

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
Calcasieu Parish, Louisiana**

ANNUAL FINANCIAL STATEMENTS

June 30, 2019

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STEVEN M. DEROUEN & ASSOCIATES

Certified Public Accountants

2720 RUE DE JARDIN, STE. 300
P. O. BOX 4265
LAKE CHARLES, LA 70606
(337) 513-4915 OFFICE/ (337) 205-6927 FAX
steve@sderouencpa.com

Member American Institute of
Certified Public Accountants

Member Louisiana Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
West Calcasieu Parish Community Center Authority
A Component Unit of the Calcasieu Parish Police Jury
Sulphur, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of West Calcasieu Parish Community Center Authority, component unit of the State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 West Calcasieu Parish Community Center Authority, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, the budgetary comparison information on page 28, and the schedule of changes in OPEB liability on page 29, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Calcasieu Parish Community Center Authority's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer-Louisiana Revised Statute 24:513A. (1) (a) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer-Louisiana Revised Statute 24:513A. (1) (a) is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer-Louisiana Revised Statute 24:513A. (1) (a) is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 13, 2019, on my consideration of the West Calcasieu Parish Community Center Authority's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Calcasieu Parish Community Center Authority's internal control over financial reporting and compliance.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 13, 2019

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019**

The Management’s Discussion and Analysis of the West Calcasieu Parish Community Center Authority’s (the Authority) financial performance presents a narrative overview and analysis of the Authority’s financial activities for the year ended June 30, 2019. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the financial statements.

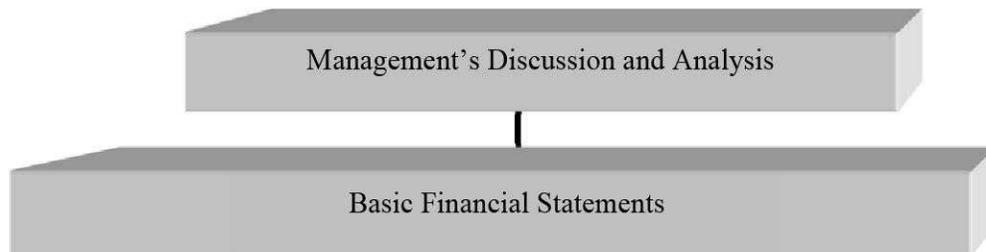
FINANCIAL HIGHLIGHTS

The Authority’s assets exceeded its liabilities at the close of 2019 by \$18,893,873. Of this amount, \$5,277,473 (unrestricted net assets) may be used to meet the Authority’s ongoing obligations to its users.

The Authority’s net position decreased \$3,550 as a result from operations and prior period adjustment due to implementation of GASB 75.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections - Management’s Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019

Basic Financial Statements

The basic financial statements present information for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (pages 7 - 8) presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Authority's assets plus deferred outflows of resources minus their liabilities and deferred inflows of resources equals the net position. The net position of the Authority may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Fund Net Position (page 9) presents information showing how the Authority's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statements (pages 10 - 11) presents information showing how the Authority's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

| | 2019 | 2018 | 2017 |
|--|----------------------|----------------------|----------------------|
| Assets: | | | |
| Current assets | \$ 6,625,731 | \$ 6,370,985 | \$ 5,513,073 |
| Capital assets | 18,316,728 | 18,783,800 | 19,316,962 |
| Total assets | 24,942,459 | 25,154,785 | 24,830,035 |
| Liabilities: | | | |
| Current and other liabilities | 539,467 | 504,587 | 488,304 |
| Long-term liabilities | 5,509,119 | 5,752,775 | 6,124,630 |
| Total liabilities | 6,048,586 | 6,257,362 | 6,612,934 |
| Net Position: | | | |
| Invested in capital assets (net of related debt) | 12,590,728 | 12,619,240 | 12,785,402 |
| Restricted | 1,025,672 | 1,369,585 | 768,622 |
| Unrestricted | 5,277,473 | 4,908,598 | 4,663,077 |
| Total net position | \$ 18,893,873 | \$ 18,897,423 | \$ 18,217,101 |

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019

Restricted net position amounts represent those assets that are not available for spending as a result of bond agreements. Conversely, unrestricted net position amounts are those that do not have any limitations for which they may be used.

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|---------------------|--------------------|--------------------|
| Revenues | \$ 2,340,634 | 2,963,925 | \$ 2,584,448 |
| Expenses | <u>(2,208,570)</u> | <u>(2,283,603)</u> | <u>(2,177,274)</u> |
| Net increase (decrease) in net position | <u>\$ 132,064</u> | <u>\$ 680,322</u> | <u>\$ 407,174</u> |

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the Authority had \$18,316,728, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings and improvements, and equipment and furniture. (see table below). This amount represents a net decrease (including additions and deductions) of \$467,072, from last year.

