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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS

MetroVision Partnership Foundation:

We have audited the financial statements of MetroVision Partnership Foundation (the Foundation) as of and for the year ended December 31, 1996, and have issued our report thereon dated June 13, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Foundation is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Foundation for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the

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METROVISION PARTNERSHIP FOUNDATION

Financial Statements for the Years Ended December 31, 1996 and 1995 and Independent Auditors' Report

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

Release Date JUL 16 1997

METROVISION PARTNERSHIP FOUNDATION

STATEMENTS OF UNRESTRICTED REVENUES, EXPENSES AND OTHER CHANGES IN UNRESTRICTED NET ASSETS YEARS ENDED DECEMBER 31, 1996 AND 1995

	1996	1995
UNRESTRICTED REVENUES:		
Contributions and grants	$ 1,667,932	$ 1,604,433
Interest	35,744	32,113
Other	323,173	384,695
Total unrestricted revenues	2,026,849	2,021,241
NET ASSETS RELEASED FROM RESTRICTIONS:		
Expiration of time restrictions	280,000	277,500
Total unrestricted revenues, gains and other support	2,306,849	2,298,741
UNRESTRICTED EXPENSES:		
Payroll and fringe benefits	908,102	781,396
Allocated payroll	193,448	171,209
Allocated overhead	94,804	94,967
Postage and telephone	91,925	96,150
Stationery and supplies	17,412	13,755
Travel, meals, and meetings	283,946	242,114
Consultants, communication, and publications	652,921	720,616
General insurance	16,651	12,661
Sponsorships and contributions	17,422	61,223
Equipment	17,273	21,478
Rent	85,226	69,147
Interest	-	67
Depreciation	19,745	9,959
Miscellaneous	4,015	-
Total unrestricted expenses	2,402,890	2,294,742
CHANGE IN UNRESTRICTED NET ASSETS	(96,041)	3,999
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	27,326	23,327
UNRESTRICTED NET ASSETS, END OF YEAR	$ (68,715)	$ 27,326

See notes to financial statements.

Discussion:

Due to the logic in various routines within computers, the year 2000 has the possibility of introducing serious calculation errors into the both the Chamber/Foundation's data. Our procedures disclosed that the Chamber/Foundation has not fully evaluated the potential impact of the year 2000 and has not developed a plan to address the issue.

Recommendation:

To determine the scope of the problem, we believe the Chamber/Foundation should immediately perform an impact analysis which addresses hardware, software and operating system issues on all platforms, and, accordingly, develop an implementation plan to upgrade the systems as appropriate.

EXHIBIT II

RECONCILIATION OF CASH ACCOUNTS

Observation:

The bank accounts were not being reconciled to the general ledger properly and the reconciliations prepared were not reviewed on a timely basis.

Discussion:

Reconciliation of cash accounts is imperative to maintain an adequate internal control structure over cash in order to furnish current proof that all transactions in the bank account have been recorded to the general ledger.

Recommendation:

Bank accounts should be reconciled to the general ledger each month and both preparation and review should be performed on a timely basis.

LACK OF SEGREGATION OF DUTIES BETWEEN THE BANK ACCOUNT RECONCILER, RECEIVER AND RECORDER OF CASH TRANSACTIONS

Observation:

The bank accounts are reconciled by the same individual who prepares the bank deposits and posts the cash receipts to the cash receipts journal.

Discussion:

Internal control is most effective when the bank reconciliation is prepared by someone not responsible for recording cash receipts and disbursements.

Recommendation:

If practicable, the responsibility for reconciling the bank accounts should be given to an individual who is not directly involved with the receipt, deposit and recording of cash transactions.

YEAR 2000 PLANNING AND IMPLEMENTATION

Observation:

As the year 2000 approaches, the integrity of information processing may be affected since many systems allow only two digits to indicate the year in a date field. Timely assessment of the possible impact to information systems is critical to a smooth transition to the next century.

EXHIBIT I

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND LIMITATIONS OF, THE INTERNAL CONTROL STRUCTURE.

The following comments concerning management's responsibility for the internal control structure and the objectives of and the inherent limitations in the internal control structure are adapted from the Statements on Auditing Standards of the American Institute of Certified Public Accountants.

Management's Responsibility:

Management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures.

Objectives:

The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Limitations:

Because of inherent limitations in any internal control structure, errors or irregularities nevertheless may occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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June 13, 1997

The Chamber/New Orleans and the River Region
Metrovision Partnership Foundation

Dear Sirs:

In planning and performing our audits of the financial statements of The Chamber/New Orleans and the River Region ("The Chamber")and Metrovision Partnership Foundation ("the Foundation"), for the year ended December 31, 1996 (on which we have issued our reports dated June 13, 1997), we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. A description of the responsibility of management for establishing and maintaining the internal control structure, and of the objectives of and inherent limitations in such a structure, is set forth in Exhibit I, and should be read in conjunction with this letter. In considering the internal control structure, we developed certain recommendations on other accounting, administrative and operating matters. These recommendations resulted from our observations made in connection with our audits of the Chamber/Foundation's financial statements for the year ended December 31, 1996. Our principal observations and recommendations on such other matters are summarized in Exhibit II.

