

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

**STATUS OF PRIOR YEAR COMMENTS TO MANAGEMENT
(CONTINUED)**

4. TIMELY DEPOSIT OF CASH RECEIPTS

We noted during our prior year's audit that cash receipts were not being deposited on a timely basis.

CURRENT STATUS

Effective February 1968, the Foundation has implemented procedures to ensure that deposits are being made in a timely basis.

5. BANK RECONCILIATION PROCEDURES

We noted during our prior year's audit that the Foundation had not established procedures to periodically investigate checks outstanding for a period greater than ninety (90) days and examine cancelled checks for irregular endorsements.

CURRENT STATUS

Effective March 1968, the Foundation established proper procedures to investigate the outstanding checks in addition to any irregular endorsements noted.

6. FIDELITY BOND

We noted during our prior year's audit that employees assigned the responsibility of handling cash were not bonded.

CURRENT STATUS

The Foundation still has not obtained a fidelity bond. This is primarily due to the fact that the handling of cash is infrequent and in small amounts. However, we do recommend that management of the Foundation take the necessary steps to obtain a fidelity bond.

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GREATER NEW ORLEANS SPORTS FOUNDATION

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: 04 04 2007

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 1996

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

10. CASH DISBURSEMENTS

We noted during our prior year's audit that selected cash disbursement transactions were not processed in accordance with a proper system of internal control.

CURRENT STATUS

We noted similar conditions during our current year's audit.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with appropriate personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Bruno & Tervalon

BRUND & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 31, 1987

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

**STATUS OF PRIOR YEAR COMMENTS TO MANAGEMENT
(CONTINUED)**

14. RECEIVING REPORTS, CONTINUED

CURRENT STATUS, CONTINUED

Such reports would note the quantity received (determined by count rather than by reference to any accompanying invoice) and any apparent defects. Furthermore, the reports would be attached to invoices and the quantities compared before the invoice is paid to ensure that any existing shortages or defects can be subsequently resolved. The utilization of receiving reports will provide management with proper inventory/asset and accounts payable amounts for financial reporting purposes.

16. FUNDS IN EXCESS OF FDIC COVERAGE

We noted during our audit of prior year that management of the Foundation had not maintained in one bank, funds in excess of the FDIC coverage.

However, we did note that the organization had invested \$120,346 of funds in an unsecured money market fund.

CURRENT STATUS

The Foundation has not adhered to procedures to ensure that funds deposited in any bank does not exceed the FDIC coverage of \$100,000. We noted similar condition during our current year's audit.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

**STATUS ON PRIOR YEAR COMMENTS TO MANAGEMENT
(CONTINUED)**

13. PURCHASE ORDER SYSTEM

We noted during our audit for the current year that management of the Foundation had established a purchase order system.

However, certain deficiencies were noted in the purchase order system as follows:

- o The appropriate procedures to be utilized when emergency purchases exist were not established; and
- o The procedures for the issuance of a copy of the purchase order to the vendor were not established.

The Foundation has established procedures for emergency purchases in the Accounting Policies and Procedures manual. Also, the procedures for the issuance of a copy of the purchase order to the vendor has been implemented.

14. RECEIVING REPORTS

We noted during our prior year's audit that the Foundation did not utilize either receiving reports or another means of monitoring receipts of goods such as acknowledging the receipt of materials on accompanying invoices.

CURRENT STATUS

The Foundation still has not developed procedures for the utilization of receiving reports. As such, we recommend that the Foundation continue in its efforts to institute the use of receiving reports.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

STATUS OF PRIOR YEAR COMMENTS TO MANAGEMENT
(CONTINUED)

11. OFFICE FURNITURE AND EQUIPMENT, CONTINUED

- o Detailed office furniture and equipment records were not maintained that include descriptions, date purchased or received by donation, cost or fair value at donation, and donor or funding source restrictions on use or disposition;
- o Equipment was not properly identified by numbered metal tags or other means of identification; and
- o Periodic reviews and appraisals were not made relative to insurance considerations.

CURRENT STATUS

The Foundation has established adequate procedures to ensure that the conditions noted will be implemented.

12. PAYROLL SYSTEM

We noted during our prior year's audit the following conditions regarding the payroll internal control structure:

- o Payroll checks were not drawn on a separate account operated on an imprest basis;
- o Final approval of payroll before payment areas not performed by an individual who is independent of the payroll preparation function.

