

Rapides Parish Coliseum Authority

Alexandria, Louisiana

December 31, 2013

Rapides Parish Coliseum Authority

December 31, 2013

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-3
Basic Financial Statements		4
Statement of Net Position.....	A	5
Statement of Revenues, Expenses, and Changes in Net Position	B	6
Statement of Cash Flows	C	7-8
Notes to Basic Financial Statements		9-14
Other Reports Required by <i>Government Auditing Standards</i>		15
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 <i>Government Auditing Standards</i>		16-18
Schedule of Findings and Responses		19-25
Management's Corrective Action Plan		26-30
Management's Summary Schedule of Prior Audit Findings		31-34



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

Board of Commissioners
Rapides Parish Coliseum Authority
Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Rapides Parish Coliseum Authority, Alexandria, Louisiana, (the Authority) a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2013, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issue by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, we 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.

ROBERT W. BYDRAK, C.P.A.

REBECCA B. MORRIS, C.P.A.

MICHAEL A. JUNEAU, C.P.A.

CINDY L. HUMPHRIES, C.P.A.

DEBORAH R. DUNN, C.P.A.

REBECCA G. NATION, C.P.A.

EVELYN REWROW, C.P.A.

1



1419 METRO DRIVE • P.O. Box 13200
ALEXANDRIA, LA 71315-3200

PH: (318) 443-1893 • FAX: (318) 443-2515



PAYNE, MOORE & HERRINGTON, LLP

Board of Commissioners
Rapides Parish Coliseum Authority

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Recordkeeping and audit evidence necessary to assess the fair statement of amounts reported as charges for services and operating expenses related to events presented in the accompanying statement of revenues, expenses, and changes in net position were not sufficient to allow us to form an unmodified opinion regarding these amounts.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Rapides Parish Coliseum Authority as of December 31, 2013, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014, on our consideration of the Rapides Parish Coliseum Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of



PAYNE, MOORE & HERRINGTON, LLP

Board of Commissioners
Rapides Parish Coliseum Authority

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rapides Parish Coliseum Authority's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants
Alexandria, Louisiana

December 22, 2014

Basic Financial Statements

Rapides Parish Coliseum Authority
Statement of Net Position
December 31, 2013

Exhibit A

Assets		
Cash and cash equivalents		\$ 18,535
Property taxes receivable		697,187
Capital assets		
Depreciable		
Furniture, fixtures, and equipment	85,165	
Accumulated depreciation	(79,661)	5,504
Total Assets		721,226
Liabilities		
Due to other governmental agencies		201,287
Payroll liabilities payable		6,500
Advance deposits payable		2,385
Short-term compensated absences		378
Total Liabilities		210,550
Net Position		
Net investment in capital assets		5,504
Unrestricted		505,172
Net Position		\$ 510,676

The accompanying notes are an integral part of the financial statements.

Rapides Parish Coliseum Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2013

Exhibit B

Operating Revenues	
Charges for services	\$ 189,220
Rental income	97,377
Concession/Souvenir sales	47,726
Total Operating Revenues	<u>334,323</u>
Operating Expenses	
Culture and Recreation - Spectator Recreation Facility:	
Personal services and related benefits	190,957
Operating services	209,430
Concession and souvenir supplies	1,109
Maintenance and supplies	31,160
Depreciation	767
Total Operating Expenses	<u>433,423</u>
Operating Income (Loss)	<u>(99,100)</u>
Nonoperating Revenues (Expenses)	
Interest income	56
Property taxes - general purpose	725,168
Intergovernmental grants and appropriations	74,141
Total Nonoperating Revenues (Expenses)	<u>799,365</u>
Change in Net Position	700,265
Total Net Position - Beginning of Year (Deficit)	<u>(189,589)</u>
Total Net Position - End of Year	<u><u>\$ 510,676</u></u>

The accompanying notes are an integral part of the financial statements.

Rapides Parish Coliseum Authority
Statement of Cash Flows
Year Ended December 31, 2013

Exhibit C
(Continued)

Cash Flows from Operating Activities	
Receipts from customers	\$ 334,323
Payments to suppliers for goods and services	(133,989)
Payments to employees for services and benefit costs	(277,851)
Net Cash Provided by (Used in) Operating Activities	<u>(77,517)</u>
Cash Flows from Noncapital Financing Activities	
Intergovernmental grants and appropriations	74,141
Property taxes received for general purposes	27,981
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>102,122</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(6,271)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(6,271)</u>
Cash Flows from Investing Activities	
Interest received on interest-bearing deposits	56
Net Cash Provided by (Used in) Investing Activities	<u>56</u>
Change in Cash and Cash Equivalents	18,390
Cash and Cash Equivalents, Beginning of Year	<u>145</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 18,535</u></u>
Classified As:	
Current assets	\$ 18,535
Restricted assets	-
Total	<u><u>\$ 18,535</u></u>

The accompanying notes are an integral part of the financial statements.

Rapides Parish Coliseum Authority
Statement of Cash Flows
Year Ended December 31, 2013

Exhibit C
(Concluded)

**Reconciliation of Operating Income to Net Cash Provided
by (Used in) Operating Activities:**

Operating loss	\$	(99,100)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation		767
Changes in assets and liabilities:		
Due to/from other governmental agencies		206,833
Bank overdraft		(4,449)
Accounts payable		(82,559)
Payroll liabilities payable		(83,061)
Advance deposits payable		(12,115)
Short-term compensated absences		(3,833)
Total Adjustments		<u>21,583</u>
Net Cash Provided by (Used in) Operating Activities	\$	<u>(77,517)</u>

The accompanying notes are an integral part of the financial statements.

Rapides Parish Coliseum Authority
December 31, 2013

Notes to Basic Financial Statements

1. Reporting Entity and Summary of Significant Accounting Policies

The accompanying financial statements of the Authority are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GAAP includes all relevant GASB pronouncements as set forth in the *Codification for Governmental Accounting and Financial Reporting*.