This report is intended solely for the information and use of the board of directors, management and others within the organizations.

We will be pleased to discuss these comments with you and, if desired, to assist you in implementing any of the suggestions.

Yours truly,

Deloitte & Touche LLP

financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. We did note other immaterial matters related to the internal control structure. Our principal observations and recommendations are addressed in a separate letter.

This report is intended for the information of management, the Board of Directors, and the Audit Committee of the Foundation and the State of Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche LLP

June 13, 1997

3. **RELATED PARTIES**

Certain officers of the Foundation are also officers of the Chamber/New Orleans and the River Region (the Chamber).

In the ordinary course of operations, the Chamber has made available to the Foundation on a reimbursement basis specific assistance in the form of administrative support and use of facilities. A portion of the salaries and related fringe benefits of those individuals providing such support is allocated to the Foundation. Additionally, the Foundation pays a monthly fee to the Chamber for use of office space and overhead. All such allocated amounts are included in the Statements of Unrestricted Revenues, Expenses and Other Changes in Unrestricted Net Assets as "Allocated Payroll," "Allocated Overhead" and "Rent" and totaled $373,478 and $335,323 for the years ending December 31, 1996 and 1995, respectively.

The Foundation reimburses the Chamber for its portion of certain payments to vendors for operating and administrative expenditures incurred specifically on behalf of the Foundation.

4. **CONTINGENCY**

A lawsuit is pending against the Foundation. The Foundation's management, after reviewing this suit with outside counsel, considers that the aggregate liability, if any, will not be material to the financial statements.

Included in accounts payable at both December 31, 1996 and 1995 are unconditional promises to give of $100,000.

5. **FUNCTIONAL EXPENSES**

Expenses incurred were for the following purposes:

	1996	1995
Program services	$1,989,001	$1,906,815
General and administrative	394,144	377,969
Depreciation	19,745	9,958
	$2,402,890	$2,294,742

* * * * * *

YEAR 2000 PLANNING AND IMPLEMENTATION

Implementation:
The Chamber/MetroVision will have its network upgraded in late 1998 or early 1999 to Novell 4.0 or migrate to Microsoft Windows NT. This upgrade to the network will take care of any logic problems associated with the year 2000. The Chamber/MetroVision will upgrade its Great Plains Accounting system to the 9.1 version. This upgrade will occur in late 1998 or early 1999 and the 9.1 version takes all systems to the four (4) digits in the year field that will accommodate the year 2000. In the case of both upgrades, these systems are available currently. We have established a MIS committee at the Chamber/MetroVision comprised of staff to evaluate information systems on an ongoing basis. We have used and still use the CPA firm of Laurent & Wood for their expertise in information system analysis.

Sincerely,

Mack C. Mathews

Mack C. Mathews
Chief Financial Officer

cc: Mr. Robert Gayle, Jr.
Mr. James Brown
Mr. A. Peyton Bush III
Ms. Rebecca Thomas

METROVISION PARTNERSHIP FOUNDATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1996 AND 1995

ASSETS	1996	1995
Cash and cash equivalents	$ 322,332	$ 545,535
Contributions receivable	140,269	41,988
Prepaid expenses	7,753	2,213
Total current assets	470,354	589,736
PROPERTY AND EQUIPMENT:		
Furniture and office equipment	149,388	116,960
Less accumulated depreciation	(41,710)	(21,965)
Net property and equipment	107,678	94,995
TOTAL ASSETS	$ 578,032	$ 684,731
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 248,611	$ 120,305
Funds held for others	61,506	57,100
Due to Chamber of Commerce	65,130	-
Total liabilities	375,247	177,405
CONTINGENCY	-	-
NET ASSETS (LIABILITIES):		
Unrestricted	(68,715)	27,326
Temporarily restricted (Note 3)	271,500	480,000
Total net assets	202,785	507,326
TOTAL LIABILITIES AND NET ASSETS	$ 578,032	$ 684,731

See notes to financial statements.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS

MetroVision Partnership Foundation:

We have audited the financial statements of the MetroVision Partnership Foundation (the Foundation) as of December 31, 1996 and for the year then ended, and have issued our report thereon dated June 13, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Foundation is the responsibility of the Foundation. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Foundation's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of management, the Board of Directors, and the Audit Committee of the Foundation and the State of Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche LLP

June 13, 1997

METROVISION PARTNERSHIP FOUNDATION

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Contributions Receivable - The Foundation considers contributions receivable to be fully collectible. Accordingly, no allowance for uncollectible contributions is required. If amounts become uncollectible, they will be written off when that determination is made. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of unrestricted revenues, expenses, and other changes in unrestricted net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

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

Income Taxes - The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Statement of Cash Flows - For the purpose of the statement of cash flows, the Foundation considers all short-term, highly liquid investments with an original maturity of three months or less to be cash equivalents.

Funds Held for Others - Funds held for others represents amounts collected on behalf of others in which the Foundation is acting as an intermediary organization or agent.

