

CAJUNDOME COMMISSION
Lafayette, Louisiana

Financial Report

Year Ended October 31, 2005

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.

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INDEPENDENT AUDITORS' REPORT

To the Cajundome Commission
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities fund of the Cajundome Commission, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 2005, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Cajundome Commission as of October 31, 2005, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2005 on our consideration of the Commission's internal control over financial reporting and our 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 our 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 *Governmental Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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The management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 26 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cajundome Commission's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of the Cajundome Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
March 23, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Cajundome Commission's financial performance provides an overview of Cajundome Commission's financial activities for the fiscal year ended October 31, 2005. Please read it in conjunction with the Commission's financial statements, which begin on page 8.

I. FINANCIAL HIGHLIGHTS

Cajundome Commission's net assets increased by \$307,393, or 31%, as a result of this year's operations.

Cajundome Commission's total program revenues were \$9,858,365 for the year ended October 31, 2005, compared to \$4,654,246 in 2004, an increase of \$5,204,119 or 112%. This increase resulted primarily from the acquisition of the food service operation and from federal funds received for sheltering victims of Hurricanes Katrina and Rita.

Total expenses for Cajundome Commission during the year ended October 31, 2005 were \$11,027,450 compared to \$6,441,543 in 2004, an increase of \$4,585,907 or 71%. This increase is primarily attributable to the acquisition of the food service operation and sheltering costs associated with the housing of evacuees from Hurricanes Katrina and Rita.

II. USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (pages 8 and 9) provide information about Cajundome Commission's activities as a whole and present a longer-term view of Cajundome Commission's finances. Fund financial statements start on page 11. These statements tell how the services were financed in the short-term as well as what remains for future spending. Fund financial statements also report Cajundome Commission's operations in more detail than the government-wide statements by providing information about Cajundome Commission's most significant funds.

A. REPORTING CAJUNDOME COMMISSION AS A WHOLE

1. THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

Our analysis of Cajundome Commission as a whole begins on page 4. One of the most important questions asked about Cajundome Commission's finances is, "Is Cajundome Commission, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about Cajundome Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Cajundome Commission's net assets and the changes in them. These net assets, the difference between the assets and the liabilities, is one way to measure Cajundome Commission's financial position or financial health. Over time, increases or decreases in Cajundome Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

The funds maintained by the Cajundome Commission are recorded as governmental activities in the Statement of Net Assets and the Statement of Activities.

B. REPORTING CAJUNDOME COMMISSION'S MOST SIGNIFICANT FUNDS

1. FUND FINANCIAL STATEMENTS

The analysis of the major funds maintained by Cajundome Commission begins on page 5. The fund financial statements begin on page 11 and provide detailed information about the most significant funds, not the Commission as a whole. The Cajundome Commission does not have any non-major funds.

All of Cajundome Commission's expenses are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method, which measures cash and all other financial assets that could be readily converted to cash. The governmental fund statements provide a detailed short-term view of Cajundome Commission's general operations and the expenses paid from these funds. The information in the governmental funds helps determine if there are more or less financial resources to finance future Cajundome Commission expenses. We describe the relationship (or differences) between governmental activities (reported in the Statement of New Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

III. CAJUNDOME COMMISSION AS A WHOLE

The following table reflects the condensed Statement of Net Assets for 2005 with the comparative figures for 2004:

TABLE I
NET ASSETS
October 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash	\$ 1,540,265	\$2,732,482
Accounts receivable, net	84,700	314,024
Due from other governmental agencies	2,188,620	566,860
Inventory	82,834	-
Other current assets	<u>9,154</u>	<u>8,130</u>
Total assets	<u>\$ 3,905,573</u>	<u>\$ 3,621,496</u>
Current liabilities	\$ 1,600,832	\$ 1,420,174
Long-term liabilities	<u>1,009,256</u>	<u>1,213,230</u>
Total liabilities	<u>2,610,088</u>	<u>2,633,404</u>
Net assets:		
Invested in capital assets	(879,356)	(1,100,055)
Restricted	1,304,150	2,201,322
Unrestricted	<u>870,691</u>	<u>(113,175)</u>
Total net assets	<u>1,295,485</u>	<u>988,092</u>
Total liabilities and net assets	<u>\$ 3,905,573</u>	<u>\$ 3,621,496</u>

As of October 31, 2005, net assets of the funds maintained by the Cajundome Commission's governmental activities increased by \$307,393, or 31%, from 2004. Unrestricted net assets, the part of net assets that can be used to finance Cajundome Commission expenses without constraints or other legal requirements increased by \$16,725 or 15% from a deficit of \$113,175 at October 31, 2004 to a deficit of \$129,900 at October 31, 2005.