Reporting Entity

The Rapides Parish Coliseum Authority (Authority) is a governmental entity that was created by the Rapides Parish Police Jury (Police Jury), under the authority of Act No. 153 of the 1977 Regular Session of the Louisiana Legislature. The Authority is governed by a nine-member board of commissioners which are appointed by the Police Jury. The creation of the Authority was for the purpose of overseeing the operations, management, and events held at the Rapides Parish Coliseum and surrounding exhibit halls.

In evaluating how to define the entity for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under "legally separate organization" are: the capacity for the organization to have its own name; the right for the organization to sue and be sued in its own name without recourse to the primary government; and the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to be considered "financially accountable" include: appointment of a voting majority of the organization's governing body; ability for the primary government to impose its will on the organization; potential to provide specific financial benefits to or improve specific financial burdens on the primary government; and fiscal dependence of the organization. The Rapides Parish Police Jury appoints the members of the board of commissioners and imposes its will on the board of commissioners. As per the above criteria, the Authority is considered a component unit of the Rapides Parish Police Jury. Only the operating activities of the Authority are included in these financial statements.

The accounting and reporting framework and more significant of the Authority's accounting policies are described below.

Basis of Presentation

Fund Accounting

A fund is a separate accounting entity with a self-balancing set of accounts. The Authority only has one fund, which is classified as a proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Because services are provided to the public and outside services, the proprietary fund is considered an enterprise fund.

Rapides Parish Coliseum Authority
December 31, 2013

Notes to Basic Financial Statements

Basis of Accounting

Proprietary funds account for operations that are primarily financed by user charges. All proprietary funds are accounted for using the accrual basis of accounting and on a flow of economic resources measurement focus. The economic resources measurement focus is concerned with determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned, and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are rental income from exhibitions, events and R.V's, and income from concession and souvenir sales. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, maintenance, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property taxes are recognized as revenue in the year in which final approval is received from the Louisiana Tax Commission, at which time a valid claim exists, to the extent considered available. Property taxes are considered "measurable" at the time of levy. Substantially all other non-governmental revenues are susceptible to accrual and are recognized when earned or the underlying transaction occurs.

Cash and Cash Equivalents

Cash includes amounts in petty cash and demand deposit accounts. Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with banks located in the State of Louisiana. For the purpose of the statement of cash flows, the Authority considers all highly liquid investments with original maturity of three months or less from date of acquisition, to be cash equivalents.

Due To/From Other Government Agencies

Amounts reported as due to/from other government agencies in the accompanying statement of net position represents the balance of funds held by (due from) or advanced by (due to) Rapides Parish Police Jury on behalf of Rapides Parish Coliseum Authority at year end.

Capital Assets

Capital assets of the Authority, acquired prior to January 1, 1992, are owned by the Rapides Parish Police Jury and are accounted for as capital assets in their financial statements. The Rapides Parish Police Jury, by agreement, has granted the Authority the right to use these assets in the operation of the coliseum facilities. Capital assets, consisting of furnishings and equipment with an acquisition cost of at least \$500 and an estimated useful life of more than three years, purchased by the Authority subsequent to the date of the agreement, are reported on the statement of net position of the Authority. Depreciation

Rapides Parish Coliseum Authority
December 31, 2013

Notes to Basic Financial Statements

of these fixed assets is charged as an expense against operations. Fixed assets are stated at cost and depreciated on the straight-line method over the estimated useful life of 3 to 5 years.

Advance Deposits Payable

Advance deposits payable at year end represents amounts paid to the Rapides Parish Coliseum Authority for upcoming events and use of facilities. These amounts are recognized as revenue when the event or use of facilities occurs.

Compensated Absences

Full-time employees of the Authority, after four full pay periods, earn from 0.80 to 2.40 hours of annual leave (vacation), depending on their length of service for each 40 hours of regular duty hours. Full-time employees also earn 1 hour of sick leave for each 40 hours of regular duty hours paid at 100% of the employee's regular rate of pay. Maximum accumulation of leave with pay (vacation) is 120 hours, and the maximum accumulation of sick leave is 120 hours. Upon termination, an employee may be retained on the payroll on an annual leave status until all accrued annual leave has been used.

Accumulated annual leave (vacation) is recorded as a liability as the benefits accrue to employees. Accumulated sick leave is not paid to an employee upon termination, accordingly, no liability has been recorded in the accompanying financial statements for sick leave.

Net Position

Net position is reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Authority 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

At December 31, 2013, the Authority had cash and cash equivalents (book balances) totaling \$18,535 held in a demand deposit account. This amount is unrestricted.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. There were no uncollateralized bank balances at December 31, 2013.

**Rapides Parish Coliseum Authority
December 31, 2013**

Notes to Basic Financial Statements

3. Capital Assets and Depreciation

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Balance 12/31/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/13</u>
Capital assets being depreciated				
Furniture, fixtures, and equipment	\$ 78,894	\$ 6,271	\$ -	\$ 85,165
Total	78,894	6,271	-	85,165
	<u>Balance 12/31/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/13</u>
Less				
Accumulated depreciation				
Furniture, fixtures, and equipment	(78,894)	(767)	-	(79,661)
Total accumulated depreciation	(78,894)	(767)	-	(79,661)
Depreciable capital assets, net	-	5,504	-	5,504
Net Capital Assets	<u>\$ -</u>	<u>\$ 5,504</u>	<u>\$ -</u>	<u>\$ 5,504</u>

Depreciation expense for the year amounted to \$767.

4. Long-Term Liabilities

<u>Balance 12/31/2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2013</u>
\$ 4,211	\$ 6,678	\$ 10,511	\$ 378

All compensated absences at year end are classified as short term.