CURRENT STATUS

Effective July 1986, the Foundation, established a separate payroll bank account. Additionally, effective April 1986, final approval of payroll areas performed by the CEO and President.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

**STATUS OF PRIOR YEAR COMMENTS TO MANAGEMENT
(CONTINUED)**

10. DONATED MATERIALS, FACILITIES, AND SERVICES, CONTINUED

CURRENT STATUS, CONTINUED

The Foundation has scheduled the implementation of adequate records to be maintained for time value of donated services effective August 1997.

We recommend that management of the Foundation continue to address and take immediate steps to develop appropriate procedures for the noted matter in 1998.

11. OFFICE FURNITURE AND EQUIPMENT

We noted during our prior year's audit the following matters regarding office furniture and equipment:

- o Policies for the approval of the governing board for office furniture and equipment additions or disposal had not been developed;
- o Policies were not established that permit the accounting department personnel to:
 - Distinguish between capital items and repairs and maintenance expenses;
 - Determine a cut off below which items are expensed; and
 - Establish depreciable lives.

GREATER NEW ORLEANS SPORTS FOUNDATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 1996

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 300,827
Accounts receivable (NOTE 4)	480,396
Prepaid expenses	6,443
Other assets	4,997
Office furniture and equipment, net of accumulated depreciation of \$26,283 (NOTES 2 and 3)	59,540
Leasehold improvements, net of accumulated amortization of \$12,114 (NOTES 2 and 3)	52,368
Total assets	\$ 1,454,571

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 53,522
total liabilities	53,522
Commitment (NOTE 5)	
Net Assets (NOTE 2):	
Unrestricted net assets - designated	11,509
Unrestricted net assets - undesignated	138,793
Total net assets	150,302
Total liabilities and net assets	\$ 1,454,571

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

GREATER NEW ORLEANS SPORTS FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 1986

Public Support and Revenues

Public support:

Donations

\$ 31,563

Total public support

31,563

Revenues:

In-kind donations-facility

rental (NOTE 5):

185,000

Hotel and motel occupancy tax

dedication (NOTE 7)

508,000

concessions revenue (NOTE 9)

3,180,000

Sponsorship revenues

242,880

Grant revenues

24,317

Professional services fees (NOTE 9)

222,878

Interest

14,253

Program reimbursements (NOTE 9)

475,516

Miscellaneous

5,438

Total revenues

3,230,188

Total public support and revenues

3,261,751

Expenses

Management and general

638,487

Program costs

1,584,811

Total expenses

2,223,298

Change in net assets

378,377

Net assets, beginning of year

481,226

Net assets, end of year:

\$ 859,603

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

GREATER NEW ORLEANS SPORTS FOUNDATION

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 1988

<u>Cash Flows from Operating Activities</u>	
Charges in net assets	\$ 378,777
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	28,818
(Increase) decrease in:	
Accounts receivable	(45,558)
Other receivables	(2,567)
Prepaid assets	(2,719)
Decrease in:	
Accounts payable	(160,242)
Net cash provided by operating activities	____192,868
 <u>Cash Flows from Investing Activities</u>	
Purchase of office equipment	(34,288)
Purchase of leasehold improvements	(118,828)
Net cash used for investing activities	____(153,116)
 Net increase in cash and cash equivalents	34,752
Cash and cash equivalents, January 1, 1988	____161,802
Cash and cash equivalents, December 31, 1988	\$ 196,554

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

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The Greater New Orleans Sports Foundation (the Foundation) was formed on August 3, 1988 as a non-profit organization to bring together by association, sports minded people who will devote a portion of their time, energy and financial support to the development of sport tourism and related industries in the City of New Orleans and surrounding regions. Also, the Foundation was organized to provide for the exchange among members of the organization such information, ideas and support necessary to attract and assist in the coordination and production of sports events in the New Orleans area.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements and the supplemental schedules are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. 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.

Basis of Reporting

During 1986, the Foundation adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. SFAS No. 117 establishes standards for external financial reporting

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Reporting, Continued

by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e., unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions. In addition, the Foundation is required to present a statement of cash flows.

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include the following:

- o Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of the Foundation are included in this category. The Foundation has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Foundation, and therefore, the Foundation's policy is to record these net assets as unrestricted.
- o Unrestricted net assets-designated represent the unexpended balance of funds from program activities.

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor imposed restrictions have been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

As December 31, 1998, the Foundation does not have any temporarily or permanently restricted net assets.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Fixed Assets

Fixed assets are stated at cost, if purchased, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful life of the equipment, which is 5 years.