The table below provides a summary of the net assets for the year ended October 31, 2005, with comparative figures for 2004:

TABLE II
CHANGE IN NET ASSETS
Years Ended October 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues:		
Program revenues -		
Charges for services	\$ 5,581,153	\$ 3,857,092
LCG subsidies	532,570	797,154
Federal grant	3,744,642	-
General revenues -		
Taxes	1,355,772	1,232,262
Investment earnings	59,458	32,285
Miscellaneous	<u>61,248</u>	<u>78,036</u>
Total revenues	<u>11,334,843</u>	<u>5,996,829</u>
Expenses:		
Culture and recreation	7,397,155	5,822,947
Health and welfare	2,718,042	-
Capital projects	865,265	560,710
Interest on long-term debt	<u>46,988</u>	<u>57,886</u>
Total expenses	<u>11,027,450</u>	<u>6,441,543</u>
Increase (decrease) in net assets	307,393	(444,714)
Net assets, beginning	<u>988,092</u>	<u>1,432,806</u>
Net assets, ending	<u>\$ 1,295,485</u>	<u>\$ 988,092</u>

During the fiscal year ended October 31, 2005, charges for services increased by \$1,724,061 or approximately 45%, while LCG subsidies decreased by \$264,584 from fiscal year 2004. The increase in charges for services was largely due to increased revenue from the acquisition of the food service operation. The decrease in LCG subsidies was mainly due to a \$200,000 decrease in the capital subsidy from LCG from \$300,000 in fiscal year 2004 to \$100,000 in 2005. Federal grants for 2005 were the direct result of sheltering evacuees from the gulf coast region, including the New Orleans and Lake Charles areas, caused by Hurricanes Katrina and Rita.

Expenses increased by \$4,585,907 or approximately 71%. Culture and recreation expenses increased \$1,574,208, or 27%, which is primarily due to the operating expenses of the food services department. Health and welfare expenses totaled \$2,718,042 in fiscal year ended 2005 which was a direct result of sheltering evacuees from Hurricanes Katrina and Rita. Capital projects expenses increased \$304,555 or 54% from 2004. These increases are largely due to capital purchases required to operate the food service department. Funds, restricted for capital improvements in prior years, were re-allocated to immediate repairs and projects needed at the Cajundome.

IV. GENERAL FUND BUDGETARY HIGHLIGHTS

The Commission's general fund budget was revised during the 2005 fiscal year. However, on August 30, 2005, the Cajundome was designated as an evacuation shelter following the devastation of the southeastern Louisiana and Mississippi gulf coast. Because the sheltering operation lasted through the end of the fiscal year and operated twenty-four (24) hours per day for seven (7) days a week, because the Commission was not operating under normal circumstances during that time and all regular Commission meetings were cancelled with the exception of two emergency meetings during the sheltering operation which were informative only, and because the emergency costs were so great during that period and final estimated costs of sheltering could not be reasonably determined by fiscal year end, the budget was not amended to reflect revenues and expenses from the sheltering operation, nor for the effect of lost business which occurred during that time period. Therefore, the Commission is not in compliance with budget laws associated with actual expenditures exceeding five percent (5%) of budgeted amounts (Louisiana R.S. 39:1311).

There were negative variances in charges for services and miscellaneous revenues as well as personnel costs and event expenses due to the Commission's designation as an evacuation shelter for the entire months of September and October 2005. The negative variance in charges for services and miscellaneous revenues were the direct result of the forced cancellation of all scheduled events in the arena and convention center during the sheltering months. The shelter operation also caused *negative variances in the majority of expense accounts due to the increased costs of operating an evacuation shelter for twenty-four hours per day for fifty-eight days straight for the safety and welfare of the evacuees.* Nearly eighteen thousand five hundred (18,500) evacuees were either processed or housed in the Cajundome arena and convention center during those two months. However, the increased expenses were offset by federal grant revenue, which was also not budgeted in the 2005 fiscal year. A small number of expense line items experienced positive variances mainly due to the cease of normal operations during the sheltering period.

V. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Cajundome Commission's management considered many factors when setting the operating budget for the fiscal year ending October 31, 2006. The only major difference between the fiscal year 2006 and 2005 budgets that the Commission expects is a significant increase in revenues and expenditures relating to the "recovery" phase from the sheltering of hurricane evacuees. *No consideration was given to the effect of possible future disasters which could lead to the Commission's use as an evacuation shelter or emergency response staging area for the 2006 fiscal year.*

VI. CONTACTING THE CAJUNDOME COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the funds maintained by Cajundome Commission and to show Cajundome Commission's accountability for the money it receives. If you have any questions or need additional financial information, contact Cajundome Commission at 444 Cajundome Boulevard, Lafayette, Louisiana 70506.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CAJUNDOME COMMISSION

Statement of Net Assets
October 31, 2005

ASSETS

Cash	\$ 1,006,604
Cash with paying agent	533,661
Accounts receivable, net	84,700
Accrued interest	1,462
Due from other governmental agencies	2,188,620
Inventory	82,834
Deposits	<u>7,692</u>
Total assets	<u>\$ 3,905,573</u>

LIABILITIES

Accounts payable	\$ 636,297
Accrued liabilities	151,120
Deferred revenue	813,415
Long-term liabilities:	
Capital Lease	
Current portion	204,933
Non-current portion	674,423
Compensated absences	<u>129,900</u>
Total liabilities	<u>2,610,088</u>

NET ASSETS

Invested in capital assets, net of related debt	(879,356)
Restricted for capital projects	1,304,150
Unrestricted	<u>870,691</u>
Total net assets	<u>1,295,485</u>
Total liabilities and net assets	<u>\$ 3,905,573</u>

The accompanying notes are an integral part of this statement.

CAJUNDOME COMMISSION

Statement of Activities
Year Ended October 31, 2005

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Culture and recreation	\$ 7,397,155	5,581,153	432,570	100,000	\$ (1,283,432)
Health and Welfare	2,718,042	-	3,744,642	-	1,026,600
Capital projects	865,265	-	-	-	(865,265)
Interest on long-term debt	46,988	-	-	-	(46,988)
Total governmental activities	<u>\$ 11,027,450</u>	<u>5,581,153</u>	<u>4,177,212</u>	<u>100,000</u>	<u>(1,169,085)</u>
General revenues:					
Hotel/motel tax					1,355,772
Investment earnings					59,458
Miscellaneous					<u>61,248</u>
Total general revenues					<u>1,476,478</u>
Change in net assets					307,393
Net assets, beginning					<u>988,092</u>
Net assets, ending					<u>\$ 1,295,485</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CAJUNDOME COMMISSION

Balance Sheet
 Governmental Funds
 October 31, 2005
 With Comparative Totals as of October 31, 2004

ASSETS	General	Capital Projects	Totals	
			2005	2004
Cash	\$ 664,909	\$ 341,695	\$ 1,006,604	\$ 2,284,254
Cash with paying agent	-	533,661	533,661	448,228
Accounts receivable, net of allowance for uncollectibles	84,700	-	84,700	314,024
Accrued interest	-	1,462	1,462	438
Inventory	82,834	-	82,834	
Due from other fund	-	77,346	77,346	109,756
Due from other governmental agencies	1,943,345	138,291	2,081,636	421,286
Deposits	<u>7,692</u>	<u>-</u>	<u>7,692</u>	<u>7,692</u>
Total assets	<u>\$ 2,783,480</u>	<u>\$ 1,092,455</u>	<u>\$ 3,875,935</u>	<u>\$ 3,585,678</u>
LIABILITIES				
Accounts payable	\$ 636,297	\$ -	\$ 636,297	\$ 600,597
Accrued liabilities	129,586	-	129,586	62,698
Due to other fund	77,346	-	77,346	109,756
Deferred revenues	<u>1,269,679</u>	<u>-</u>	<u>1,269,679</u>	<u>756,879</u>
Total liabilities	<u>2,112,908</u>	<u>-</u>	<u>2,112,908</u>	<u>1,529,930</u>
FUND BALANCES				
Fund balances:				
Reserved for capital expenditures	126,245	1,092,455	1,218,700	2,055,748
Unreserved, undesignated	<u>544,327</u>	<u>-</u>	<u>544,327</u>	<u>-</u>
Total fund balances	<u>670,572</u>	<u>1,092,455</u>	<u>1,763,027</u>	<u>2,055,748</u>
Total liabilities and fund balances	<u>\$ 2,783,480</u>	<u>\$ 1,092,455</u>	<u>\$ 3,875,935</u>	<u>\$ 3,585,678</u>

The accompanying notes are an integral part of this statement.