5. 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 has obtained commercial insurance for risks relating to injuries of employees, and the operation of motor vehicles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The Authority requires the promoters of events held at the coliseum facility to provide commercial general liability insurance with the Authority being named as the additional insured through an insurance certificate. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Since the Authority only has use of the coliseum complex, insurance related to fire and extended coverage of the complex is the responsibility of the Rapides Parish Police Jury. The Police Jury has obtained commercial insurance to reduce its risk of potential loss due to damage to or destruction of the complex. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Rapides Parish Coliseum Authority
December 31, 2013

Notes to Basic Financial Statements

6. Operating Income (Loss)

The following presents information regarding historical operating results of the Authority:

<u>Year Ended</u> <u>December 31:</u>	<u>Operating</u> <u>Revenues</u>	<u>Operating</u> <u>Expenses</u>	<u>Deficit</u>
2004	\$ 815,923	\$ 835,385	\$ (19,462)
2005	748,160	794,574	(46,414)
2006	666,381	724,568	(58,187)
2007	585,862	739,269	(153,407)
2008	545,469	593,555	(48,086)
2009	604,746	805,580	(200,834)
2010	622,097	876,542	(254,445)
2011	878,755	881,782	(3,027)
2012	462,160	576,467	(114,307)
2013	334,323	433,423	(99,100)

7. Property Taxes

On November 6, 2012, voters of Rapides Parish authorized the issuance of \$23 million general obligation bonds for the purpose of constructing and acquiring improvements and additions to, and renovating and repairing the Rapides Parish Coliseum. The bonds are payable from the annual levy and collection of ad valorem taxes on all the taxable property within the boundaries of the Parish of Rapides for a period of 20 years, beginning in 2013 and ending with the year 2032. The bond proposition provides for a 2.55-mill property tax to meet principle and interest obligations related to the bond issue. Because the bonds are issued in the name of the Rapides Parish Police Jury, neither the debt nor the related property tax revenues are reflected in the financial statements of the Rapides Parish Coliseum Authority.

On November 6, 2012, voters also approved a 20 year 1 mill tax on all property subject to taxation in the Parish of Rapides. This assessment is to fund improvements, maintenance, and operations of the coliseum. Property tax revenue associated with this assessment totaled \$725,168 for the year and is reported as nonoperating revenues in the accompanying statement of revenues, expenses, and changes in net position. Property taxes receivable at December 31, 2013 totaled \$697,187. No allowance for uncollectible amounts was considered necessary.

8. Commitments, Contingencies, and Subsequent Events

The bonds referred to in Note 7 were issued for purposes as stated in the bond documents, however, improvements and renovations to the coliseum have not yet begun. The bonds were issued under Parish of Rapides, State of Louisiana, and are reported in financial statements of the Rapides Parish Police Jury. Operations of the coliseum have been minimal in preparation for the renovations and improvements.

Subsequent to the date of the accompanying financial statements but prior to the issuance of the audit report, the Louisiana Legislative Auditor's office conducted an investigation related to allegations of improper payroll transactions for the period covering August 12, 2010 through February 19, 2013. The Louisiana Legislative Auditor issued its report thereon dated February 5, 2014. Results of the Louisiana Legislative Auditor's investigation revealed that the former executive director paid herself excessive

Rapides Parish Coliseum Authority
December 31, 2013

Notes to Basic Financial Statements

compensation during the period August 12, 2010 to February 19, 2013; gave herself an unauthorized pay increase of \$1 per hour effective May 31, 2012; and, understated her income by \$9,449 on her 2011 Wage and Tax Statement. A full copy of the Louisiana Legislative Auditor's report is available electronically at http://www.la.state.la.us/reports_data/. No provision for possible overpayments or misappropriations have been recorded in the accompanying financial statements.

At December 31, 2013, the Authority had outstanding assessed penalties and interest for the late filing of the 2013 Forms W-3 & W-2's. This amount is shown as payroll liabilities payable in the accompanying statement of net position.

Management has evaluated subsequent events through December 22, 2014, the date at which the financial statements were available to be issued. Management's evaluation revealed no subsequent events required to be disclosed except as presented above.

9. Notes to Statement of Cash Flows

There were no material noncash operating, noncapital financing, capital and related financing, or investing activities that affected recognized assets or liabilities during the year.

**Other Reports Required by
*Government Auditing Standards***

**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***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
Established 1945

**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
Rapides Parish Coliseum Authority

We 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 business-type activities of Rapides Parish Coliseum Authority, Alexandria, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described as items 2013-01, 2013-02, 2013-03, and 2013-04 in the accompanying schedule of findings and responses to be material weaknesses.

ROBERT W. DYORAK, C.P.A. CINDY L. HUMPHRIES, C.P.A.
REBECCA D. MORRIS, C.P.A. DEBORAH R. DUNN, C.P.A.
MICHAEL A. JUNEAU, C.P.A. REBECCA G. NATION, C.P.A.
EVELYN BENSFROW, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

Board of Commissioners
Rapides Parish Coliseum Authority

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2013-03, 2013-05, and 2013-06.

Rapides Parish Coliseum Authority's Response to Findings

Rapides Parish Coliseum Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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.

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP".

Certified Public Accountants
Alexandria, Louisiana

December 22, 2014

Schedule of Findings and Responses

**Rapides Parish Coliseum Authority
Schedule of Findings and Responses
Year Ended December 31, 2013**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Qualified	
Internal control over financial reporting:		
Material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u> No
<i>Management's Corrective Action Plan</i>	See attached	
<i>Management's Summary Schedule of Prior Audit Findings</i>	See attached	
<i>Memorandum of Other Comments and Recommendations</i>	Not applicable	

Federal Awards

Not applicable

Section II - Financial Statement Findings

Finding 2013-01 Inadequate Written Policies, Procedures & Monitoring of Key Financial Functions

Criteria: A sound financial reporting system requires that significant accounting policies, procedures, and functions be documented in writing and followed by personnel in the performance of their assigned functions. A component of the system requires management oversight and monitoring by those charged with governance to ensure that policies, procedures and functions are being performed properly and timely.