Leasehold Improvements

Leasehold Improvements are stated at cost. Amortization is provided using the straight-line method over the life of the lease, which is 5 years.

Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

NOTE 3 - Fixed Assets:

Changes in Fixed Assets and Leasehold Improvements during the year ended December 31, 1988 were as follows:

Description	Balance		Additions	Deletions	Balance	
	January 1, 1988	December 31, 1987			December 31, 1988	December 31, 1987
Office furniture and equipment	\$ 11,500	\$ 11,500	100	100	\$ 11,500	\$ 11,500
Leasehold Improvements	38,000	38,000	0	0	38,000	38,000
Sub-total	49,500	49,500	100	100	49,500	49,500
Accumulated Depreciation and amortization	18,000	18,000	0	0	18,000	18,000
Net book value	\$ 31,500	\$ 31,500	100	100	\$ 31,500	\$ 31,500

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Accounts Receivable:

For the year ended December 31, 1993, included in accounts receivable were funds due to the Foundation from various sporting events, as well as funds due as a result of Act No. 1191. The funds due to the Foundation are as follows:

<u>Description</u>	<u>Amount</u>
State of Louisiana - Act 1191	\$125,000
Amateur Athletic Union/Junior Olympics	43,769
Super Bowl XXIII	217,448
NFL Air-It-Out	12,000
NBA Basketball in New Orleans	3,804
Soccer Exhibition	4,858
Louisiana Games	24,794
Miscellaneous	783
 Total accounts receivable	 \$458,156

NOTE 5 - Income Taxes:

The Foundation is exempt from corporate income taxes under section 501(c)(4) of the Internal Revenue Code.

NOTE 6 - Credit Risk:

The Foundation maintains several cash balances at a financial institution. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

NOTE 7 - Hotel and Motel Occupancy Tax Deduction:

Act No. 640 (the Act), which was approved by the Governor of Louisiana on June 15, 1993 amended Section 4, Paragraph (F)(1) of Article 14, Section 47 of the 1991 Constitution of Louisiana. The Act provided that any revenues of the District derived from any source whatsoever, including the hotel occupancy tax, remaining

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Hotel and Motel Occupancy Tax Dedication, Continued:

at the end of each fiscal year after certain payments shall be paid for operating expenses to the Foundation. Such funds totaled \$250,000. Additionally, Act 1191 which was approved by the Governor of Louisiana on June 20, 1988, amended Section 4, Paragraph (F)(1) of Article 14, Section 47 of the 1923 Constitution of Louisiana. This Act provides for \$500,000 to be paid annually to the Foundation. The financial statements reflect revenues earned for the period July 1, 1996 through December 31, 1998 which totaled \$350,000 in addition to the June 30, 1998 surplus of \$250,000. Approximately 38% of the Foundation's total public support and revenues was provided by Hotel and Motel Occupancy Tax Dedication.

NOTE 8 - Commitment:

The Foundation has entered into a lease agreement for office space with a corporation which requires monthly rental payments of \$1,500. The lease commenced December 1, 1995 and expires November 2020. The lease agreement contains a renewal option which extends the term of the lease agreement for an additional term of five (5) years with a monthly rental payment of \$1,224.

NOTE 9 - Program and Sponsorship Revenues, Professional Services Fees and Program Reimbursements:

The Foundation has entered into certain contractual arrangements with other organizations to provide management advisory services for certain current and future events sponsored by the other organizations. Such contracts require stipulated amounts to be paid to the Foundation for such services and additionally provide for reimbursement of eligible costs as defined pertinent to the event.

GREATER NEW ORLEANS SPORTS FOUNDATION
MOVES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - Program and Sponsorship Revenues, Professional Services Fees and Program Reimbursements....., Continued:

The sporting events and the related revenue reimbursements for each event administered during the year ended December 31, 1986 are as follows:

EVENT	Corporate Revenues	Sponsorship Revenues.....	Professional Services Fees	Program Reimbursements
NBA Basketball in New Orleans				
1986/87 NBL	\$ 18,184	\$ 26,000	\$ 24,289	\$ -0-
1987-88 NBL	1,775	-0-	-0-	-0-
Master Athletics Club Fund	1,128,171	128,460	-0-	-0-
Southwestern Athletic Conference				
Admission	1,200	60,000	-0-	-0-
Room	1,800	-0-	1,000	-0-
U.S. Olympic Torch Relay	400	2,500	21,000	-0-
U.S. Bowling	29,120	15,000	-0-	-0-
Southwestern Conference Football Tournament	-0-	-0-	21,000	120,120
Super Bowl XXXI	-0-	-0-	221,000	241,120
Worldview Games	-0-	-0-	27,000	-0-
	\$1,166,024	\$241,460	\$293,289	\$261,120