CAJUNDOME COMMISSION

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
October 31, 2005

Total fund balances for governmental funds		\$ 1,763,027
Total net assets reported for governmental activities in the statement of net assets is difference because -		
Certain revenues were collected more than sixty days after year end and therefore are not available soon enough to pay for current year expenditures:		
Hotel/motel tax	106,984	
Federal Grant	<u>456,264</u>	563,248
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at October 31, 2005 are:		
Capital leases	(879,356)	
Accrued interest	(21,534)	
Compensated absences	<u>(129,900)</u>	<u>(1,030,790)</u>
Total net assets of governmental activities		<u>\$ 1,295,485</u>

The accompanying notes are an integral part of this statement.

CAJUNDOME COMMISSION

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Year Ended October 31, 2005

With Comparative Totals for the Year Ended October 31, 2004

	General	Capital Projects	Totals	
			2005	2004
Revenues:				
Intergovernmental -				
Hotel/motel tax	\$ -	\$ 1,394,362	\$ 1,394,362	\$ 1,197,474
Lafayette City-Parish Consolidated				
Government subsidies	532,570	-	532,570	797,154
Federal grant	3,288,378	-	3,288,378	-
Charges for services	5,581,153	-	5,581,153	3,857,092
Investment earnings	23,232	36,226	59,458	32,285
Miscellaneous	61,248	-	61,248	78,036
	<u>9,486,581</u>	<u>1,430,588</u>	<u>10,917,169</u>	<u>5,962,041</u>
Expenditures:				
Current -				
Culture and recreation	6,264,845	1,361,738	7,626,583	6,160,045
Health and welfare	2,718,042	-	2,718,042	-
Capital projects	-	865,265	865,265	560,710
	<u>8,982,887</u>	<u>2,227,003</u>	<u>11,209,890</u>	<u>6,720,755</u>
Excess (deficiency) of revenues over expenditures	503,694	(796,415)	(292,721)	(758,714)
Fund balances, beginning	<u>166,878</u>	<u>1,888,870</u>	<u>2,055,748</u>	<u>2,814,462</u>
Fund balances, ending	<u>\$ 670,572</u>	<u>\$ 1,092,455</u>	<u>\$ 1,763,027</u>	<u>\$ 2,055,748</u>

The accompanying notes are an integral part of this statement.

CAJUNDOME COMMISSION

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended October 31, 2005

Net decrease in fund balances - total governmental funds		\$ (292,721)
The change in net assets reported for governmental activities in the statement of activities is different because -		
Repayment of principal on debt is an expenditure in the governmental funds but a reduction of the liability in the statement of net assets:		
Capital leases		220,699
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment relates to the decrease in liabilities accrued during the year:		
Compensated absences	(16,725)	
Accrued interest	<u>(21,534)</u>	(38,259)
Revenues not collected for several months after year- end are not considered "available" revenues in the governmental funds. This adjustment relates to the increase (decrease) in receivables during the year:		
Federal grant	456,264	
Hotel/motel tax	<u>(38,590)</u>	<u>417,674</u>
<i>Increase in net assets of governmental activities</i>		<u>\$ 307,393</u>

The accompanying notes are an integral part of this statement.

CAJUNDOME COMMISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cajundome Commission (Commission) are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant of the Commission's accounting policies are described below.

A. Reporting Entity

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

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

B. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the Commission as a whole. These statements include the financial activities of the overall government. Governmental activities are generally financed through intergovernmental revenues and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees paid by the recipients of goods or services offered by the programs and (b) contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Commission's funds. All of the Commission's funds are considered governmental. Separate statements for its governmental funds are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Commission has no governmental funds reported as nonmajor funds.

CAJUNDOME COMMISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Commission reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the Commission. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

Capital Projects Fund: This fund is used to account for costs associated with the capital expenditures and renovations to the existing facilities which include the arena and convention center. Revenues consist primarily of an allocation of state hotel/motel tax collected in Lafayette Parish.

C. Basis of Accounting

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year period. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

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

D. Inventories

Inventories are determined on first-in, first-out (FIFO) basis and are stated at the lower of cost or market.

E. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital, net of related debt consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulation of other governments. The Commission first utilizes restricted resources to finance qualifying activities.

F. Bad Debts

The Commission uses the allowance method to recognize uncollectible accounts. The allowance for doubtful accounts totaled \$31,998 at October 31, 2005.

