

**LAFAYETTE CENTRAL PARK, INC.**

**FINANCIAL REPORT**

**DECEMBER 31, 2013**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Lafayette Central Park, Inc.  
Lafayette, Louisiana

**Report on the Financial Statements**

We have audited the accompanying statement of the financial position and the statements of activities and cash flows of Lafayette Central Park, Inc. (a nonprofit organization) as of December 31, 2013 and for period February 22, 2013, date of inception, to December 31, 2013, and the related notes to financial statements, which collectively comprise Lafayette Central Park Inc.'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 the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lafayette Central Park, Inc. as of December 31, 2013, and the change in its net assets and its cash flows thereof for the period February 22, 2013, date of inception, to December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12 2014, on our consideration of Lafayette Central Park, Inc.'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 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 Lafayette Central Park, Inc.'s internal control over financial reporting and compliance.

*Brenneman, Piche, Lewis & Breaux, LLP*

Lafayette, Louisiana  
September 12, 2014

LAFAYETTE CENTRAL PARK  
STATEMENT OF FINANCIAL POSITION  
December 31, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 497,010
Prepaid expenses	<u>14,584</u>

Total assets	<u>\$ 511,594</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 139,422
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NET ASSETS

Unrestricted net assets	<u>372,172</u>
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Total liabilities and net assets	<u>\$ 511,594</u>
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See Notes to Financial Statements.

LAFAYETTE CENTRAL PARK

STATEMENT OF ACTIVITIES  
For the Period February 22, 2013,  
Date of Inception, to December 31, 2013

REVENUES AND OTHER SUPPORT

Contributions	\$ 904,052
Interest and dividends	<u>48</u>
Total revenues and other support	<u>\$ 904,100</u>

EXPENSES AND LOSSES

Program expenses:	
Programming and master planner	\$ 274,590
Management and general:	
Salaries	46,233
Payroll taxes and benefits	3,652
Legal expenses	64,748
Advertising and public relations	10,178
Administrative fee - CFA	34,200
Office expenses	2,064
Project Director	76,500
Site Survey	14,461
Computer and internet	2,408
Other	<u>2,894</u>
Total expenses	<u>\$ 531,928</u>

Change in net assets \$ 372,172

Net assets at inception -

Net assets at end of year \$ 372,172

See Notes to Financial Statements.

LAFAYETTE CENTRAL PARK

STATEMENT OF CASH FLOWS

For the Period February 22, 2013,  
Date of Inception, to December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 372,172
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in prepaid expenses	(14,584)
Increase in accounts payable	<u>139,422</u>
Net cash provided by operating activities	<u>\$ 497,010</u>
Net increase in cash	\$ 497,010
Cash and cash equivalents at inception	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 497,010</u>

See Notes to Financial Statements.

LAFAYETTE CENTRAL PARK, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Lafayette Central Park, Inc. (the "Lafayette Central Park") is a Louisiana nonprofit corporation chartered on February 22, 2013. In August 2013, the IRS notified Lafayette Central Park, Inc. that their non-profit status had been approved. The primary intent of Lafayette Central Park is to lease the 100 acre Horse Farm that the City of Lafayette acquired from the University of Louisiana at Lafayette and to raise money to design and construct a park and create a fund for perpetual maintenance.

Lafayette Central Park is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

Significant accounting policies:

Basis of accounting –

The accounts of Lafayette Central Park are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Use of estimates –

The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

Cash and cash equivalents –

For purposes of the statement of cash flows, Lafayette Central Park considers all unrestricted short term investments with an initial maturity of three months or less to be cash equivalents.

Contributions –

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Tax status –

Lafayette Central Park is a Louisiana nonprofit corporation established in 2013 and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code; accordingly, no provision for income taxes has been made in the financial statements.

Lafayette Central Park's initial filing of Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by tax authorities.

