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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 AUG 12 1998

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 1997

**Bruno
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

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, 1997, 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 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 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, 1997, and the changes in its net assets, and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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 May 28, 1998 on our consideration of The Greater New Orleans Sports Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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 13 to 15) 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

May 28, 1998

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GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1997

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 382,339
Accounts receivable (NOTE 4)	407,680
Prepaid expenses	5,936
Other assets	63,873
Office furniture and equipment, net of accumulated depreciation of \$44,959 (NOTES 2 and 3)	58,858
Leasehold improvements, net of accumulated amortization of \$24,806 (NOTES 2 and 3)	<u>38,656</u>
Total assets	<u>\$1,354,902</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 16,573
Total liabilities	<u>16,573</u>
Commitment (NOTE 9)	
Net Assets (NOTE 2):	
Unrestricted net assets - designated	39,500
Unrestricted net assets - undesignated	1,037,855
Temporarily restricted net assets	<u>265,000</u>
Total net assets	<u>1,338,358</u>
Total liabilities and net assets	<u>\$1,354,902</u>

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, 1997

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support			
Donations	\$ 22,105	\$ -0-	\$ 22,105
Hotel and motel occupancy tax deduction (NOTE 7)	500,000	-0-	500,000
Program revenues (NOTE 10)	49,815	-0-	49,815
Sponsorship revenues (NOTE 10)	101,100	-0-	101,100
Grant revenues	25,000	-0-	25,000
Professional services fees (NOTE 10)	381,902	-0-	381,902
Interest	16,909	-0-	16,909
Sales tax deduction (NOTE 8)	265,000	265,000	530,000
Miscellaneous	1,460	-0-	1,460
Total revenues and other support	1,363,291	265,000	1,628,291
Expenses			
Management and general	982,215	-0-	982,215
Program costs	137,321	-0-	137,321
Total expenses	1,119,536	-0-	1,119,536
Changes in net assets	243,755	265,000	508,755
Net assets, beginning of year	830,000	-0-	830,000
Net assets, end of year	\$1,073,755	\$265,000	\$1,338,755

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, 1997

Cash Flows from Operating Activities	
Changes in net assets	\$ 508,255
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	31,488
(Increase) decrease in:	
Accounts receivable	47,676
Prepaid assets	926
Other assets	(58,876)
Increase in:	
Accounts payable	<u>126,953</u>
Net cash provided by operating activities	<u>492,577</u>
Cash Flows from Investing Activities	
Purchase of office equipment	<u>(116,024)</u>
Net cash used for investing activities	<u>(116,024)</u>
Net increase in cash and cash equivalents	476,553
Cash and cash equivalents, January 1, 1997	<u>165,827</u>
Cash and cash equivalents, December 31, 1997	<u>\$ 782,380</u>

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 1, 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 schedule 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 these estimates.

Basis of Reporting:

The Foundation has adopted SFAS No. 117 which establishes standards for external financial reporting 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.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued

Basis of Reporting, Continued

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, appropriations and contributions for which donor imposed restrictions have not 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.

At December 31, 1997, the Foundation did not have any 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 investments purchased with a maturity of three months or less to be cash equivalents.

NOTE 3 - Fixed Assets

Changes in office furniture and equipment and leasehold improvements during the year ended December 31, 1997 were as follows:

Description	Balance January 1, 1997	Additions	Depreciation/ Amortization	Balance December 31, 1997
Office furniture and equipment	\$ 85,340	\$ 16,074	\$44,999	\$56,415
Leasehold improvements	60,462	—	(24,880)	35,582
Total	\$145,802	\$16,074	\$69,879	\$92,007

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

NOTE 4 - Accounts Receivable:

For the year ended December 31, 1997, 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	5250,000
Amateur Athletics Union/Amateur Olympics	5,000
NFL Air-B-Gun	2,000
Sevens Exhibition	3,900
Louisiana Games	67,888
Miscellaneous	50
88 Outdoor Track and Field Championship	17,500
New Orleans NFL Youth Education Trust, Inc.	5,126
Southeastern Athletic Conference	12,500
USA Swimming	11,058
Total accounts receivable	5407,688

NOTE 5 - Income Taxes:

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

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

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.