Paid Leave - All full-time classified employees of the Foundation are permitted to accrue a maximum of 30 days of paid leave (annual leave). Upon termination of employment, an employee is paid for accrued paid leave based on the respective current hourly rate of pay. All liabilities are accrued when incurred.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	1996	1995
For periods after December 31, 1996 and 1995	$271,500	$480,000
	$271,500	$480,000

METROVISION PARTNERSHIP FOUNDATION

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 1996 AND 1995

	1996	1995
UNRESTRICTED NET ASSETS:		
Total unrestricted revenues	$ 2,026,849	$ 2,021,241
Net assets released from restrictions	280,000	277,500
Total unrestricted expenses	(2,402,890)	(2,294,742)
(Decrease) increase in unrestricted net assets	(96,041)	3,999
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	71,500	180,000
Net assets released from restrictions	(280,000)	(277,500)
(Decrease) in temporarily restricted net assets	(208,500)	(97,500)
(DECREASE) IN NET ASSETS	(304,541)	(93,501)
NET ASSETS, BEGINNING OF YEAR	507,326	600,827
NET ASSETS, END OF YEAR	$ 202,785	$ 507,326

See notes to financial statements.

THE CHAMBER
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July 14, 1997

Mr. Craig A. Silva
Managing Partner
Deloitte & Touche, LLP
One Shell Square, Suite 3700
701 Poydras Street
New Orleans, LA 70139

Dear Craig:

This letter is written in response to the concerns of the internal control structure at the Chamber/MetroVision expressed in your letter dated June 13,1997 relating to the audit for 1996. The concerns expressed are legitimate and the following actions have been implemented to address the problems relating to the internal control structure.

RECONCILIATION OF CASH ACCOUNTS

Implementation:
The operating accounts for the Chamber/MetroVision had to be reconciled for a six month period in order to complete the 1996 audit. To insure that this oversight does not occur in the future, all bank statements will be reconciled to the general ledger each month and in a timely manner. As part of the accounting close, the Chief Financial Officer will be required to review all reconciled bank statements and initial the bank statements to signify approval.

LACK OF SEGREGATION OF DUTIES BETWEEN THE BANK ACCOUNT RECONCILER, RECEIVER AND RECORDER OF CASH TRANSACTIONS.

Implementation:
In January 1997, the Chamber/MetroVision incorporated a lockbox system at Hibernia Bank to receive cash payments. Over 90% of all cash receipts for both companies come through the lockboxes. We still receive some cash payments in the office and we have cash receipts daily from certification of origins. To further strengthen our internal controls, the accounts receivable clerk will not handle cash in any form or manner. The new procedure will be for the accounts payable clerk to write up the deposit slips, the senior accountant will will verify the amount of the deposit and initial and the accounts receivable clerk will reconcile the bank statements.

Greater New Orleans
All-America City
1996

METROVISION PARTNERSHIP FOUNDATION

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1996 AND 1995

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (304,541)	$ (93,501)
Adjustments to reconcile the change in net assets provided by (used in) operating activities:		
Depreciation	19,745	9,959
Changes in operating assets and liabilities:		
Contributions receivable	(98,281)	286,060
Prepaid expenses	(5,540)	14,451
Accounts payable	128,306	(50,787)
Due to Chamber of Commerce	65,130	(6,542)
Funds held for others	4,406	57,100
Net cash (used in) provided by operating activities	(190,775)	216,740
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(32,428)	(86,307)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	-	(4,091)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(223,203)	126,342
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	545,535	419,193
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 322,332	$ 545,535

See notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The MetroVision Partnership Foundation ("The Foundation") is a Louisiana nonprofit corporation organized on a non-stock basis. The Foundation was created in order to provide a permanent structure through which the implementation of the economic development plan developed by its predecessor organization, the MetroVision Partnership, could be accomplished. The plan is intended to restructure the Metropolitan New Orleans area economy to provide an adequate base of employment opportunities into the 21st century.

Basis of Accounting - The Foundation maintains its accounting records and prepares its financial statements on the accrual basis.

The Foundation follows standards established for external financial reporting by not-for-profit organizations which requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net assets categories follows:

- **Unrestricted** - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- **Temporarily Restricted** - Net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.
- **Permanently Restricted** - Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Property and Equipment - Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 10 years.

Revenues - Revenues are provided primarily by contributions and grants. Contributions received, including unconditional promises to give, are recognized as revenues in the period received. Grant revenues are recognized in accordance with the terms of the grant.

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INDEPENDENT AUDITORS' REPORT

MetroVision Partnership Foundation:

We have audited the accompanying statements of financial position of MetroVision Partnership Foundation (the Foundation) as of December 31, 1996 and 1995 and the related statements of unrestricted revenues and expenses and other changes in unrestricted net assets, changes in net assets, and of cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Foundation at December 31, 1996 and 1995, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 13, 1997 on our consideration of the Foundation's internal control structure and a report dated June 13, 1997 on its compliance with laws and regulations.

Deloitte & Touche LLP

June 13, 1997