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|-------------------------------|----------------------|--------------------|----------------------|
| Land | \$ 1,797,269 | 1,797,269 | \$ 1,797,269 |
| Buildings and improvements | 20,436,211 | 20,424,174 | 19,199,892 |
| Equipment and furniture | 2,251,887 | 1,997,747 | 1,922,212 |
| Construction in progress | 23,570 | -0- | 1,114,632 |
| Less Accumulated Depreciation | <u>(6,192,209)</u> | <u>(5,435,390)</u> | <u>(4,717,043)</u> |
| Totals | <u>\$ 18,316,728</u> | <u>18,783,800</u> | <u>\$ 19,316,962</u> |

This year's Major Capital additions included above were:

- Arena equipment \$ 50,114

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019**

Debt

The Authority had \$5,726,000 in bonds outstanding at year-end, compared to \$6,103,000 last year, a decrease of \$377,000. A summary of this debt is shown in the table below.

| | Outstanding Debt at Year-end | | |
|---------------|------------------------------|--------------|--------------|
| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Revenue Bonds | \$ 5,726,000 | \$ 6,103,000 | \$ 6,470,000 |

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Adrian Moreno, Executive Director, at the Authority's office, 401 Arena Road, Sulphur, Louisiana 70665 or call (337) 528-9378.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**Governmental Funds Balance Sheet/Statement of Net Position
June 30, 2019**

| | General Fund | Adjustments | Statement of Net Position |
|---|---------------------|----------------------|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 349,282 | \$ | \$ 349,282 |
| Cash and cash equivalents, restricted | 1,025,672 | | 1,025,672 |
| Investments | 5,205,363 | | 5,205,363 |
| Accounts receivable | 4,901 | - | 4,901 |
| Concession inventory | 15,030 | - | 15,030 |
| Prepaid insurance | 25,483 | | 25,483 |
| Capital assets (net of accumulated depreciation) | - | 16,519,459 | 16,519,459 |
| Land | - | 1,797,269 | 1,797,269 |
| TOTAL ASSETS | <u>\$ 6,625,731</u> | <u>\$ 18,316,728</u> | <u>\$ 24,942,459</u> |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | \$ 97,517 | \$ - | \$ 97,517 |
| Interest payable - bonds | | 54,950 | 54,950 |
| Bonds payable: | | - | - |
| Due within one year | | 387,000 | 387,000 |
| Due after one year | | 5,339,000 | 5,339,000 |
| Other long-term liabilities: | | | |
| Due after one year | | 170,119 | 170,119 |
| TOTAL LIABILITIES | <u>97,517</u> | <u>5,951,069</u> | <u>6,048,586</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Inventories | 15,030 | (15,030) | |
| Prepaid expense | 25,483 | (25,483) | - |
| Restricted for debt service | 1,025,672 | (1,025,672) | - |
| Uassigned | 5,462,029 | (5,462,029) | - |
| | <u>6,528,214</u> | <u>(6,528,214)</u> | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 6,625,731</u> | | |
| NET POSITION | | | |
| Invested in Capital Assets, (net of related debt) | | 12,590,728 | 12,590,728 |
| Restricted | | 1,025,672 | 1,025,672 |
| Unrestricted | | 5,277,473 | 5,277,473 |
| TOTAL NET POSITION | | <u>\$ 18,893,873</u> | <u>\$ 18,893,873</u> |

The accompanying notes are an integral part of this statement.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS
AT JUNE 30, 2019 \$ 6,528,214

Total net position reported for governmental activities in the Statement of Net
Position are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Capital assets, net of accumulated depreciation 18,316,728

Long-term liabilities at June 30, 2019 are not due and payable in current period and
therefore, are not reported in the funds:

Bonds payable (5,726,000)

Accrued interest payable (54,950)

Other post employment benefits (170,119)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES
AT JUNE 30, 2019 \$ 18,893,873

The accompanying notes are an integral part of this statement.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**Statement of Governmental Revenues, Expenditures,
and Changes in Fund Balances/ Statement of Activities**