	Money Market/ Equival/Operating
Cash balance	\$199,119
Federal insurance	(100,000)
Credit risk	<u>\$ 99,119</u>

NOTE 7 - Hotel and Motel Occupancy Tax Dedication:

Act No. 648 (the Act), which was approved by the Governor of Louisiana on June 15, 1993 amended Section 4, Paragraph (P)(1) of Article 14, Section 47 of the 1921 Constitution of Louisiana. The Act provided that any revenues of the district derived from any source whatsoever, including the hotel occupancy tax, remaining at the end of each fiscal year after certain payments shall be paid for operating expenses to the Foundation. Such funds totaled \$250,000 for the year ended December 31, 1997. Additionally, Act 1191 which was approved by the Governor of Louisiana on June 28, 1993, amended Section 4, Paragraph (P)(1) of Article 14, Section 47 of the 1921 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, 1997 through December 31, 1997 which totaled \$250,000 in addition to the June 30, 1997 surplus of \$250,000. Approximately 37% of the Foundation's total public support and revenues was provided by Hotel and Motel Occupancy Tax Dedication.

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

NOTE 8 - Hotel Occupancy State Sales Tax Deduction:

The Hotel Occupancy sales tax imposed by R.S. 47:321 shall be credited each fiscal year to the Bond Security and Redemption Fund, and after a sufficient amount is allocated from that fund to pay all the obligations secured by the full faith and credit of the State which become due and payable within any fiscal year, the treasurer shall pay the remainder of such funds into a special fund designated as the "New Orleans Area Tourism and Economic Development Fund". This Fund provides for \$500,000 to be appropriated and distributed to the Foundation effective July 1, 1997. Approximately 19% of the Foundation's total revenues and other support were provided by the Hotel Occupancy State Sales Tax Deduction.

NOTE 9 - Commitment:

The Foundation has entered into a lease agreement for office space with a corporation which requires monthly rental payments of \$1,526. The lease commenced December 1, 1995 and expires November 2000. 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 10 - Program and Sponsorship Revenues, and Professional Services Fees:

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
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - Program and Sponsorship Revenues, and Professional Services Fees..... **Continued**

The sporting events and the related revenue reimbursements for such events administered during the year ended December 31, 1997 are as follows:

Event	Program Revenues	Sponsorship Revenues	Professional Services Fees
NBA Basketball in New Orleans (1993-1998 NFL)	\$ 2,609	\$ -0-	\$ 6,680
AIR-IT-OUT	1,100	3,400	-0-
Wrestling	4,034	200	-0-
Southwestern Athletic Conference	7,973	62,500	-0-
U.S. Swimming Junior Nationals	20,541	-0-	-0-
Cajunland Volleyball	4,155	-0-	-0-
Track & field	-0-	25,000	-0-
High School Quarterback	-0-	-0-	2,500
Super Bowl XXXI	-0-	-0-	328,357
Louisiana Games	-0-	-0-	-64,243
Total	\$62,812	\$91,100	\$381,902

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF 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)** as of and for the year ended December 31, 1997, and have issued our report thereon dated May 28, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the **Foundation's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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 that are required to be reported under *Government Auditing Standards*.

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts 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 over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Foundation in a separate letter dated May 28, 1998.

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

May 28, 1998

GREATER NEW ORLEANS SPORTS FOUNDATION

December 31, 1997

EXIT CONFERENCE

An exit conference was held with the following individuals:

GREATER NEW ORLEANS SPORTS FOUNDATION

Mr. John J. Cicero	--	Executive Director
Ms. Colleen Starringer	--	Vice President of Administration

BRUND & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael H. Bruno	--	Managing Partner
Mr. Edward J. Phillips, Jr.	--	Senior Manager
Ms. Denise Small	--	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
BRUND & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

May 28, 1998

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

**GREATER NEW ORLEANS SPORTS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1997**

We have audited the financial statements of the Greater New Orleans Sports Foundation as of and for the year ended December 31, 1997, and have issued our report thereon dated May 28, 1998. We conducted our audit in accordance with generally accepted auditing standards 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, 1997 resulted in an unqualified opinion.