NOTE 10 - In-kind Donation - Facility Rental:

During the year ended December 31, 1986, the Foundation received a donation of the actual facility rental costs from Facility Management of Louisiana, Inc. for the AAU Junior Olympics and the NBA Basketball in New Orleans events.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

**STATUS OF PRIOR YEAR COMMENTS TO MANAGEMENT
(CONTINUED)**

10. DONATED MATERIALS, FACILITIES, AND SERVICES

We noted during our prior year's audit that:

- o Management of the Foundation had not established procedures for the recording and valuation of the use of donated facilities, donated office furniture and equipment and donated services;
- o Management had not obtained acknowledgment and approval of the governing board for the use of donated items; and
- o Adequate records were not maintained of such donated items (i.e., description, time value of services, location, quantity or size, period for which donated, restrictions, etc.).
- o Vouchered receipts or receiving reports were not issued for donated materials received; and
- o Periodic physical inventories were not taken on donated materials.

CURRENT STATUS

The Foundation has established procedures to adequately adhere to all of the above noted conditions except for adequate records not being maintained for time value of donated services.

The recording and valuation of donated materials, facilities and services provided to management of the organization (financial information on the impact these contributions have on the organization. It also indicates the need for future cash outflow in the event these services are no longer contributed.

**Capital Resources, Equity Structure,
and Financial Performance**
for the year ended December 31, 2008

Description and Location	2008		2007		2006		2005		2004		2003		2002		2001		2000	
	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total
Equity																		
Common stock	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Preferred stock	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated other comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Debt																		
Notes payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Capital Resources	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

**STATUS OF PRIOR YEAR COMMENTS TO MANAGEMENT
(CONTINUED)**

7. PETTY CASH PROCEDURES

We noted during our prior year's audit that the organization failed to establish petty cash procedures.

CURRENT STATUS

The Foundation began implementation of the petty cash procedures effective January 1996 which appears to adhere to procedures.

8. ACCOUNTING PROCEDURES MANUAL

We noted during our prior year's audit that the Foundation did not have an accounting procedures manual.

CURRENT STATUS

The Foundation has established an accounting procedures manual.

9. CONTRIBUTIONS

We noted during our prior year's audit that the Foundation had not established procedures to issue prenumbered contribution acknowledgment forms to document receipts from individuals and/or corporations.

CURRENT STATUS

Effective January 1996, the Foundation developed procedures to issue prenumbered contributions acknowledgment forms.

INTERNAL AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GAS

(CONTINUED)

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, 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 reportable 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 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 operations that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have communicated to the management of the Greater New Orleans Sports Foundation in a separate letter dated March 31, 1997.

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

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 31, 1997

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

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 the Board of Directors, management and the State of Louisiana. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Foundation is a matter of public record.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 31, 1997

GREATER NEW ORLEANS SPORTS FOUNDATION
December 31, 1986

EXIT CONFERENCE

An exit conference was held with the following individuals:

GREATER NEW ORLEANS SPORTS FOUNDATION

Mr. John J. Gioia	--	Interim Executive Director
Ms. Colleen Harringer	--	Director of Business Services

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno	--	Managing Partner
Mr. Edward J. Phillips, Jr.	--	Senior Manager
Ms. Denise Scott	--	Audit Senior

The audit report was discussed. This report is intended solely for the use of the Board of Directors, management and the State of Louisiana and should not be used for any other purpose.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 31, 1987

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

We have audited the financial statements of the Greater New Orleans Sports Foundation (the Foundation) for the year ended December 31, 1998 and have issued our report thereon dated March 31, 1999.

As part of our audit, we made a study and evaluation of the internal control structure, including applicable internal administrative controls, to the extent we considered necessary to evaluate the internal control structure as required by generally accepted auditing standards.

During our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters.

Additionally, in connection with our audit, we reviewed the prior-year's auditors' comments to management to determine whether management had implemented appropriate action to correct the conditions giving rise to the comments. The results of our review with respect to the prior-year auditor's comments to management are described in the prior year comments section.

This letter does not affect our report dated March 31, 1999 on the financial statements of the Greater New Orleans Sports Foundation.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

1. CASH DISBURSEMENT TRANSACTIONS

We noted the following during our audit of cash disbursements for the year ended December 31, 2000:

- a Three (3) transactions out of three (3) applicable disbursements whereby a receiving report was not utilized.

