit findings and current year audit findings and management's response are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "J. Windham, CPA". The signature is written in a cursive style.

DeRidder, Louisiana  
April 11, 2011

**BASIC FINANCIAL STATEMENTS**

Beauregard Parish  
Covered Arena Authority

Statement A

Statement of Net Assets  
For the Year Ended  
December 31, 2010

		<u>Business-type Activities</u> <u>Enterprise Fund</u> <u>2010</u>	
	<b>Assets</b>		
Current Assets			
Cash		\$	250
Receivables:			
Accounts			250
Grants			6,250
Total current assets		<u>\$</u>	<u>6,750</u>
Noncurrent Assets			
Capital assets, net		<u>\$</u>	<u>804,408</u>
Total assets		<u>\$</u>	<u>811,158</u>
	<b>Liabilities</b>		
Current Liabilities			
Cash overdraft		\$	9,336
Accounts payable			20,880
Payroll taxes payable			3,165
Total current liabilities		<u>\$</u>	<u>33,381</u>
	<b>Net Assets</b>		
Invested in capital assets		\$	804,408
Unrestricted			(26,631)
Total net assets		<u>\$</u>	<u>777,777</u>
Total liabilities and net assets		<u>\$</u>	<u>811,158</u>

The accompanying notes are an integral part of this statement.

Beauregard Parish  
Covered Arena Authority

Statement of Activities  
For the Year Ended  
December 31, 2010

Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Business-type Activities
Business-type activities:	\$ 183,543	\$ 76,939	\$ 8,000	\$ (98,604)
General revenues:				
Hotel/Motel tax				\$ 25,000
Sales tax revenue				19,604
Investment income				4
Miscellaneous Revenue				609
Total revenues				\$ 45,217
Change in net assets				\$ (53,387)
Net assets at beginning of year				831,164
Net assets at end of year				\$ 777,777

The accompanying notes are an integral part of this statement.

Beauregard Parish  
Covered Arena Authority

Statement C

Statement of Net Assets - Proprietary Fund  
For the Year Ended  
December 31, 2010

		Business-type Activities Enterprise Fund <u>2010</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash		\$ 250
Receivables:		
Accounts		250
Grants		6,250
Total current assets		<u>\$ 6,750</u>
<b>Noncurrent Assets</b>		
Capital assets, net		<u>\$ 804,408</u>
Total assets		<u><u>\$ 811,158</u></u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Cash overdraft		\$ 9,336
Accounts payable		20,880
Payroll taxes payable		3,165
Total current liabilities		<u>\$ 33,381</u>
<b>Net Assets</b>		
Invested in capital assets		\$ 804,408
Unrestricted		(26,631)
Total net assets		<u>\$ 777,777</u>
Total liabilities and net assets		<u><u>\$ 811,158</u></u>

The accompanying notes are an integral part of this statement.

Beauregard Parish  
Covered Arena Authority

Statement D

Statement of Revenues, Expenses, and Changes  
in Net Assets - Proprietary Fund  
For the Year Ended  
December 31, 2010

	<u>Business-type Activities</u> <u>Enterprise Fund</u>	
	<u>2010</u>	
Operating revenues:		
Arena and other rentals	\$	59,532
Concession stand and other sales		17,407
Total operating revenues	<u>\$</u>	<u>76,939</u>
Operating expenses:		
Personal services	\$	46,221
Supplies		26,751
Contractual services		78,628
Depreciation		31,363
Total operating expenses	<u>\$</u>	<u>182,963</u>
Income (loss) from operations	<u>\$</u>	<u>(106,024)</u>
Nonoperating revenues (expenses)		
Interest expense	\$	(580)
Investment income		4
Hotel/Motel tax revenue		25,000
Sales tax revenue		19,604
Miscellaneous revenue		609
Total nonoperating revenues (expenses)	<u>\$</u>	<u>44,637</u>
Loss before capital contributions	<u>\$</u>	<u>(61,387)</u>
Capital contributions		<u>8,000</u>
Change in net assets	<u>\$</u>	<u>(53,387)</u>
Net assets at beginning of year		<u>831,164</u>
Net assets at end of year	<u>\$</u>	<u>777,777</u>

The accompanying notes are an integral part of this statement.

Beauregard Parish  
Covered Arena Authority

Statement E

Statement of Cash Flows - Proprietary Fund  
For the Year Ended  
December 31, 2010

	Business-type Activities Enterprise Fund <u>2010</u>
Cash flows from operating activities:	
Cash received from customers	\$ 76,689
Cash payments to suppliers for goods and services	(94,621)
Cash payments to employees for services	(45,813)
Net cash used by operating activities	<u>\$ (63,745)</u>
Cash flow from non-capital financing activities:	
Interest expense	\$ (580)
Hotel/Motel revenue	25,000
Sales tax revenue	19,604
Contributed capital received	8,000
Miscellaneous revenue	609
Net cash provided for non-capital financing activities	<u>\$ 52,633</u>
Cash flows from investing activities:	
Interest income	<u>\$ 4</u>
Net increase (decrease) in cash and cash equivalents	\$ (11,108)
Cash and cash equivalents, beginning	<u>2,022</u>
Cash and cash equivalents, ending	<u>\$ (9,086)</u>

(Continued)

The accompanying notes are an integral part of this statement.