For the Year Ended June 30, 2019

| | <u>General Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|--|----------------------------|-----------------------------|------------------------------------|
| EXPENDITURES: | | | |
| Governmental Activities: | | | |
| Personnel services | \$ 737,771 | \$ 7,730 | \$ 745,501 |
| Operating services | 367,399 | - | 367,399 |
| Materials, maintenance and supplies | 173,011 | - | 173,011 |
| Debt service - interest | 172,449 | (6,610) | 165,839 |
| Debt service - principal | 377,000 | (377,000) | - |
| Capital outlay | 289,748 | (289,748) | - |
| Depreciation | - | 756,820 | 756,820 |
| TOTAL EXPENDITURES/EXPENSES | <u>2,117,378</u> | <u>91,192</u> | <u>2,208,570</u> |
| PROGRAM REVENUES | | | |
| Facility revenues | 429,870 | - | 429,870 |
| Concessions revenues, net of costs of goods sold | 167,199 | - | 167,199 |
| Shavings revenues, net of costs of goods sold | 417 | - | 417 |
| Other revenues | 13,601 | - | 13,601 |
| Total program revenues | <u>611,087</u> | <u>-</u> | <u>611,087</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES | (1,506,291) | (91,192) | (1,597,483) |
| GENERAL REVENUES | | | |
| Hotel/motel tax revenues | 1,292,593 | - | 1,292,593 |
| Intergovernmental revenues | 304,650 | - | 304,650 |
| Interest income | 132,304 | - | 132,304 |
| Total general revenues | <u>1,729,547</u> | <u>-</u> | <u>1,729,547</u> |
| CHANGE IN FUND BALANCE/NET POSITION | 223,256 | (91,192) | 132,064 |
| FUND BALANCE/NET POSITION - BEGINNING, AS PREVIOUSLY REPORTED | 6,304,958 | 12,592,465 | 18,897,423 |
| PRIOR PERIOD ADJUSTMENT - IMPLEMENTATION OF GASB 75 (NOTE 13) | - | (135,614) | (135,614) |
| FUND BALANCE/NET POSITION - BEGINNING, AS RESTATED | 6,304,958 | 12,456,851 | 18,761,809 |
| FUND BALANCE - ENDING | \$ <u>6,528,214</u> | \$ <u>12,365,659</u> | \$ <u>18,893,873</u> |

The accompanying notes are an integral part of this statement.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|--|------------------|-------------------|
| NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS INCREASE (DECREASE) | | \$ 223,256 |
| Governmental funds report capital outlays as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense: | | |
| Capital outlay | \$ 289,748 | |
| Depreciation expense | <u>(756,820)</u> | (467,072) |
| Payments of long-term debt are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities | | 377,000 |
| Change in accrued interest payable | | 6,610 |
| The effect of recording the net OPEB obligation in the Statement of Activities does not require the use of current financial resources and is not reported as expenditures in the governmental funds. | | <u>(7,730)</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | | <u>\$ 132,064</u> |

The accompanying notes are an integral part of this statement.

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WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

ORGANIZATION

On May 29, 1992, by legal authority R.S. 33:4576, the Louisiana Legislature created the West Calcasieu Parish Community Center Authority (the Authority). The Authority is charged with building, maintaining and operating a rodeo arena, sports complex, and community center within West Calcasieu Parish.

The managing board of the West Calcasieu Parish Community Center Authority consists of seven members, all serving without compensation. One member is appointed by the governing authority of each of the following municipalities: City of Sulphur, City of Westlake, City of DeQuincy and the Town of Vinton; one member appointed by the governing authority of Calcasieu Parish, one member appointed by the Authority 33 House of Representative member and one member appointed by the Authority 27 State Senator; each appointee shall be a resident of Ward 4, 5, 6 or 7 of Calcasieu Parish.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the West Calcasieu Parish Community Center Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Governmental Audit Guide.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

The Authority is a component unity of the State of Louisiana. This report includes all funds that are controlled by or dependent on the Authority. Control by or dependence on the Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, ability to impose a financial benefit/burden, fiscal dependency and other general oversight responsibility.

A. Government-Wide and Fund Financial Statements

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Authority as whole. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the West Calcasieu Parish Community Center Authority. For the most part, the effect of interfund activity has been removed from these statements.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees and 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. Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The major funds of the Authority are described below:

Governmental Funds-

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

C. 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Hotel/Motel Sales taxes, reimbursements, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Interfund transfers are made to meet current or anticipated needs of the Authority.

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

D. Deposits and Investments

Cash includes amounts in demand deposits, time deposits and short-term investments with original maturities of 90 days or less from the date of acquisition. Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. State law also allows the Authority 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.

E. Budgets and Budgetary Accounting

A budget is adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. In May of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year, July 1.

The proposed budget is presented to the government's Board of Directors for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. The budget was not amended during fiscal year ended June 30, 2019.

F. Prepaid Items

The Authority records as prepaid assets, expenditures during the current period that will benefit the subsequent period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., drainage structures, bridges, and similar items), are reported 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 Authority has established a \$1,000 capitalization threshold. 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.