LAFAYETTE CENTRAL PARK, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2. Lease Agreement

Lafayette Central Park, Inc. and the City of Lafayette have entered into a lease agreement of the property identified as the Horse Farm. In 2012, the City of Lafayette and the University of Louisiana at Lafayette entered into an act of exchange; whereby, the City of Lafayette acquired the Horse Farm property in exchange for a park owned by the City, Youth Park, in addition to a cash payment to the University of approximately \$6,000,000. The lease agreement is executed in concert with a Cooperative Endeavor Agreement with the City of Lafayette. Under the principal terms of the Cooperative Endeavor Agreement, Lafayette Central Park is to construct improvements on the property of not less than \$6,800,000 and to develop means to provide for maintenance and insurance of the property over the lease term.

The lease agreement provides for an initial thirty year term, and has first renewal term of an additional thirty years and a successive renewal term of thirty-eight years. The renewal terms are conditioned on the park and improvements, as developed, remain intact, or are reconstructed by the end of the then term in the event of Force Majeure and provided that Lafayette Central Park is not in default of the lease and continues to meet all of the conditions of the lease. The annual rental for the primary term and the renewal terms are as follows:

Primary Term:

Lease Effective Date through end of 10th calendar year:	\$1,200
11th calendar year through end of 20th calendar year:	\$1,500
21st calendar year through end of 30th calendar year:	\$1,875

First Renewal Term:

31st calendar year through end of 40th calendar year:	\$2,344
41st calendar year through end of 50th calendar year:	\$2,930
51st calendar year through end of 60th calendar year:	\$3,662

Second Renewal Term:

61st calendar year through end of 70th calendar year:	\$4,578
71st calendar year through end of 80th calendar year:	\$5,722
81st calendar year through end of 90th calendar year:	\$7,153
91st calendar year through end of 98th calendar year:	\$8,941

Note 3. Funding Sources

The Lafayette Public Trust Financing Authority ("LPTFA") pledged \$2.6 million in support to the Horse Farm project which is anticipated to finance the soft costs in connection with planning and design of the park, which is being facilitated through Lafayette Central Park. A Cooperative Endeavor Agreement between Lafayette Central Park and LPTFA was executed in August 2013.

In accordance with the Cooperative Endeavor Agreement, Lafayette Central Park is to receive four installments based on four different component budgets. Through December 31, 2013, the entity Park received two installments for a total of \$879,052. Of that amount, \$409,414 was expended or incurred through December 31, 2013.

The Company will also rely on other private, corporate and public donations to construct the park and carry out the terms of the Cooperative Endeavor Agreement.

LAFAYETTE CENTRAL PARK, INC.  
NOTES TO FINANCIAL STATEMENTS

Note 4. Subsequent Events

Lafayette Central Park evaluated the need for disclosures and/or adjustments resulting from subsequent events through September 12, 2014, the date the financial statements were available to be issued.



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

To the Board of Directors of  
Lafayette Central Park, Inc.  
Lafayette, Louisiana

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 Lafayette Central Park, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the period February 22, 2013, date of inception, to December 31, 2013, and the related notes to financial statements, and have issued our report thereon dated September 12, 2014.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lafayette Central Park, Inc.'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 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Broussard, Piche, Lewis & Broussard, LLP*

Lafayette, Louisiana  
September 12, 2014

LAFAYETTE CENTRAL PARK, INC.

SCHEDULE OF FINDINGS AND RESPONSES

Period Ended December 31, 2013

We have audited the financial statements of Lafayette Central Park, Inc. as of December 31, 2013 and for the period February 22, 2013, date of inception, to December 31, 2013, and have issued our report thereon dated September 12, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2013 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses ☐ Yes ☒ No

Control deficiencies identified  
that are not considered to be  
material weaknesses

☐ Yes ☒ None Reported

Compliance

Noncompliance material to  
financial statements ☐ Yes ☒ No

Section II - Financial Statement Findings

No matters are reported.