Beauregard Parish  
Covered Arena Authority

Statement E

Statement of Cash Flows - Proprietary Fund  
For the Year Ended  
December 31, 2010

	<u>Business-type Activities</u> <u>Enterprise Fund</u> <u>2010</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:	
Income (loss) from operations	<u>\$ (106,024)</u>
Adjustments to reconcile income from operations to net cash used by operating activities:	
Depreciation	\$ 31,363
Change in assets and liabilities:	
Increase in accounts receivable	(250)
Increase in payroll tax payable	408
Increase in accounts payable	10,758
Net cash used by operating activities	<u>\$ (63,745)</u>
	(Concluded)

The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

Beauregard Parish Covered Arena Authority

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

**INTRODUCTION**

The Beauregard Parish Covered Arena Authority was created by the Louisiana State Legislature, Act No. 984, R.S. 33:4577 dated June 29, 1995. The covered arena authority provides for the general maintenance, upkeep, and construction of property, plant and equipment of the Beauregard Parish Covered Arena. The governing authority of the covered arena is a Board of Commissioners consisting of the president of the Beauregard Parish Police Jury and four members appointed by the members of the legislature representing Beauregard Parish; the commissioners serve a period of two years and receive no compensation for their services.

The accounting and reporting policies of the Beauregard Parish Covered Arena Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and *component units* that should be included within the reporting entity. Under provisions of this Statement, the Beauregard Parish Covered Arena Authority is considered a component unit of the Beauregard Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Beauregard Parish Covered Arena Authority. Business-type activities, which rely to a significant extent on fees and charges for support are the only activities reported in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The Beauregard Parish Covered Arena Authority reports the following proprietary fund:

The Proprietary Fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Beauregard Parish Covered Arena Authority

Notes to Financial Statements (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues includes 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing an arena for events and concession stand sales comprise the operating revenue of the covered arena's enterprise fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, and then unrestricted resources as they are needed.

**C. Deposits and Investments**

The covered arena's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Beauregard Parish Covered Arena Authority's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**D. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The covered arena maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred during the fiscal year was \$580 in 2010. Of this amount none was included as part of the cost of capital assets under construction in connection with the covered arena's construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	5 years
Equipment	5-10 years
Furniture and fixtures	5-10 years
Buildings and building improvements	20-40 years

Beauregard Parish Covered Arena Authority

Notes to Financial Statements (Continued)

**E. Compensated Absences**

The covered arena authority does not provide for the accumulating and vesting of leave.

**F. Long-Term Obligations**

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund type statement of net assets. As of December 31, 2010 the authority had no long-term obligations.

**G. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the covered arena, which are either unusual in nature or infrequent in occurrence.

**H. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2010, the covered arena has cash and cash equivalents (book balances) totaling \$(9,086) respectively as follows:

	2010
Demand deposits	\$ (9,336)
Petty Cash	250
Total	<u>\$ (9,086)</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2010, the covered arena authority has \$(1,264) respectively in deposits (collected bank balances).

**3. FUND DEFICITS**

At December 31, 2010 the unrestricted net assets deficit totals \$26,631. Management is monitoring the deficit and will increase user fees as necessary.

Beauregard Parish Covered Arena Authority

Notes to Financial Statements (Concluded)

4. RECEIVABLES

The receivables as of December 31, 2010 are as follows:

Class of receivable	Proprietary Fund	
	2010	
Grants	\$	6,250
Accounts		250
Total	\$	6,500

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the years ended December 31, 2010, for the primary government is as follows:

	December 31, 2010			Ending Balance
	Beginning Balance	Increases	Decreases	
Business-type activities				
Capital assets being depreciated				
Building and improvements	\$ 665,995	\$ -	\$ -	\$ 665,995
Parking lot and improvements	275,356	-	-	275,356
Machinery and equipment	35,889	-	-	35,889
Furniture and fixtures	3,994	-	-	3,994
Vehicles	13,764	-	-	13,764
Total capital assets being depreciated	994,998	-	-	994,998
Less accumulated depreciation for:				
Building and improvements	62,636	20,860	-	83,496
Parking lot and improvements	51,681	7,169	-	58,850
Machinery and equipment	27,618	3,115	-	30,733
Furniture and fixtures	3,528	219	-	3,747
Vehicles	13,764	-	-	13,764
Total accumulated depreciation	159,227	31,363	-	190,590
Total business-type assets being depreciated, net	\$ 835,771	\$ (31,363)	\$ -	\$ 804,408

6. ACCOUNTS AND OTHER PAYABLES

The payables of \$24,045 respectively, as of December 31, 2010, are as follows:

	Proprietary Fund	
	2010	
Accounts	\$	20,880
Payroll taxes		3,165
Total	\$	24,045

7. RETIREMENT SYSTEMS

All employees of the covered arena authority are members of the Federal Social Security System. The authority contributes 7.65% of gross salaries up the appropriate statutory limits to that system. The Federal Social Security System administrates the plan and pays benefits.

**OTHER REPORTS**

Schedule of Prior Year Audit Findings  
Year Ended December 31, 2010

There were no prior year audit findings as of December 31, 2009.

Schedule of Current Year Audit Findings  
And Management's Response  
Year Ended December 31, 2010

There were no current year audit findings as of December 31, 2010.

# John A. Windham, CPA

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John A. Windham, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Beauregard Parish Covered Arena Authority  
P.O. Box 430  
DeRidder, LA 70634

I have audited the financial statements of the business-type activities and the major fund of the Beauregard Parish Covered Arena Authority, as of and for the year ended December 31, 2010, which collectively comprises the Beauregard Parish Covered Arena Authority's, basic financial statements and have issued my report thereon dated April 11, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Beauregard Parish Covered Arena Authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Beauregard Parish Covered Arena Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Beauregard Parish Covered Arena Authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Beauregard Parish Covered Arena Authority's, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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

Beauregard Parish Covered Arena Authority  
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my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties, although under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*John M. Windham, CPA*

DeRidder, Louisiana  
April 11, 2011