CAJUNDOME COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences

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

In the government-wide statements, the Commission accrues accumulated unpaid vacation leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements", compensated absences liability is not recorded in the governmental fund financial statements.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Interfund receivables and payables

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

NOTE 2 DEPOSITS

At October 31, 2005, the carrying amount of the Commission's deposits was \$1,476,685 and the bank balance was \$1,674,962. Of the bank balance, \$200,000 was covered by federal depository insurance and \$1,041,301 was covered by collateral held by a third party bank in the Commission's name.

The trustee bank for the Convention 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 \$433,661 is considered uncollateralized. In addition, cash on hand totaled \$63,580 as of October 31, 2005.

CAJUNDOME COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 3 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 4 RECEIVABLES

Receivables at October 31, 2005 consist of the following:

	2005
Rentals	\$ 45,096
Commissions	55,926
Other	<u>15,676</u>
Gross receivables	116,698
Less: allowance for uncollectibles	<u>31,998</u>
Net receivables	<u>\$ 84,700</u>

NOTE 5 INVENTORIES

Components of inventory at October 31, 2005 were as follows:

	2005
Food and spices	\$ 38,547
Beverages	34,889
Other	<u>9,398</u>
Total	<u>\$ 82,834</u>

CAJUNDOME COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 6 FIXED ASSETS

The Cajundome Commission is charged with the responsibility of managing and accounting for assets which make up the Cajundome premises. These assets were purchased by the Commission, the Lafayette City-Parish Consolidated Government, and the University of Louisiana at Lafayette. In accordance with the intergovernmental agreement creating the Commission, the assets purchased by the Commission are assignable to the Lafayette City-Parish Consolidated government or University of Louisiana at Lafayette, depending on the nature of the item. All movable items are assigned to the Lafayette City-Parish Consolidated Government and all immovable items which attach to the building are assigned to the University of Louisiana at Lafayette, with the exception of assets purchased with a hotel/motel tax allocation, which are assigned to the University of Louisiana at Lafayette as further discussed in Note 13.

The balance of these assets at October 31, 2005 was \$9,995,195. Of the total, \$2,592,228 was purchased by or assigned to the Lafayette City-Parish Consolidated Government, and \$7,402,967 was purchased by or assigned to the University of Louisiana at Lafayette.

These assets are reported on the financial statements of the entity purchasing the equipment or to which the equipment was assigned. However, debt related to the purchases of assets are carried in the Commissions financial statements and therefore, a deficit in net assets invested in capital assets of \$879,356 is reflected in the statement of net assets.

NOTE 7 LONG-TERM DEBT

Capital Lease. The Commission has an outstanding lease agreement entered August of 2002 for arena and office equipment. The lease agreement was amended October 29, 2005. The amount of the lease totaled \$1.5 million and is considered a capital lease for accounting purposes. The interest rate on the lease is 4.6%, and matures April 27, 2009.

The debt service requirements to maturity of the capital lease as of October 31, 2005 are as follows:

<u>Year Ended October 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 204,933	\$ 41,330	\$ 246,263
2007	214,565	31,698	246,263
2008	224,650	21,613	246,263
2009	<u>235,208</u>	<u>11,055</u>	<u>246,263</u>
	<u>\$ 879,356</u>	<u>\$ 105,696</u>	<u>\$ 985,052</u>

CAJUNDOME COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 7 LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities. During the year ended October 31, 2005 the following changes occurred in the long-term liability:

	Balance November 1, 2004	Additions	Reductions	Balance October 31, 2005
Compensated absences	\$ 113,175	\$ 26,990	\$ 10,265	\$ 129,900
Capital leases	<u>1,100,055</u>	<u>-</u>	<u>220,699</u>	<u>879,356</u>
	<u>\$ 1,213,230</u>	<u>\$ 26,990</u>	<u>\$ 230,964</u>	<u>\$ 1,009,256</u>

Compensated absences typically have been liquidated by the General Fund.

NOTE 8 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, 2005, is shown as a reservation of fund balance in the Governmental Fund Balance Sheet.
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 9 DEFINED BENEFIT PENSION PLAN

Plan Description and Provisions

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

CAJUNDOME COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy

Plan members are required to contribute 9.25% of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The current rate was 11.00% until July 1, 2005 at which time it increased to 16.00%. The contribution requirements of plan members and the Commission are established by statute. The Commission's contributions to MERS for the years ended October 31, 2005, 2004, and 2003 were \$216,513, \$134,580, and \$94,037, respectively, equal to the required contribution each year.