Condition: During the period under audit, the Authority lacked written policies and procedures for key financial functions and procedures. The limited staff precludes the ideal level of segregation of duties that would be desirable under an effective financial accounting and reporting system. This limitation warrants management's involvement and oversight by those charged with governance to compensate for the exposure resulting from this internal control weakness.

Cause: Current, complete policies and procedures for significant accounting functions were not available during our audit of the financial statements of Rapides Parish Coliseum Authority for the year ended December 31, 2013. Key personnel employed during the period under audit were not available to address questions and provide documents. We were unable to determine whether policies were made available to and adhered to by employees during the period under audit.

**Rapides Parish Coliseum Authority
Schedule of Findings and Responses
Year Ended December 31, 2013**

Recommendation: We recommend that management and those charged with governance identify significant processes in the financial reporting system that could have a direct and material effect on the financial statements of the Authority and assess the policies and procedures, if any, that relate to those functions. Where written procedures are inadequate or nonexistent, management should revise or adopt appropriate policies and procedures. These written policies and procedures should then be used by management and those charged with governance to monitor the operations and functions related to these key financial functions.

Management's Response: See Management's Corrective Action Plan.

Finding 2013-02 Incomplete Financial Records and Lack of Recordkeeping

Criteria: Effective financial reporting requires that complete, accurate, and timely accounting of the entity's transactions be recorded in the financial reporting system. Reconciliations of significant accounts should be prepared in a timely manner and approved by the appropriate level of management. Underlying documentation to support all transactions recorded in the financial records should be maintained in an orderly manner. Periodic financial statements and key reconciliations should be reviewed and approved by the proper level of management or those charged with governance.

Condition: From January through March 2013, the Rapides Parish Coliseum Authority used Quickbooks for its financial reporting. Review of the Quickbooks records revealed that all transactions were not entered, bank reconciliations were not prepared, and complete and accurate financial statements could not have been provided to those charged with governance for review and approval. In addition, during our examination of disbursements, we noted numerous instances where there was no documentation or invoice to support the disbursement. When present, invoices were not canceled by marking them as paid and referencing the check number. Since payroll and certain other accounting functions have been assumed by Rapides Parish Police Jury reports of financial activity from those records should also be reviewed and approval by the Authority's board.

Cause: All transactions related to financial reporting were not entered in Quickbooks. Key reconciliations and periodic financial statements were incomplete or nonexistent. Documentation for transactions was not maintained in a complete and orderly manner. Periodic financial statements were not reviewed and approved by those charged with governance.

Recommendation: We recommend that personnel responsible for financial reporting functions become familiar with proper use of the financial reporting program. All transactions affecting the Rapides Parish Coliseum Authority's assets, liabilities, net position, revenue, and expenses should be recorded in the financial records and complete and orderly documentation of all source documents should be maintained. Key reconciliations and periodic financial statements should be reviewed and approved by those charged with governance.

Management's Response: See Management's Corrective Action Plan.

Finding 2013-03 Improper Cash Management Over Events and Concessions

Criteria: Effective internal controls over cash management are essential to safeguarding the entity's assets. Because of the inherent risk of fraud and misappropriation related to cash and other liquid assets, it is imperative that controls be in place to ensure the safety of these assets. Procedures should ensure that all revenues are accounted for and recorded in the entity's financial records and that all disbursements are properly documented, approved, and recorded in the entity's financial records.

**Rapides Parish Coliseum Authority
Schedule of Findings and Responses
Year Ended December 31, 2013**

Condition: We considered internal controls over event and concessions revenues and expenses and we examined records related to events held during the year ended December 31, 2013. During our examination of event and concessions revenue, we noted the following:

- Clear, current, and complete policies and procedures for accounting for event and concessions revenues were not readily available for our examination. Excerpts of procedures and policies appearing to be very old were provided to us by personnel assisting with the audit. These individuals, however, were not employees of Rapides Parish Coliseum Authority during the period under audit or they were not responsible for cash management functions. Therefore, we were unable to affirm the policies and procedures that would have been in effect during the period under audit. Further, we were unable to determine that such policies would have been communicated to the Authority's personnel.
- No records were available to document amounts reported as concession revenue. Controls over cash handling and accounting for concession inventory were undocumented.
- Settlement statements for some events and reports from personnel indicates that payments were routinely made in cash to promoters, performers, security staff, and other event personnel. These cash payments were inadequately documented and were not recorded in the financial records of the Rapides Parish Coliseum Authority. These payments were reportedly made from box office revenue and concessions revenue on the night of the event.
- In some cases, checks were written to Rapides Parish Coliseum Authority personnel and cashed to pay promoters, performers, security staff, and other event personnel. Cash pay out records were used to indicate how the cash was distributed. We noted numerous deficiencies in the records, including missing signatures of individuals to whom payments were scheduled to have been made and unsigned pay out reports. We were also unable to directly trace the payments to posting in the general ledger.
- Total ticket sales were not reconciled to cash and credit card payments received for each event nor to revenue recorded in the financial records.
- No Forms 1099 were filed reporting nonemployee compensation to any individuals or vendors. It is possible that some payments to promoters, performers, security personnel, and other vendors may have been reportable under the requirements for issuing Forms 1099. Failure to file Forms 1099 when required could result in the assessment of penalties.

Cause: Internal controls and policies and procedures for handling cash receipts and disbursements for event and concessions revenue were unclear. Procedures and practices used subjected cash receipts and disbursements to misappropriation. Such misappropriations could result in material misstatement of amounts reported as event and concessions revenues and event and concessions expenses in the Authority's financial statements. Failure to record and accumulate information regarding payments to vendors may result in penalties for failing to file Forms 1099 when required.