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> |
|------------------------------|------------------------|
| Buildings and infrastructure | 20-40 years |
| Land improvements | 5-30 years |
| Furniture and fixtures | 5-10 years |
| Equipment | 5-10 years |
| Transportation equipment | 5 years |

H. Compensated Absences

Vacation

Each full-time employee shall be entitled to take vacation with pay in the following manner:

An employee of the Authority will earn one week's vacation after six months of continuous employment from his/her anniversary date and it can be taken at any time after the end of that period.

After twelve months service, he/she is eligible for an additional week of vacation. Vacation thereafter shall be accumulated by all full time employees utilizing the following schedule:

| | |
|-------------------------|---------|
| One year | 2 weeks |
| More than three years | 3 weeks |
| More than ten years | 4 weeks |
| More than fifteen years | 5 weeks |
| More than twenty years | 6 weeks |

Employees may carry forward a maximum of eighty hours of vacation past December 31 of each year. Those hours in excess of eighty hours will be converted to sick leave.

Sick Leave

Sick leave shall be credited to regular employees at the rate of .0462 hours for each hour of work. Hours of work shall be defined as regular hours worked, holidays, and vacation time. (This is equivalent to eight hours of sick leave per month). This shall be granted to employees during the first year of continuous employment. After one year of continuous employment, the employee shall accumulate sick leave at the rate of .0692 hours of each hour worked. (This is the

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

equivalent to twelve hours of sick leave per month. The maximum allowable Sick Leave Hours that may be accrued by any full time employee shall not exceed 520 hours. For employees hired prior to October 19, 2017 the maximum number of hours accrued Sick Time Leave shall be 520 hours or the current number of each employees actual accrued leave, whichever is greater. No employee shall be paid for unused sick leave.

I. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 expenditures during the reporting period. Actual results could differ from those estimates.

J. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position/fund balance as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position/fund balance as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

K. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- a. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance of the governmental funds are classified as follows:

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and for property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can only be spent for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Authority's Board of Commissioners (the Authority's highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the Board of Commissioners or by an official or body to which the Board of Commissioners delegates the authority,
5. *Unassigned* fund balance category includes all other spendable amounts.

The Authority's policy is to apply expenditures against committed fund balances, assigned fund balances, and unassigned fund balances, in that order, unless the Authority has provided otherwise in its commitment or assignment actions.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of June 30, 2019, the Authority did not have any assigned fund balances.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
 CALCASIEU PARISH, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 As of and for the Year Ended June 30, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial Credit Risk-Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned. The Authority deposits its cash with high quality financial institutions, and management believes the Authority is not exposed to significant credit risk.

Interest Rate Risk. The Authority does not have a formal deposit and investment policy that limits deposits and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The Authority places no limitation on the amount the Authority may invest in any one issuer.

At June 30, 2019, the Authority has cash and cash equivalents (book balances) totaling \$1,374,954 as follows:

| | |
|---------------------------------------|---------------------|
| Interest-bearing demand deposits..... | \$ 1,370,954 |
| Other..... | 4,000 |
| Total | <u>\$ 1,374,954</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. 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 bank. These securities are held by the pledging financial institution’s trust department or agent, in the Authority’s name.

At June 30, 2019, the Authority has \$1,370,540 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$1,120,540 of pledged securities held by the pledging financial institution’s trust department or agent, in the Authority’s name.

NOTE 3 – RESTRICTED CASH

The Series 2016 Revenue Bond Resolution required the establishment of a Revenue Fund to collect and disburse the tax revenues from the Louisiana Department of Revenue and Taxation and disbursed by the Paying Agent to the Sinking Fund at times an amounts necessary to pay the principal and interest on the bonds as they mature and become due. The balance in this account was \$1,025,672 at June 30, 2019.

NOTE 4 - INVENTORY

Inventory is valued at cost, using the first in, first out method. The costs of inventories are recorded as expenditures when used (consumption method), and consists of concessions held for resale.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 5 - INVESTMENTS

Deposits held by LAMP at June 30, 2019, consist of \$5,205,363 in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds (LAMP is a 2a7-like investment pool) and therefore not evidenced by securities that exist in physical or book entry form. Also, pooled investments are excluded from the concentration of credit risk 5 percent disclosure requirement and foreign currency risk is not applicable to 2a7-like pools.