NOTE 10 FOOD & BEVERAGE CONCESSIONS AND CATERING

Prior to November 1, 2004, the Commission had a contract with Acadiana Promotions, Inc. (API) whereby API had the exclusive license, right and privilege to maintain the operation of the food and beverage concessions and related catering services for the Cajundome arena, convention center, and certain ULL facility events. In return, the Commission would receive a percentage of annual gross receipts from API.

Effective November 1, 2004, the Commission terminated the agreement with API and brought the food and beverage concessions and related catering services for the Cajundome arena, convention center, and certain ULL facility events under the direct control of the Commission. The operations relating to these activities are included in the general fund.

NOTE 11 CONVENTION CENTER

The Cajundome receives a portion of a 3.97% state hotel/motel revenue tax collected in Lafayette Parish, which was enacted in 1992 by the Louisiana State Legislature. All of the revenue from the tax is allocated to the Commission with the exception of \$200,000 which has been allocated by the Louisiana State Legislature to another governmental entity, indefinitely.

The Convention Center is owned by the State of Louisiana through the Board of Supervisors for the University of Louisiana System, formerly the Board of Trustees for State Colleges and Universities ("the Board") and the University of Louisiana at Lafayette. The Convention Center is leased to and operated by the Cajundome Commission and shares administration, food service, support and service facilities with the Cajundome.

The Convention Center facility is an approximately eighty-thousand (80,000) square foot building and has a budgeted cost of \$16,677,000. Of the construction budget, \$14,100,000 was funded through bonds issued by the Board and \$2,577,000 was funded from the hotel/motel tax revenues allocable to the Cajundome Commission. Construction was completed in April 2002. The Board issued bonds, dated June 1, 1997 and January 1, 2000, in the amount of \$9,600,000 and \$4,500,000, on June 30, 1997 and January 20, 2000, respectively.

CAJUNDOME COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 11 CONVENTION CENTER (Continued)

In consideration for use and possession of the Convention Center and the Issuance of bonds by the Board, the Commission has entered into a lease agreement dated June 10, 1997 with the Board. Under the terms of the agreement, the Commission will pay rentals for the facility in the amount of debt service of the bonds issued by the Board, including any penalties or premiums, and any and all expenses related to the trustee for the bonds. Rentals are defined as amounts sufficient to pay in full the principal and interest and other requirements of the bonds, and must be paid five business days prior to any due date of payments of principal and interest on the bonds. Payments for any trustee expenses are due upon demand. However, *rental payments are payable only from pledged revenues, which consist of the hotel/motel tax, which is subject to annual appropriation by the legislature, and excess revenues after deduction of operating expenditures of the Convention Center for each fiscal year of operation.* The lease expires upon payment or provision for payment in full of the principal of, interest on, premium, if any, and other requirements of the bonds and of any amount owed under the agreement or Bond Resolution. The agreement further provides for termination of lease term at the election of the Board and/or the Trustee, if an event of nonperformance occurs.

As a requirement of the lease agreement, the Cajundome has entered into a Collection and Disbursement Contract with the Louisiana Department of the Treasury and the Louisiana Department of Revenue and Taxation. Under the terms of this agreement, the Department of Revenue and Taxation shall collect the tax revenues and deposit same with the Department of the Treasury. The Treasury Department will remit payments to a sinking fund established for the annual payments of principal and semi-annual payments of interest on the bonds. Collections of the revenue tax in excess of debt service requirements will be transferred quarterly to a revenue fund established by the Trustee for the Bonds.

During the fiscal year ended October 31, 2005, the Cajundome recognized hotel/motel tax revenues of \$1,394,362 in the fund financial statements and \$1,355,772 in the government-wide financial statements. Minimum payments under the lease based on bond amortization are as follows:

<u>Year Ended October 31,</u>	
2006	\$ 975,046
2007	977,599
2008	974,335
2009	979,070
2010	977,695
2011-2015	4,897,675
2016-2020	4,921,468
2021-2025	4,933,400
2026-2029	<u>3,984,568</u>
	<u>\$23,620,856</u>

CAJUNDOME COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 11 CONVENTION CENTER (Continued)

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

Rental payments under the lease agreement during the fiscal year ended 2005 totaled \$975,754 which consisted of the bond principal and interest payments and cash management fees.

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 Budgetary Comparison Schedule – General Fund:

Capital expenditures	\$ 115,019
Repairs and maintenance	12,405
Personnel costs	<u>13,209</u>
	<u>\$ 140,633</u>

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

Changes in the Reserve for Capital Expenditures for the year ended October 31, 2005 were as follows:

Balance, beginning of year	\$ 166,878
Capital funds received during the year	100,000
Capital funds expended	<u>140,633</u>
Balance, end of year	<u>\$ 126,245</u>

NOTE 13 COMPENSATION OF COMMISSION MEMBERS

No compensation was paid to the Commission members during the fiscal year ended October 31, 2005.