**Rapides Parish Coliseum Authority
Schedule of Findings and Responses
Year Ended December 31, 2013**

Recommendation: We recommend that procedures over event and concessions revenues be evaluated and internal controls be implemented to ensure that all proceeds, whether in cash or other methods of payment, are properly received, recorded, deposited, and reconciled to event records and the Authority's financial records. We further recommend that controls over inventory, concession sales, and cash disbursements, if any are made from concession sales revenue, be implemented to ensure complete accounting of inventory purchased, used, and remaining, and revenue received from concession sales. All payments to vendors, promoters, performers, and others should be made in the form of a check and recorded in the financial records of the Rapides Parish Coliseum Authority. Regulatory filings of Forms 1099 should be made if required.

Management's Response: See Management's Corrective Action Plan.

Finding 2013-04 Deficiencies in Payroll Procedures, Recordkeeping and Personnel Records

Criteria: Effective financial reporting of salaries and related expenses requires that complete, accurate, and timely accounting of the entity's transactions be recorded in the financial reporting system. Employee files should be maintained and should include an application for employment or resume, date of hire, approved rate of pay and documented adjustments to pay rates, completed Form W-4, completed Form I-9 Employment Eligibility Verification, employee evaluations, and documentation authorizing any other withholdings. Time cards, when required, should be properly reviewed, approved, and maintained with payroll records. Periodic payroll records or journals should be reviewed by the appropriate level of management or those charged with governance to ensure that payroll is being prepared in accordance with approved pay rates and in compliance with the entity's approved procedures. Salary expenses should be posted to the general ledger in such a manner that information necessary to prepare regulatory filings is easily reconciled between the financial records and the regulatory filings.

Condition: Prior to transitioning payroll functions to the Rapides Parish Police Jury in April of 2013, the executive director was responsible for processing and issuing payroll checks to all employees. Full time employees were paid on a weekly basis at rates that are approved by the board of commissioners. We noted the following with respect to payroll procedures, recordkeeping, and personnel records:

- Of the six full-time regular employees we examined, we noted that one received more than the expected number of weekly checks during the period January to March 2013.
- We noted that some employees were paid for overtime during some pay periods but records documenting hours worked and approval of overtime were not available in all instances.
- Of the full-time regular employees, personnel files were only available for two. Those files lacked complete documentation of employee withholding information, pay rates, and pay adjustments.
- Pay rates for five existing full-time regular employees were increased during May of 2012 with no evidence of approval for the increase. Employees were paid at these unauthorized rates until payroll functions were transitioned to the Rapides Parish Police Jury office in April 2013.
- Until payroll functions were assumed by the Rapides Parish Police Jury office in April 2013, an employee that began working in June of 2012 accrued 3.20 hours of vacation leave per pay period instead of the approved 0.80 hours per pay period and 2.00 hours of sick leave instead of the approved 1.00 hour per pay period.

**Rapides Parish Coliseum Authority
Schedule of Findings and Responses
Year Ended December 31, 2013**

- During January and February 2013, an employee that began working in July of 2010 accrued 3.20 hours of vacation leave per pay period instead of the approved 1.60 hours per pay period and 2.00 hours of sick leave instead of the approved 1.00 hour per pay period.
- The executive director, who was responsible for preparing the payroll, was an authorized check signer and signed her own pay checks. Because all checks require two signatures, the second signer appears to have signed checks in advance or did not review payroll records before signing checks.
- During the period the executive director was employed in the year under audit, the total wages paid and reported to her on her W-2 exceeded the approved salary based on information provided to us.

Cause: An employee was issued more payroll checks than expected based on the number of pay periods during the audit period. Rates paid to employees from January through March of 2013 were not properly approved or documented. Personnel files were not kept complete and current for all employees. Some employees were accruing leave at rates above the approved scale. Overtime pay was not always documented and approved. Total salary expenses per the general ledger were not reconciled to totals reported on Forms W-2. Check signing by the second signer appears to have been in advance of completing the check or without proper review of all supporting documentation.

Recommendation: We recommend that personnel responsible for payroll functions be properly supervised and prepare payroll in accordance with approved pay rates and other approved policies. Ideally, an employee would not sign his or her own paycheck. If he or she must sign, then proper oversight and review functions are essential to compensate for this lack of segregation of duties. Leave should be accrued at approved rates. Personnel files should be complete and current for all employees.

Management's Response: See Management's Corrective Action Plan.

Finding 2013-05 Late Filing of Payroll Tax Returns and Delinquent Payment of Payroll Liabilities

Criteria: Regulatory authorities set forth filing and payment requirements related to payroll reporting and remittance of payroll related liabilities. Among these liabilities are the employee portions of payroll taxes that are withheld by the employer and required to be remitted on the employee's behalf. Failure to file or late filing of required reports and untimely payment of related liabilities results in penalties and interest, as well as unsatisfactory standing with regulatory authorities. Wage and Tax Statements (Forms W-2) are required to be prepared by the employer and issued to employees no later than January 31 of each year for the preceding year.

**Rapides Parish Coliseum Authority
Schedule of Findings and Responses
Year Ended December 31, 2013**

Condition: During our examination of payroll and the related filings, we noted that quarterly federal and state payroll reports were not filed on a timely basis and related payroll taxes were not remitted in a timely manner for the first quarter of 2013. The Rapides Parish Coliseum Authority paid penalties of \$3,785 for failure to timely file and pay the first quarter 2013 payroll liabilities.

Cause: Personnel responsible for preparation of the Authority's regulatory filings and remittance of payroll liabilities did not prepare and submit the first quarter 2013 returns and did not make payroll tax payments in a timely manner. Internal controls over the preparation and filing of payroll tax returns and payment of payroll liabilities did not include review and approval of a member of the board of commissioners or others charged with governance.