1. Summary of Independent Auditor's Results
 - A. Reportable conditions in internal control were disclosed by the audit of the financial statements: Nil Material weaknesses: Nil
 - B. Noncompliance which is material to the financial statements: Nil
 - C. Reportable conditions in internal control over major programs: N/A
Material weaknesses: N/A
 - D. The type of report issued on compliance for major programs: N/A
 - E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: Nil
 - F. Major programs: N/A
 - G. Dollar threshold used to distinguish between Type A and Type B programs: N/A
 - H. Auditors qualified as a low-risk auditee under section 550 of OMB Circular A-133: N/A
 - I. A management letter was issued: Yes
2. Financial Statement Findings

No matters were reported.
3. Federal Award Findings and Questioned Costs

Not applicable.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED: DECEMBER 31, 1996

TITLE: CASH DISBURSEMENT TRANSACTIONS

SCHEDULE: INDEPENDENT AUDITOR'S COMMENTS TO MANAGEMENT

PAGE NUMBER: 2 - 1996 MANAGEMENT LETTER

REFERENCE NUMBER: MLC - 01

PROGRAM NAME(S): NOT APPLICABLE

CFDA NUMBER(S): NOT APPLICABLE

STATUS OF FINDING:

THE MANAGEMENT OF THE GREATER NEW ORLEANS SPORTS FOUNDATION ESTABLISHED APPROPRIATE POLICIES AND PROCEDURES FOR RECEIVING REPORTS DURING THE FOURTH QUARTER OF 1997. PLEASE REFER TO PAGE THREE, COMMENT NUMBER 0401, OF THE 1997 MANAGEMENT LETTER.

PREPARER'S SIGNATURE: 

PHONE NUMBER: (504) 521-5878

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED: DECEMBER 31, 1999

TITLE: FUNDS IN EXCESS OF FDIC COVERAGE

SCHEDULE: INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

PAGE NUMBER: 2 - 1999 MANAGEMENT LETTER

REFERENCE NUMBER: MELC - 82

PROGRAM NAME(S): NOT APPLICABLE

CFDA NUMBER(S): NOT APPLICABLE

STATUS OF FINDING:

THE MANAGEMENT OF THE GREATER NEW ORLEANS SPORTS FOUNDATION HAS ESTABLISHED PROCEDURES TO TRANSFER FUNDS IN EXCESS OF FDIC COVERAGE TO ANOTHER ACCOUNT THAT PROVIDES ADEQUATE COVERAGE AGAINST LOSSES. PLEASE REFER TO PAGE TWO, COMMENT NUMBER TWO, OF THE 1999 MANAGEMENT LETTER.

PREPARED BY SIGNATURE: *William A. Barringer*

PHONE NUMBER: (504) 525-5400

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED: DECEMBER 31, 1990 AND PRIOR

TITLE: FIDELITY BOND

SCHEDULE: INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

PAGE NUMBER: 5 - 1990 MANAGEMENT LETTER

REFERENCE NUMBER: MLC-86

PROGRAM NAME(S): NOT APPLICABLE

CFDA NUMBER(S): NOT APPLICABLE

STATUS OF FINDING:

ON NOVEMBER 6, 1997, THE GREATER NEW ORLEANS SPORTS FOUNDATION OBTAINED A FIDELITY BOND FOR EMPLOYEE DISHONEST PROTECTION. PLEASE REFER TO PAGE FOUR, COMMENT NUMBER THREE, OF THE 1997 MANAGEMENT LETTER.

PREPARER'S SIGNATURE: *Charles A. Baringer*

PHONE NUMBER: (504) 525-5878

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED: DECEMBER 31, 1996 AND PRIOR

TITLE: DONATED MATERIALS, FACILITIES AND SERVICES
SCHEDULE: INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
PAGE NUMBER: 7 - 1996 MANAGEMENT LETTER
REFERENCE NUMBER: MLC - 10
PROGRAM NAME(S): NOT APPLICABLE
CFDA NUMBER(S): NOT APPLICABLE

STATUS OF FINDING:

THE MANAGEMENT OF THE GREATER NEW ORLEANS SPORTS FOUNDATION HAS ESTABLISHED POLICIES AND PROCEDURES TO ESTABLISH THE VALUE OF DONATED MATERIALS, FACILITIES AND SERVICES.

PREPARED BY SIGNATURE: *William A. Boudry*

PHONE NUMBER: (504) 525-5638

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED: DECEMBER 31, 1995 AND PRIOR

TITLE: SEE STATUS OF FINDING BELOW

SCHEDULE: INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

PAGE NUMBER: SEE STATUS OF FINDING BELOW

REFERENCE NUMBER: SEE STATUS OF FINDING BELOW

PROGRAM NAME(S): NOT APPLICABLE

CFDA NUMBER(S): NOT APPLICABLE

STATUS OF FINDING:

THE FOLLOWING MANAGEMENT LETTER COMMENTS WHICH WERE DESCRIBED IN THE 1995 MANAGEMENT LETTER WERE RESOLVED DURING THE YEAR ENDED DECEMBER 31, 1996:

COMPETITIVE BID PROCEDURE	PAGE 4
SEPARATION OF DUTIES	PAGE 4
TIMELY DEPOSIT OF RECEIPTS	PAGE 5
BANK RECONCILIATION PROCEDURES	PAGE 5
FETTY CASH PROCEDURES	PAGE 6
ACCOUNTING PROCEDURES MANUAL	PAGE 6
CONTRIBUTIONS	PAGE 6
OFFICE FURNITURE & EQUIPMENT	PAGE 9
PAYROLL SYSTEM	PAGE 9
PURCHASE ORDER SYSTEM	PAGE 10

PREPARER'S SIGNATURE: *James A. Koenig*

PHONE NUMBER: (204) 525-5678

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50 AS 10 45 P 42**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, 1997 and have issued our report thereon dated May 28, 1998.

During our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The recommendations that accompanies this letter summarize 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 May 28, 1998 on the financial statements of the **Greater New Orleans Sports Foundation**.

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

1. CASH DISBURSEMENT TRANSACTIONS

We noted during our audit of cash disbursements for the year ended December 31, 1997 that a receiving report was not utilized for one (1) transaction out of five (5) applicable disbursements. The receiving report in question was received prior to the Foundation implementing the receiving report form.

We recommend that management of the Foundation adhere to procedures for the use of the receiving reports as previously established.

2. FUNDS IN EXCESS OF FDIC COVERAGE

We noted during our audit that the cash balance of funds deposited in a money market account, checking account and a payroll account at a local bank totaled \$109,119. As such, management of the Foundation had cash funds in one bank totaling \$9,319 in excess of the FDIC insurance coverage of \$100,000. This condition was caused by certain payroll transactions not clearing the accounts by December 31, 1997.

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 during our audit of cash disbursements for the year ended December 31, 1996 that a receiving report was not utilized for three (3) transactions out of three (3) applicable disbursements.

CURRENT STATUS

The Foundation has implemented the use of receiving reports during the year ended December 31, 1997. However, we noted an instance in which the report was not utilized. As such, we recommend that the Foundation continue in its efforts to institute the use of receiving reports.

2. FUNDS IN EXCESS OF FDIC COVERAGE

We noted during our audit that the cash balance of funds deposited in a money market account, checking account and a payroll account at a local bank totaled \$307,581. As such, management of the Foundation had cash funds in one bank totaling \$207,581 in excess of the FDIC insurance coverage of \$100,000.

CURRENT STATUS

During the year ended December 31, 1997, we noted a similar condition. 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
(CONTINUED)

3. FIDELITY BOND

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

CURRENT STATUS

On November 6, 1997, the Foundation obtained a fidelity bond for employee dishonesty protection. The Foundation has indicated that 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.

4. DONATED MATERIALS, FACILITIES, AND SERVICES

We noted during our prior year's audit that 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.

CURRENT STATUS

The Foundation has developed appropriate procedures to determine the value of donated materials, facilities and services.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

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
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

May 28, 1993



Greater New Orleans Sports Foundation

EXECUTIVE COMMITTEE

Chairman
David B. Martin
Cassidy Services, Inc.
Analyst Services

Vice Chairman
Craig Thompson
Acadial Properties

Secretary
Ray Mann
Gruen, Peacock, Smith
& Johnson

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RWA, Inc.

Paul Green
CGA, Inc. - Dallas

Gregory Miller
Marty's Office
City of New Orleans

Tom Parker
Energy Corporation

David Phillips
RWA, P.C. - Dallas TX

Steve Harbin
Continental Operations

Joe Ellis
Continental

June 26, 1998

Dr. Daniel Kyle
Office of the Legislative Auditor
PO Box 94397
Baton Rouge, LA 70804-0397

Dear Dr. Kyle:

The following corrective action plan has been prepared by the Greater New Orleans Sports Foundation in response to the management letter issued by Bruce & Trevathan for the year ended December 31, 1997:

Cash Disbursement Transactions

The use of receiving reports was implemented in the fourth quarter of 1997. The one transaction that did not have a receiving report was processed prior to the implementation of the use of receiving reports.

Excess in Balance of FIDIC Coverage

The Greater New Orleans Sports Foundation has established procedures to transfer funds in excess of FIDIC coverage. The \$8,109.00 in funds that was in excess of FIDIC coverage was due to payroll checks and payroll taxes not clearing the bank.

If there are any further questions, please contact me.

Sincerely,

Colleen Harbin
Vice President of Administration