CAJUNDOME COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 14 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.

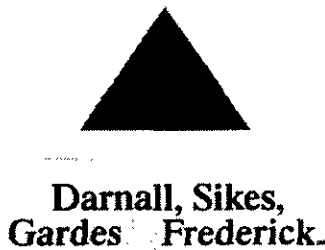
In order to help PSMI defray the annual debt service for the cost of the system, the Commission committed the revenues from two arena ad panels purchased by the Cajundome toward payment of the system for a period of twelve years, the term of PSMI's note payable. The debt for the scoreboard was incurred 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.

REQUIRED SUPPLEMENTARY INFORMATION

CAJUNDOME COMMISSION

Budgetary Comparison Schedule
General Fund
Year Ended October 31, 2005

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental -				
Lafayette City-Parish				
Consolidated Government				
subsidy for:				
Operations	\$ 432,570	\$ 432,570	\$ 432,570	\$ -
Capital expenditures	100,000	100,000	100,000	-
Federal Grant	-	-	3,288,378	3,288,378
Charges for services -				
Rentals and box office fees	1,673,907	1,673,907	1,266,020	(407,887)
Reimbursed event expenses	804,000	804,000	801,456	(2,544)
Food and beverage services	2,871,043	2,838,507	2,864,024	25,517
Advertising	250,850	250,850	243,062	(7,788)
Parking lot fees	326,725	326,725	249,837	(76,888)
Suite lease	201,950	201,950	156,754	(45,196)
Interest	19,500	19,500	23,232	3,732
Miscellaneous	87,001	87,001	61,248	(25,753)
Total revenues	<u>6,767,546</u>	<u>6,735,010</u>	<u>9,486,581</u>	<u>2,751,571</u>
Expenditures:				
Current -				
Culture and recreation:				
Personnel costs	985,978	985,978	1,962,494	(976,516)
Supplies and materials	126,778	126,778	150,566	(23,788)
Telephone and utilities	557,236	557,236	579,601	(22,365)
Postage and freight	23,417	23,417	15,321	8,096
Repairs and maintenance	192,263	192,263	190,781	1,482
Rentals	25,717	25,717	48,677	(22,960)
Advertising	21,475	21,475	47,549	(26,074)
Travel and meetings	54,775	54,775	36,460	18,315
Professional services	121,527	121,527	122,714	(1,187)
Event expenses	4,136,774	4,136,774	5,256,103	(1,119,329)
Insurance	298,327	298,327	304,154	(5,827)
Bank fees	55,604	55,604	42,141	13,463
Dues and subscriptions	26,561	26,561	25,260	1,301
Capital expenditures	100,000	100,000	140,633	(40,633)
Other	41,114	41,114	60,433	(19,319)
Total expenditures	<u>6,767,546</u>	<u>6,767,546</u>	<u>8,982,887</u>	<u>(2,215,341)</u>
Excess (deficiency) of revenues over expenditures	-	(32,536)	503,694	536,230
Fund balance, beginning	<u>166,878</u>	<u>166,878</u>	<u>166,878</u>	-
Fund balance, ending	<u>\$ 166,878</u>	<u>\$ 134,342</u>	<u>\$ 670,572</u>	<u>\$ 536,230</u>



(A Corporation of Certified Public Accountants)

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*

To the Cajundome Commission
Lafayette, Louisiana

We have audited the financial statements of the governmental activities, and each major fund of Cajundome Commission, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 2005, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated March 23, 2006. We conducted our 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 our audit, we considered the Cajundome Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cajundome Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 05-01.

This report is intended solely for the information and use of the commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
March 23, 2006



**Darnall, Sikes,
Gardes & Frederick.**

(A Corporation of Certified Public Accountants)

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Cajundome Commission
Lafayette, Louisiana

Compliance

We have audited the compliance of Cajundome Commission, a component unit of the Lafayette City-Parish Consolidated Government, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended October 31, 2005. Cajundome Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, Cajundome Commission, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended October 31, 2005.

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Internal Control Over Compliance

The management of Cajundome Commission is responsible for establishing and maintaining effective *internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs*. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that *noncompliance with applicable requirements of laws, regulations, contracts, and grants* caused by error or fraud that would be material in relation to major federal program 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 compliance and its operation that we consider to be material weaknesses.