Recommendation: We recommend that Rapides Parish Coliseum Authority ensure that all regulatory filings are made timely and that remittances of payroll taxes and employee-related liabilities are made by the statutory due dates. We further recommend that procedures be established to ensure that all payments which constitute wages are properly segregated for reporting on the appropriate reporting form. Forms documenting each vendor or employee should be obtained before services are performed and should be maintained for review by regulatory and other monitoring agencies.

It is noted that all known delinquent filings and payments were made on behalf of Rapides Parish Coliseum Authority by Rapides Parish Police Jury during 2013 and 2014, when the Jury assumed payroll functions and oversight of Rapides Parish Coliseum Authority financial reporting.

Management's Response: See Management's Corrective Action Plan.

Finding 2013-06 Submission of Audit Report

Criteria: In accordance with state statute, the Authority's audit report must be submitted to the Louisiana Legislative Auditor within 180 days of the close of the entity's fiscal year.

Condition: The Authority's audit report was not submitted to the Legislative Auditor within 180 days of the fiscal year end.

Recommendation: We recommend that the Authority comply with the submission requirements set forth by state statute.

Management's Response: See Management's Corrective Action Plan.

Management's Corrective Action Plan

**Rapides Parish Coliseum Authority
December 31, 2013**

Management's Corrective Action Plan

The Rapides Parish Coliseum Authority respectfully submits the following corrective action plan for the year ended December 31, 2013.

Independent Public Accounting Firm: Payne, Moore & Herrington, LLP
P.O. Box 13200
Alexandria, LA 71315-3200
(318) 443-1893

Auditee Contact Person: Bruce Kelly, Treasurer
Rapides Parish Police Jury
Representative for Rapides Parish Coliseum Authority
701 Murray Street
Alexandria, LA 71309

Audit Period: January 1, 2013 through December 31, 2013

The findings from the Schedule of Findings and Responses are discussed below. The findings are numbered consistently with the numbers assigned in the preceding schedule.

Section I – Findings Related to the Financial Statements

Finding 2013-01 Inadequate Written Policies, Procedures & Monitoring of Key Financial Functions

Condition: During the period under audit, the Authority lacked written policies and procedures for key financial functions and procedures. The limited staff precludes the ideal level of segregation of duties that would be desirable under an effective financial accounting and reporting system. This limitation warrants management's involvement and oversight by those charged with governance to compensate for the exposure resulting from this internal control weakness.

Management's Response: We concur with the auditor's recommendations and we have taken steps to address deficiencies in controls over significant accounting functions. Beginning in April of 2013, payroll and some other accounting functions were assumed by the Rapides Parish Police Jury treasurer's office. We continue to evaluate controls over significant accounting functions and implement policies, procedures, and controls where existing controls proved ineffective.

Finding 2013-02 Incomplete Financial Records and Lack of Recordkeeping

Condition: During the period under audit, the Rapides Parish Coliseum Authority used Quickbooks for its financial reporting. Review of the Quickbooks records revealed that all transactions were not entered, bank reconciliations were not prepared, and complete and accurate financial statements could not have been provided to those charged with governance for review and approval. In addition, during our examination of disbursements, we noted numerous instances where there was no documentation or invoice to support the disbursement. When present, invoices were not canceled by marking them as paid and referencing the check number. Since payroll and certain other accounting functions have been assumed by Rapides Parish Police Jury, reports approved by the Authority's board.

Rapides Parish Coliseum Authority
December 31, 2013

Management's Corrective Action Plan

Management's Response: We concur with the auditor's recommendations and we have taken steps to address deficiencies in controls over financial reporting and recordkeeping. Proper documentation is required before processing transactions by Rapides Parish Police Jury treasurer's office. Since payroll and some other financial reporting and recordkeeping functions have been assumed by the Rapides Parish Police Jury treasurer's office, we anticipate improvements in these accounting functions. We continue to evaluate controls over significant accounting functions and implement policies, procedures, and controls where existing controls proved ineffective.

Finding 2013-03 Improper Cash Management Over Events and Concessions

Condition: We considered internal controls over event and concessions revenues and expenses and we examined records related to events held during the year ended December 31, 2013. During our examination of event and concessions revenue, we noted the following:

- Clear, current, and complete policies and procedures for accounting for event and concessions revenues were not readily available for our examination. Excerpts of procedures and policies appearing to be very old were provided to us by personnel assisting with the audit. These individuals, however, were not employees of Rapides Parish Coliseum Authority during the period under audit or they were not responsible for cash management functions. Therefore, we were unable to affirm the policies and procedures that would have been in effect during the period under audit. Further, we were unable to determine that such policies would have been communicated to the Authority's personnel.
- For purposes of our examination, we assumed that an event folder should contain: an event settlement statement, contracts, records of cash receipts and ticket sales, and documentation for expenses and disbursements. Event folders and settlement statements were found to be incomplete or nonexistent.
- No records were available to document amounts reported as concession revenue. Controls over cash handling and accounting for concession inventory were undocumented.
- Settlement statements for some events and reports from personnel indicates that payments were routinely made in cash to promoters, performers, security staff, and other event personnel. These cash payments were inadequately documented and were not recorded in the financial records of the Rapides Parish Coliseum Authority. These payments were reportedly made from box office revenue and concessions revenue on the night of the event.
- In some cases, checks were written to Rapides Parish Coliseum Authority personnel and cashed to pay promoters, performers, security staff, and other event personnel. Cash pay out records were used to indicate how the cash was distributed. We noted numerous deficiencies in the records, including missing signatures of individuals to whom payments were scheduled to have been made and unsigned pay out reports. We were also unable to directly trace the payments to posting in the general ledger.
- Total ticket sales were not reconciled to cash and credit card payments received for each event nor to revenue recorded in the financial records.
- No Forms 1099 were filed reporting nonemployee compensation to any individuals or vendors. It is possible that some payments to promoters, performers, security personnel, and other vendors may have been reportable under the requirements for issuing Forms 1099. Failure to file Forms 1099 when required could result in the assessment of penalties.