We recommend that management of the Foundation establish procedures to ensure receiving reports are utilized in applicable conditions.

2. FUNDS IN EXCESS OF FDIC COVERAGE

We noted during our audit that the cash balance of funds deposited in a money market account and checking account and payroll at a local bank totaled \$207,000. As such, management of the Foundation had cash funds in one bank totaling \$207,000 in excess of the FDIC insurance coverage of \$100,000.

We recommend that the Foundation develop a policy to ensure that funds deposited in any bank does not exceed the FDIC coverage of \$100,000.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

STATUS OF PRIOR YEAR COMMENTS TO MANAGEMENT

1. CASH DISBURSEMENT TRANSACTIONS

We noted the following during our audit of cash disbursements for the year ended December 31, 1995:

- o Three (3) cash disbursement transactions out of one hundred and three (103) transactions selected for examination were not supported by invoices;
- o Eighteen (18) cash disbursement transactions out of forty (40) applicable transactions examined did not have a purchase order on file;
- o One (1) invoice out of one hundred (100) examined invoices whereby the invoice was not approved for payment although final approval was made by the President with the signing of the check; and
- o Twenty-eight (28) transactions out of twenty-eight (28) applicable disbursements whereby a receiving report was not utilized.

CURRENT STATUS

The Foundation implemented procedures to ensure that all cash disbursements were properly supported with vendor invoices and purchase orders and proper approval was noted.

However, management has not established procedures to ensure receiving reports were utilized in applicable conditions.

The Foundation has scheduled the implementation of the receiving reports for August 1997.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

**STATUS OF PRIOR YEAR COMMENTS TO MANAGEMENT
(CONTINUED)**

2. COMPETITIVE BID PROCEDURES

The Foundation is a non-profit organization that received and/or expended in excess of \$25,000 in local and/or state purchases during the year. As a result, the Foundation is a State of Louisiana quasi-public entity that must adhere to certain Louisiana revised statutes.

We noted during our audit that the Foundation had not developed adequate procedures for the year ended December 31, 1990 to ensure compliance with LSA-RS Title 18:2212 which is the public bid law. The Public bid law stipulates that certain procedures must be performed to determine the lowest responsible bidder for certain purchases or contract work in excess of a predetermined amount.

CURRENT STATUS

The Foundation has implemented proper procedures to ensure compliance with this state statute by establishing a "Price/Bid Quote" form to be included with all purchases over \$5,000.

3. SEGREGATION OF DUTIES IN THE ACCOUNTS RECEIVABLE DEPARTMENT

We noted during our audit for the year ended December 31, 1994 (prior year) that the Administration Manager handled incoming checks, prepared the deposit slips, posted receipts to the subsidiary ledgers, maintained custody of checks after signature and before mailing, received the monthly bank statements and reconciled the operating bank account.

CURRENT STATUS

The Foundation has implemented proper procedures to ensure segregation of duties by hiring an employee to assist the administrative manager in performing the above duties in addition to others.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

We have audited the financial statements of the Greater New Orleans Sports Foundation (the Foundation) (a non-profit organization) as of and for the year ended December 31, 1998, and have issued our report thereon dated March 31, 1999. As discussed in NOTE 2 to the financial statements, during the year ended December 31, 1998, the Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

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's management. 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 of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana
Page 2

In accordance with government Auditing Standards, we have also issued a report dated March 31, 1997 on our consideration of The Greater New Orleans Sports Foundation's internal control structure and a report dated March 31, 1997 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the report (shown on pages 12 to 14) is presented for the purpose of additional analysis and is not a required part of the financial statements of The Greater New Orleans Sports Foundation. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 31, 1997

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

INTERNAL AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GASB

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

We have audited the financial statements of the Greater New Orleans Sports Foundation (the Foundation) (a non-profit organization) as of and for the year ended December 31, 1998 and have issued our report thereon dated March 31, 1999. As discussed in NOTE 3 to the financial statements, during the year ended December 31, 1998, the Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

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 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 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 recorded 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.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the Greater New Orleans Sports Foundation (a non-profit organization) as of December 31, 1998, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the Greater New Orleans Sports Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards. 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 accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Greater New Orleans Sports Foundation as of December 31, 1998, and the changes in its net assets, and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in NOTE 3 to the financial statements, during the year ended December 31, 1998, The Greater New Orleans Sports Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.