LAMP is administrated by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. LAMP is not registered with the SEC as an investment company. LAMP's annual financial statements can be obtained from the Louisiana Legislative Auditor's website.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar-weighted-average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At June 30, 2019, the weighted-average yield on the deposits at LAMP was 2.35% and the weighted-average maturity cannot exceed 90 days. The weighted-average maturity for LAMP's total investments was 43 days as of June 30, 2019. LAMP is rated AAAM by Standard & Poors. The Authority does not have credit or interest rate risk policies for investments.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 6 - COMPENSATED ABSENCES

At June 30, 2019, the employees of the Authority have accumulated \$15,953 of employee leave benefits, which was computed in accordance with GASB Codification C60.

NOTE 7 - CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ending June 30, 2019.

| | Not being depreciated Construction in Progress | Not being depreciated Land | Buildings | Furniture and Equipment and Vehicles | Land Improvements | Total |
|---|---|----------------------------------|----------------------|--|----------------------|----------------------|
| Current year roll forward: | | | | | | |
| Cost at June 30, 2018 | \$ - | \$ 1,797,269 | \$ 19,116,916 | \$ 2,005,575 | \$ 1,299,429 | \$ 24,219,189 |
| Additions | 23,570 | - | - | 246,312 | 19,866 | 289,748 |
| Deletions | - | - | - | - | - | - |
| Cost at June 30, 2019 | <u>\$ 23,570</u> | <u>\$ 1,797,269</u> | <u>\$ 19,116,916</u> | <u>\$ 2,251,887</u> | <u>\$ 1,319,295</u> | <u>\$ 24,508,937</u> |
| Depreciation: | | | | | | |
| Accumulated Depreciation | | | | | | |
| June 30, 2018 | \$ - | \$ - | \$ (3,576,665) | \$ (1,298,584) | \$ (560,140) | \$ (5,435,389) |
| Additions | - | - | (458,807) | (241,113) | (56,900) | (756,820) |
| Deletions | - | - | - | - | - | - |
| Accumulated Depreciation | | | | | | |
| June 30, 2019 | <u>-</u> | <u>-</u> | <u>(4,035,472)</u> | <u>(1,539,697)</u> | <u>(617,040)</u> | <u>(6,192,209)</u> |
| Capital assets, net of accumulated depreciation at June 30, 2019 | <u>\$ 23,570</u> | <u>\$ 1,797,269</u> | <u>\$ 15,081,444</u> | <u>\$ 712,190</u> | <u>\$ 702,255</u> | <u>\$ 18,316,728</u> |

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
 CALCASIEU PARISH, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 As of and for the Year Ended June 30, 2019

NOTE 8 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9 - COMMITMENTS

At June 30, 2019, the Authority had a major construction contracts in progress. The construction contract, 2019 Improvements to Arena, is expected to have a total cost of approximately \$908,000 and to be completed in fiscal year 2020.

NOTE 10 - COMPENSATION OF BOARD MEMBERS

The members of the governing board received no per diem for the year ended June 30, 2019.

NOTE 11 - BONDS PAYABLE

On March 23, 2017, the Authority issued \$6,840,000 in Revenue Refunding Bonds, Series 2017, with an average interest rate of 2.889 percent to advance refund \$6,715,000 of outstanding 2011 Series 2011 Revenue Bonds with average interest rate of 3.79 percent. In the event of a default, the Authority agrees to pay to the Purchaser, on demand, interest and principal on any and all amounts due by the Authority under this agreement.

The following is a summary of changes in this long-term debt for the year ended June 30, 2019:

| Description | Amount of Original Issue | Maturity | Interest Rate | Balance 6/30/2018 | Retired 6/30/2019 | Balance 6/30/2019 |
|-------------|--------------------------|----------|---------------|-------------------|-------------------|-------------------|
| 2017 | \$6,840,000 | 2032 | 2.89% | \$6,103,000 | \$377,000 | \$5,726,000 |

The annual debt service requirements to maturity for the 2017 bond series as of June 30, 2019:

| Year ending June 30, | Bond Principal | Bond Interest |
|----------------------|--------------------|--------------------|
| 2020 | \$ 387,000 | \$ 162,259 |
| 2021 | 398,000 | 151,630 |
| 2022 | 409,000 | 140,360 |
| 2023 | 421,000 | 128,577 |
| 2024 | 433,000 | 116,387 |
| 2025-2029 | 2,362,000 | 385,449 |
| 2030-2032 | 1,316,000 | 58,245 |
| | <u>\$5,726,000</u> | <u>\$1,142,907</u> |

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In 2018, the Parish implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). This Statement addresses the fact that certain postemployment benefits other than pensions, which for the Parish consist of healthcare benefits only, are related to employee services and salaries received presently but that will benefit the employee in the future – upon retirement – and whose costs will be borne by the Parish in the future. The Statement also attempts to quantify the future “retirement” costs that have been earned by the employee during his/her active years of employment. The Parish will finance the postemployment benefits on a “pay-as-you-go” basis. GASB Statement 75 requires that the liability be recognized in the financial statements for the actuarial determined portion of the projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service. The notes to the financial statements contain other required disclosure information from GASB Statement 75.