**Rapides Parish Coliseum Authority
December 31, 2013**

Management's Corrective Action Plan

Management's Response: We concur with the auditor's recommendations and we have taken steps to address deficiencies in controls over significant accounting functions. We continue to evaluate controls over significant accounting functions and implement policies, procedures, and controls where existing controls proved ineffective.

Finding 2013-04 Deficiencies in Payroll Procedures, Recordkeeping and Personnel Records

Condition: Prior to transitioning payroll functions to the Rapides Parish Police Jury in April of 2013, the executive director was responsible for processing and issuing payroll checks to all employees. Full time employees are paid on a weekly basis at rates that are approved by the board of commissioners. We noted the following with respect to payroll procedures, recordkeeping, and personnel records:

- Of the six full-time regular employees we examined, we noted that one received more than the expected number of weekly checks during the period January to March.
- We noted that some employees were paid for overtime during some pay periods but records documenting hours worked and approval of overtime were not available in all instances.
- Of the full-time regular employees, personnel files were only available for two. Those files lacked complete documentation of employee withholding information, pay rates, and pay adjustments.
- Pay rates for five existing full-time regular employees were increased during May of 2012 with no evidence of approval for the increase. Employees were paid at these unauthorized rates until payroll functions were transitioned to the Rapides Parish Police Jury office in April 2013.
- Until payroll functions were assumed by the Rapides Parish Police Jury office in April 2013, an employee that began working in June of 2012 accrued 3.20 hours of vacation leave per pay period instead of the approved 0.80 hours per pay period and 2.00 hours of sick leave instead of the approved 1.00 hour per pay period.
- During January and February 2013, an employee that began working in July of 2010 accrued 3.20 hours of vacation leave per pay period instead of the approved 1.60 hours per pay period and 2.00 hours of sick leave instead of the approved 1.00 hour per pay period.
- The executive director, who was responsible for preparing the payroll, was an authorized check signer and signed her own pay checks. Because all checks require two signatures, the second signer appears to have signed checks in advance or did not review payroll records before signing checks.
- During the period the executive director was employed in the year under audit, the total wages paid and reported to her on her W-2 exceeded the approved salary based on information provided to us.

Management's Response: We concur with the auditor's recommendations and we have taken steps to address deficiencies in controls over payroll and other significant accounting functions. Beginning in April of 2013, payroll and certain other accounting functions were assumed by the Rapides Parish Police Jury treasurer's office. After April 1, 2013, employees of the Rapides Parish Coliseum Authority were transferred to Rapides Parish Police Jury payroll and are now reported on Rapides Parish Police Jury Forms 941, W-2's, and other regulatory filings. Related payroll taxes are also remitted by Rapides Parish Police Jury to ensure that all are paid timely. We will continue to evaluate controls over payroll functions and implement policies, procedures, and controls where existing controls prove ineffective.

**Rapides Parish Coliseum Authority
December 31, 2013**

Management's Corrective Action Plan

Finding 2013-05 Late Filing of Payroll Tax Returns and Delinquent Payment of Payroll Liabilities

Condition: During our examination of payroll and the related filings, we noted that quarterly federal and state payroll reports were not filed on a timely basis and related payroll taxes were not remitted in a timely manner for the first quarter of 2013. The Rapides Parish Coliseum Authority paid penalties of \$3,785 for failure to timely file and pay the first quarter 2013 payroll liabilities.

Management's Response: We concur with the auditor's recommendations and we have taken steps to address deficiencies in controls over payroll accounting functions. Beginning in April of 2013, payroll and some other accounting functions were assumed by the Rapides Parish Police Jury treasurer's office. This office now oversees payroll functions and assures that regulatory reports and payroll tax deposits are made timely. All known delinquent payroll taxes and related filings have been made or have been directed to Rapides Parish Police Jury treasurer's office for investigation and follow up. As of April 1, 2013, employees of the Rapides Parish Coliseum Authority began being paid by the Rapides Parish Police Jury and all payroll filings are now made by the Rapides Parish Police Jury.

Finding 2013-06 Submission of Audit Report

Condition: The Authority's audit report was not submitted to the Legislative Auditor within 180 days of the fiscal year end.

Management's Response: We understand our responsibility for the condition of the financial records, completeness of financial statements, and compliance with the filing requirements of the Legislative Auditor. We anticipate that issues that precluded the timely filing of the 2013 audit report will be resolved for the year ended December 31, 2014, and that future reports will be filed timely.

Management's Summary Schedule of Prior Audit Findings

Rapides Parish Coliseum Authority
December 31, 2013

Management's Summary Schedule of Prior Audit Findings

Finding 2012-01 Inadequate Written Policies, Procedures & Monitoring of Key Financial Functions

Condition: During the period under audit, the Authority lacked written policies and procedures for key financial functions and procedures. The limited staff precludes the ideal level of segregation of duties that would be desirable under an effective financial accounting and reporting system. This limitation warrants management's involvement and oversight by those charged with governance to compensate for the exposure resulting from this internal control weakness.

Current Status: Unresolved. See Finding 2013-01.

Finding 2012-02 Incomplete Financial Records and Lack of Recordkeeping

Condition: During the period under audit, the Rapides Parish Coliseum Authority used Quickbooks for its financial reporting. Review of the Quickbooks records revealed that all transactions were not entered, bank reconciliations were not prepared, and complete and accurate financial statements could not have been provided to those charged with governance for review and approval. In addition, during our examination of disbursements, we noted numerous instances where there was no documentation or invoice to support the disbursement. When present, invoices were not canceled by marking them as paid and referencing the check number.

Current Status: Unresolved. See Finding 2013-02.