The report is intended solely for the information and use of the commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Dannall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
March 23, 2006

CAJUNDOME COMMISSION

Summary of Prior Year Findings
Year Ended October 31, 2005

Section I Internal Control and Compliance Material to the Financial Statements

None reported.

Section II Internal Control and Compliance Material to Federal Awards

None applicable.

Section III Management Letter

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

CAJUNDOME COMMISSION

Schedule of Findings and Questioned Costs
Year Ended October 31, 2005

Section I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the Commission's financial statements as of and for the year ended October 31, 2005.

Reportable Conditions - Financial Reporting

There were no reportable conditions in internal control over financial reporting noted during the audit of the financial statements.

Material Noncompliance or Other Matters - Financial Reporting

The results of our tests disclosed one instance of noncompliance that is required to be reported and is shown as item 05-1 in Section II.

FEDERAL AWARDS

Auditor's report – Major Programs

In our opinion, the Cajundome Commission, complied, in all material respects, with the requirements that are applicable to its major federal program for the year ended October 31, 2005.

Major Program – Identification

Cajundome Commission had one major federal program, Public Assistance Grant – CFDA Number 97.036, for the year ended October 31, 2005.

Major Program – Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended October 31, 2005.

Low-Risk Auditee

Cajundome Commission is not considered a low-risk auditee for the year ended October 31, 2005.

Reportable Condition – Major Program

There were no reportable conditions in internal control over compliance over the major program disclosed during the audit of the financial statements.

CAJUNDOME COMMISSION

Schedule of Findings and Questioned Costs (Continued)
Year Ended October 31, 2005

Finding Related to Federal Program

There were no instances of material noncompliance disclosed during the audit relating to federal programs for the year ended October 31, 2005.

Section II Findings Relating to an Audit in Accordance with *Government Auditing Standards*

05-1 Budget Variance

Finding:

The General Fund had total actual expenditures exceed total budgeted expenditures by more than five percent. Louisiana R.S. 39:1311 requires the governing authority to amend the budget of a fund when actual expenditures exceed budget amounts by five percent or more. We noted that the revenue and expenditures incurred relating to the operations of the Commission as a shelter for Hurricane Katrina and Rita evacuees for the two months ended October 26, 2005 were not included in the budget.

Recommendation:

The Commission should ensure that all revenue sources and related expenditures are included in the adopted budget and the budgets should be amended when required by Louisiana Statutes.

Section III Findings and Questioned Costs Relating to Federal Programs

There were no instances of material noncompliance or questioned costs relating to the federal program disclosed during the audit of the financial statements.

Section IV Management Letter

This section is not applicable.

CAJUNDOME COMMISSION

Management Corrective Action Plan
Year Ended October 31, 2005

Section I Internal Control and Compliance Material to the Financial Statements

Response to Finding 05-1

On August 30, 2005, the Cajundome was designated as an evacuation shelter by the Louisiana Office of Emergency Preparedness following the devastation of the southeastern Louisiana Mississippi gulf coast. Because the sheltering operation lasted through the end of the fiscal year and operated twenty-four (24) hours per day for seven (7) days a week for fifty-eight (58) days, because the Commission was not operating under normal circumstances during that time and all regular Commission meetings were cancelled (with the exception of two emergency meetings during the sheltering operation which dealt solely with the situation at hand), and because the emergency costs were so great during that period and final estimated costs of sheltering could not be reasonably determined by fiscal year end, the budget was not amended to reflect revenues and expenses from the sheltering operation, nor for the effect of lost business which occurred during that time period. While we do agree that we are not in compliance with budget laws associated with actual expenditures exceeding five percent (5%) of budgeted amounts, circumstances surrounding this issue did not permit for an accurate and timely budget amendment during that period.

Section II Internal Control and Compliance Material to Federal Awards

This section not applicable for the year ended October 31, 2005.

Section III Management Letter

This section not applicable for the year ended October 31, 2005.

CAJUNDOME COMMISSION

Schedule of Expenditures of Federal Awards
Year Ended October 31, 2005

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security: Passed through the Department of the Military, Office of Homeland Security and Emergency Preparedness of the State of Louisiana Passed through Lafayette City-Parish Consolidated Government: Federal Emergency Management Agency (FEMA) Public Assistance Grants	97.036	055-99055-05	<u>\$ 3,744,642</u>
Total expenditures of federal awards			<u>\$ 3,744,642</u>

NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cajundome Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.