The Parish contracted with a third-party consultant to perform the actuarial valuation required by GASB Statement No. 75 was also contracted to a third party consultant as of January 1, 2018 with a measurement date of December 31, 2018. For the Parish plan, the actuarial valuation is required every other year therefore the actuarial valuation prepared will be utilized for the two-year periods of 2018 and 2019 with the inclusion of the appropriate second year adjustments.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

Plan Description: The Calcasieu Parish OPEB Plan is a single employer defined benefit “substantive” plan as understood by the employer and its employees. As a component unit, the District may at their option participate in the employee’s group health, dental and life insurance programs sponsored and administered by the Parish in conjunction with its third party insurance providers and administrative agents.

Benefits Provided: The Parish OPEB Plan provides health (medical and prescription), dental and life insurance programs for retirees and their dependents. Medical coverage, including prescription drugs as part of the medical plan, is offered to pre-65 and post-65 retirees on a self-insured basis. Benefits are subsidized by the Parish. Dental and life insurance coverage are available to retirees, but these coverages are not subsidized by the Parish. The Parish does not reimburse for Medicare Part B or Part D premium for Medicare eligible retirees and dependents.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, the actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) continued

The total OPEB liability for the January 1, 2018 actuarial valuation, with a measurement date of December 31, 2018, and inclusive of the measurement period of January 1, 2018 through December 31, 2018, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|--|
| Inflation Rate | Not utilized by the actuary – see discount rate information. |
| Discount Rate | 3.9% using an average of following three 20-year bond indices: (a) Bond Byer 20 Bond GO – 4.24%, (b) S&P Municipal Bond 20 Year High Grade Rate Index – 3.64%, and (c) Fidelity GA AA 20 Years - 3.83%. |
| Healthcare Cost Trend Rates | 8% for pre-65 and post 65 retirees decreasing .5% per year to an ultimate rate of 5% in 2026 and later. |
| Salary Increases | 3.5% |
| Cost of Living Increases | Not applicable |
| Mortality Rate Table Used for Current Valuation | The RP 2014 Healthy Male and Female Tables based on the Employee and Healthy Annuitant Tables for both pre and post retirement with mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2018. |

Changes in the Total OPEB Liability: The following table shows the components of the Authority’s total OPEB liability for the current year:

| | |
|--|------------|
| Balance at 06/30/2018 | \$ 26,775 |
| Prior period | 135,614 |
| Current Period Changes: | |
| Service Cost | 4,278 |
| Interest on Total OPEB Liability | 6,278 |
| Differences Between Expected and Actual Experience | |
| Benefit Payments | (2,826) |
| Net Change in Total OPEB Liability | 143,344 |
| Balance at 06/30/2019 | \$ 170,119 |
| | |

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
 CALCASIEU PARISH, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 As of and for the Year Ended June 30, 2019

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Parish, as well as what the Parish’s and District’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.9%) or one percentage point higher (4.9%) than the current discount rate of 3.9%:

| | 1% Decrease (2.9%) | Discount Rate (3.9%) | 1% Increase (4.9%) |
|--------------------------------|-----------------------|-------------------------|-----------------------|
| Total OPEB Liability Parish | \$33,051,853 | \$40,307,966 | \$50,638,773 |
| Total OPEB Liability Authority | \$139,495 | \$170,119 | \$213,720 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the Parish, as well as what the Parish’s and District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (8% to 7%) or one percentage point higher (8% to 9%) than the current healthcare cost trend rate of 3.9%:

| | 1% Decrease (7%) | Healthcare Cost Trend Rate (8%) | 1% Increase (9%) |
|--------------------------------|------------------|------------------------------------|------------------|
| Total OPEB Liability Parish | \$32,000,087 | \$40,307,966 | \$52,072,513 |
| Total OPEB Liability Authority | \$135,056 | \$170,119 | \$219,771 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the Authority recognized OPEB expense of \$7,730. At December 31, 2018, the Parish did not report any deferred outflows of resources or deferred inflows of resources related to OPEB since this was the first year of implementation for GASB 75 and the valuation was inclusive of January 1, 2018 through December 31, 2018 activity.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