Finding 2012-03 Improper Cash Management Over Events and Concessions

Condition: We considered internal controls over event and concessions revenues and expenses and we examined records related to events held during the year ended December 31, 2013. During our examination of event and concessions revenue, we noted the following:

- Clear, current, and complete policies and procedures for accounting for event and concessions revenues were not readily available for our examination. Excerpts of procedures and policies appearing to be very old were provided to us by personnel assisting with the audit. These individuals, however, were not employees of Rapides Parish Coliseum Authority during the period under audit or they were not responsible for cash management functions. Therefore, we were unable to affirm the policies and procedures that would have been in effect during the period under audit. Further, we were unable to determine that such policies would have been communicated to the Authority's personnel.
- For purposes of our examination, we assumed that an event folder should contain: an event settlement statement, contracts, records of cash receipts and ticket sales, and documentation for expenses and disbursements. Of the 47 events held at the coliseum in 2012, event folders for 9 events were available to us. Of these 9 folders, each contained only partial documentation of event income and expenses. We also located 7 settlement statements with no event folders or other documentation related to those events.
- No records were available to document amounts reported as concession revenue. Controls over cash handling and accounting for concession inventory were undocumented.

Rapides Parish Coliseum Authority
December 31, 2013

Management's Summary Schedule of Prior Audit Findings

- Settlement statements for some events and reports from personnel indicates that payments were routinely made in cash to promoters, performers, security staff, and other event personnel. These cash payments were inadequately documented and were not recorded in the financial records of the Rapides Parish Coliseum Authority. These payments were reportedly made from box office revenue and concessions revenue on the night of the event.
- In some cases, checks were written to Rapides Parish Coliseum Authority personnel and cashed to pay promoters, performers, security staff, and other event personnel. Cash pay out records were used to indicate how the cash was distributed. We noted numerous deficiencies in the records, including missing signatures of individuals to whom payments were scheduled to have been made and unsigned pay out reports. We were also unable to directly trace the payments to posting in the general ledger.
- Total ticket sales were not reconciled to cash and credit card payments received for each event nor to revenue recorded in the financial records.
- No Forms 1099 were filed reporting nonemployee compensation to any individuals or vendors. It is possible that some payments to promoters, performers, security personnel, and other vendors may have been reportable under the requirements for issuing Forms 1099. Failure to file Forms 1099 when required could result in the assessment of penalties.

Current Status: Unresolved. See Finding 2013-03.

Finding 2012-04 Deficiencies in Payroll Procedures, Recordkeeping and Personnel Records

Condition: The executive director was responsible for processing and issuing payroll checks to all employees. Full time employees are paid on a weekly basis at rates that are approved by the board of commissioners. We noted the following with respect to payroll procedures, recordkeeping, and personnel records:

- Of the six full-time regular employees we examined, we noted that four received more than the expected number of checks that would be received when paid weekly. Some of these payments appear to be compensation for unused vacation time. These payments were made in addition to the regular weekly salary, thus paying these employees for more than fifty-two weeks during the year.
- We noted that some employees were paid for overtime during some pay periods but records documenting hours worked and approval of overtime were not available in all instances.
- Of the six full-time regular employees, personnel files were only available for two. Those files lacked complete documentation of employee withholding information, pay rates, and pay adjustments.
- Pay rates for five existing full-time regular employees were increased during May of 2012 with no evidence of approval for the increase.
- An employee that began working in June of 2012 accrued 3.20 hours of vacation leave per pay period instead of the approved 0.80 hours per pay period and 2.00 hours of sick leave instead of the approved 1.00 hour per pay period. An employee that began working in August of 2010 accrued 3.20 hours of vacation leave per pay period instead of the approved 1.60 hours per pay period and 2.00 hours of sick leave instead of the approved 1.00 hour per pay period.
- An employee that began working in July of 2010 accrued 3.20 hours of vacation leave per pay period instead of the approved 1.60 hours per pay period and 2.00 hours of sick leave instead of the approved 1.00 hour per pay period.

**Rapides Parish Coliseum Authority
December 31, 2013**

Management's Summary Schedule of Prior Audit Findings

- Two employees that began working in 1986 did not accrue fifty-two weeks of vacation at 2.40 hours per pay period. According to the accrued leave record from Quickbooks, these employees only accrued 102 hours rather than the expected 124 hours. One of these employees under accrued sick at only 49 hours of sick leave rather than the expected 52 hours, while the other over accrued at 53 hours.
- In addition to accruing leave at an excessive rate, one employee used vacation and sick leave in excess of amounts accumulated. This constitutes an advance of wages which is prohibited.
- The executive director, who was responsible for preparing the payroll, was an authorized check signer and signed her own pay checks. Because all checks require two signatures, the second signer appears to have signed checks in advance or did not review payroll records before signing checks.
- Total wages paid and reported to the executive director on her W-2 exceeded the approved salary based on information provided to us.

Current Status: Partially Resolved. See Finding 2013-04.

Finding 2012-05 Late Filing of Payroll Tax Returns and Delinquent Payment of Payroll Liabilities

Condition: During our examination of payroll and the related filings, we noted that quarterly federal and state payroll reports were not filed on a timely basis and related payroll taxes were not remitted in a timely manner.

We determined that proposed and assessed penalties and interest for failure to timely file reports and remit payroll taxes totaled \$26,748 for periods including the fourth quarter of 2007, the second, third and fourth quarters of 2010, the second quarter of 2011, and all quarters of 2012.

We were unable to determine that Form W-2's for 2012 were in fact properly prepared and provided to employees by the statutory due date. In a notice received during our fieldwork, the Internal Revenue Service proposes a late filing penalty of \$6,500 which indicates that copies were not filed in a timely manner with regulatory authorities. Because cash payments were made to event staff, we are unable to determine that all reportable wages were included in quarterly payroll reports and that all W-2's required to be issued were in fact issued.

Current Status: Partially Resolved. See Finding 2013-05.

Finding 2012-06 Submission of Audit Report

Condition: The Authority's audit report was not submitted to the Legislative Auditor within 180 days of the fiscal year end.

Current Status: Unresolved. See Finding 2013-06.