The Authority implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer. As a result of this implementation, the beginning net position previously reported as June 30, 2018, has been restated to reflect the net OPEB liability as of that measurement date. The July 1, 2018, beginning balances of the net position were restated as follows:

| | |
|---|---------------|
| Net position – beginning, as previously reported | \$ 18,897,423 |
| Prior period adjustment – Implementation of GASB 75 | (135,614) |
| Net position – beginning, as restated | \$ 18,761,809 |

NOTE 14 – DEFERRED COMPENSATION PLAN

In 2015, the Authority implemented a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b) for its employees. The plan is available to all full time employees which have employed by the Authority for 12 consecutive months, and is administered by Great West Financial. The plan permits the employees to defer a portion of their current salary until future years. The Authority's contribution for each employee is a match of 2:1, not to exceed 10% of each eligible employee's annual earnings. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death. During the year ended June 30, 2019, the Authority contributed \$30,405, with the employees contributing \$15,327.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Authority (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Authority's general creditors. Participants' rights under the plan are equal to those general creditors of the Authority in an amount equal to the fair market value of the deferred account for each participant.

In management's opinion, the Authority has no liability for losses under the plan. However, the Authority does have the duty of due care that would be required of an ordinary prudent investor. The Authority believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 15 – INTERGOVERNMENTAL REVENUE

In May, 2012, the Authority entered into a cooperative agreement with the Calcasieu Parish Police Jury to provide supplemental funding assistance to the Authority from the proceeds of an ad valorem tax known as the Burton Coliseum and Agricultural Services Tax. In the first year of the agreement, the appropriation to the Authority is \$225,000 from its tax. In subsequent years, the Police Jury shall annually appropriate 10% of the estimated tax collections of the tax. The appropriation of funds from the tax to the Authority will not exceed 25% of the Authority's gross operating revenue, as determined by the Authority's previous fiscal year audit. Disbursement of funding will occur in February of each year. The agreement is effective for a period of 10 years. The amount of assistance received was \$304,650 for the year ended June 30, 2019.

NOTE 16 – ECONOMIC DEPENDENCY

The Authority relies on the appropriation from the State of Louisiana from the Hotel Occupancy Tax funds to provide for the payment of bond principal and interest. If the State does not continue to appropriate funds for the Authority, their ability to retire their debt would be significantly affected.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE 17 - SUBSEQUENT EVENT REVIEW

The Authority's management has evaluated subsequent events through the date of the audit report, the date which the financial statements were available to be issued. The Authority experienced significant damage to the roof of a building, due to a hail- storm. It has yet to be determined if the insurance reimbursement will be sufficient to replace the roof.

REQUIRED SUPPLEMENTARY INFORMATION

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|---------------------|---------------------|---------------------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| REVENUES: | | | | |
| Hotel/motel tax revenues | \$ 1,200,000 | \$ 1,200,000 | \$ 1,292,593 | \$ 92,593 |
| Intergovernmental revenues | 230,000 | 230,000 | 304,650 | 74,650 |
| Interest income | 60,000 | 60,000 | 132,304 | 72,304 |
| Facility revenues | 390,000 | 390,000 | 429,870 | 39,870 |
| Concessions revenues (net of cost of goods sold) | 125,000 | 125,000 | 167,199 | 42,199 |
| Shavings revenues (net of costs of goods sold) | 1,800 | 1,800 | 417 | (1,383) |
| Other revenues | 2,500 | 2,500 | 13,601 | 11,101 |
| TOTAL REVENUES | <u>2,009,300</u> | <u>2,009,300</u> | <u>2,340,634</u> | <u>331,334</u> |
| EXPENDITURES: | | | | |
| Personnel services | 822,963 | 822,963 | 737,771 | 85,192 |
| Operating services | 324,800 | 324,800 | 367,399 | (42,599) |
| Materials, maintenance and supplies | 198,815 | 198,815 | 173,011 | 25,804 |
| Debt service - interest | 172,449 | 172,449 | 172,449 | - |
| Debt service - principal | 377,000 | 377,000 | 377,000 | - |
| Capital outlay and construction in progress | 825,000 | 825,000 | 289,748 | 535,252 |
| TOTAL EXPENDITURES | <u>2,721,027</u> | <u>2,721,027</u> | <u>2,117,378</u> | <u>603,649</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(711,727)</u> | <u>(711,727)</u> | <u>223,256</u> | <u>934,983</u> |
| FUND BALANCE - BEGINNING | <u>6,304,958</u> | <u>6,304,958</u> | <u>6,304,958</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 5,593,231</u> | <u>\$ 5,593,231</u> | <u>\$ 6,528,214</u> | <u>\$ 934,983</u> |

The accompanying notes are an integral part of this statement.

**WEST CALCASIEU PARISH COMMUNITY
CENTER AUTHORITY
Sulphur, Louisiana
OTHER POSTEMPLOYMENT BENEFITS –
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019⁽¹⁾**

| | 2019 |
|--|------------------|
| Total OPEB Liability | |
| Service Cost | \$ 4,278 |
| Interest on Total OPEB Liability | 6,278 |
| Differences Between Expected and Actual Experience | - |
| Benefit Payments | <u>(2,826)</u> |
| Net Change in Total OPEB Liability | 7,730 |
| Total OPEB Liability at Beginning of Year | <u>\$162,389</u> |
| Total OPEB Obligation at End of Year | <u>\$170,119</u> |
| Covered Employee Payroll | \$262,773 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 64.73% |

Notes to the Schedule:

- (1) This schedule is intended to report information for ten years. Data for the full ten year period is not available but will be reported as the additional years become available.
- (2) Changes of Benefit Terms: There were no changes in benefit terms for 2018 which is the first year of implementation for Governmental Accounting Standards Board Statement (GASB) No. 75.
- (3) Changes of Assumptions: There were no changes in benefit terms for 2018 which is the first year of implementation for GASB Statement No. 75.
- (4) There were no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OTHER SUPPLEMENTARY INFORMATION

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head,
Political Subdivision Head, or Chief Executive Officer- Louisiana Revised Statute 24:513 A. (1) (a)
For the Year Ended June 30, 2019

Agency Head Name: Adrian Moreno, Executive Director

| Purpose | Amount |
|--|---------------|
| Salary | \$ 136,387 |
| Benefits-insurance | 13,064 |
| Benefits-retirement | 12,293 |
| Benefits-other | - |
| Car allowance | - |
| Vehicle provided by government | 5,991 |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | - |
| Conference travel | - |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |

The accompanying notes are an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT SECTION

STEVEN M. DEROUEN & ASSOCIATES

Certified Public Accountants

2720 RUE DE JARDIN, STE. 300
P. O. BOX 4265
LAKE CHARLES, LA 70606
(337) 513-4915 OFFICE/ (337) 205-6927 FAX
steve@sderouencpa.com

INDEPENDENT AUDITOR'S 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*

Board of Commissioners
West Calcasieu Parish Community Center Authority
A Component Unit of the Calcasieu Parish Police Jury
Sulphur, Louisiana

I have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of West Calcasieu Parish Community Center Authority, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the West Calcasieu Parish Community Center Authority's basic financial statements and have issued my report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered West Calcasieu Parish Community Center Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Calcasieu Parish Community Center Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of West Calcasieu Parish Community Center Authority's internal control.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Calcasieu Parish Community Center Authority's financial statements are free from 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 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 13, 2019

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2019

A. Summary of Independent Auditor's Results:

1. Unqualified opinion on financial statements.
2. No material weaknesses or significant deficiencies in internal control noted.
3. No instances of non-compliance noted.

B. GAGAS Findings:

None.

C. Prior Year Findings:

None.

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
Sulphur, Louisiana**

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

July 1, 2018 – June 30, 2019

STEVEN M. DEROUEN & ASSOCIATES

Certified Public Accountants

2720 RUE DE JARDIN, STE. 300
P. O. BOX 4265
LAKE CHARLES, LA 70606
(337) 513-4915 OFFICE/ (337) 205-6927 FAX
steve@sderouencpa.com

Member American Institute of
Certified Public Accountants

Member Louisiana Society of
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of West Calcasieu Parish Community Center Authority and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of West Calcasieu Parish Community Center Authority and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
 - j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Findings: The Authority does not have a written Disaster Recovery/Business Continuity policy. The Board will adopt a written policy to address this function.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

As the Authority did not have an exception in this AUP category in prior year, this procedure was tested in year 3.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

As the Authority did not have an exception in this AUP category in prior year, this procedure was tested in year 3.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

As the Authority did not have an exception in this AUP category in prior year, this procedure was tested in year 3.

Non – Payroll Disbursements –(excluding credit card purchases/payments, and petty cash purchases)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

As the Authority did not have an exception in this AUP category in prior year, this procedure was tested in year 3.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: No exceptions.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

As the Authority did not have an exception in this AUP category in prior year, this procedure was tested in year 3.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

As the Authority did not have an exception in this AUP category in prior year, this procedure was tested in year 3.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Findings: No exceptions.

Ethics

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Findings: No exceptions.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

As the Authority did not have an exception in this AUP category in prior year, this procedure was tested in year 3.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Findings: No exceptions.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Steven M. DeRouen & Associates

December 13, 2019
Lake Charles, Louisiana