

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana State Boxing and
Wrestling Commission
Department of Economic Development
State of Louisiana
New Orleans, Louisiana

June 23, 1999



Financial and Compliance Audit Division

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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LEGISLATIVE AUDITOR

Daniel G. Kyle, Ph.D., CPA, CFE

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**LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
New Orleans, Louisiana**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of June 30, 1998, and for the Years
Ended June 30, 1998 and 1997**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor.

June 23, 1999

**LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
New Orleans, Louisiana**

General Purpose Financial Statements
and Independent Auditor's Reports
As of June 30, 1998, and for the Years
Ended June 30, 1999 and 1997

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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BAYTON BOULEVARD, LOUISIANA 70004-9097

DANIEL C. CYRIL, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

ADDRESSES IT SHOULD BE SENT TO
BAYTON BOULEVARD
TELEPHONE: 504-389-6000
FACSIMILE: 504-389-6000

May 26, 1999

Independent Auditor's Report
on the Financial Statements

LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
New Orleans, Louisiana

We were engaged to audit the accompanying general purpose financial statements of the Louisiana State Boxing and Wrestling Commission, a component unit of the State of Louisiana, as of June 30, 1998, and for the years ended June 30, 1998 and 1997, as listed in the foregoing table of contents. Those financial statements are the responsibility of management of the Louisiana State Boxing and Wrestling Commission.

As discussed in Exhibit A, the commission's accounting records contained major inadequacies. These inadequacies made it impractical to apply sufficient audit procedures to enable us to express an opinion on the fair presentation of the accompanying general purpose financial statements.

Under generally accepted accounting principles, general fixed assets of \$1,000 should not be recorded as assets of the General Fund, as presented on Statement A.

Because we were not able to apply sufficient auditing procedures to satisfy ourselves as to the revenues and expenditures included in the general purpose financial statements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the accompanying general purpose financial statements.

The Louisiana State Boxing and Wrestling Commission has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1. Disclosures about Year 2000 issues, as amended by Governmental Accounting Standards Board Technical Bulletin 98-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the Louisiana State Boxing and Wrestling Commission is or will become Year 2000 compliant, that the Louisiana State Boxing and Wrestling Commission's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Louisiana State Boxing and Wrestling Commission does business are or will become Year 2000 compliant.

LEGISLATIVE AUDITOR

LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
Audit Report, June 30, 1999

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 1999, on our consideration of the Louisiana State Boxing and Wrestling Commission's internal control over financial reporting and our test of its compliance with laws and regulations.

Respectfully submitted,



Daniel O. Kyle, CPA, CFE
Legislative Auditor

JOS-JR/ACL:es

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UNAUDITED

Statement A

LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, June 30, 1999

	<u>GOVERNMENTAL FUND - GENERAL FUND</u>	<u>GENERAL FUND ASSETS</u>
ASSETS		
Cash	\$24,923	
Fund assets	<u>1,951</u>	<u>\$1,951</u>
TOTAL ASSETS	<u>\$26,874</u>	<u>\$1,951</u>
LIABILITIES AND FUND EQUITY		
Accounts payable	\$160	
State withholdings	278	
Fund liability	(8,281)	
Security bonds	<u>5,080</u>	
Total liabilities	<u>(1,723)</u>	<u>NONE</u>
Fund equity:		
Investment in general fixed assets		\$1,951
Unreserved and undesignated	<u>28,597</u>	
TOTAL LIABILITIES AND FUND EQUITY	<u>\$26,874</u>	<u>\$1,951</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Years Ended June 30, 1996 and 1997

	JUNE 30,	
	1996	1997
REVENUES		
Licenses	\$24,004	\$0,000
Taxes	83,384	71,150
Taxes and licenses	2,453	2,100
Wrestling	(27)	687
Total revenues	<u>110,244</u>	<u>74,937</u>
EXPENDITURES		
Accounting	4,208	6,100
Commissioner salaries	55,278	22,550
Deputy commissioners	14,957	4,300
Dues and subscriptions	108	45
Equipment rental	800	
Fight cancellation fees	1,350	
Licenses and permits	161	28
Office expense	3,650	801
Payroll expense	2,858	1,700
Postage and delivery	208	256
Professional fees	3,853	2,412
Publications	1,325	
Rent	8,827	5,828
Telephone	817	682
Travel	18,114	18,753
Miscellaneous	850	217
Total expenditures	<u>128,759</u>	<u>68,723</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,485	12,614
FUND BALANCES AT BEGINNING OF YEAR	<u>27,122</u>	<u>13,460</u>
FUND BALANCES AT END OF YEAR	<u>\$28,607</u>	<u>\$27,122</u>

The accompanying notes are an integral part of this statement.

UNAUDITED

LOUISIANA STATE BOXING AND WRESTLING COMMISSION DEPARTMENT OF ECONOMIC DEVELOPMENT STATE OF LOUISIANA

Notes to the Financial Statements
As of and for the Years Ended June 30, 1998 and 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana State Boxing and Wrestling Commission is a component unit of the State of Louisiana created within the Louisiana Department of Economic Development as provided by Louisiana Revised Statute 4:81-84. The commission is composed of seven members, appointed by the Governor, who serve terms of four years. The commission is charged with the responsibility of collecting taxes and licenses. Operations of the commission are funded entirely through self-generated revenues.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In June 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The Louisiana State Boxing and Wrestling Commission prepares its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statements present only transactions of the Louisiana State Boxing and Wrestling Commission, a component unit of the State of Louisiana.

Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements. The general purpose financial statements are issued by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

A. FUND ACCOUNTING

The accounts of the Louisiana State Boxing and Wrestling Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

**LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

General Fund

The General Fund is the principal fund and is used to account for the general operations of the commission. The various fees and charges due the commission are accounted for in this fund. General operating expenditures are paid from this fund.

**B. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS**

General fixed assets are accounted for in the general fixed assets account group, rather than in the General Fund. Depreciation has not been provided on general fixed assets. All fixed assets are valued at historical cost.

The general fixed assets account group is not a fund. It is concerned only with the measurement of financial position, not with measurement of results of operations.

The commission has no long-term obligations at June 30, 1998.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The commission's records are maintained on the cash basis of accounting.

D. CASH

Cash includes cash in demand deposits. Under state law, the Louisiana State Boxing and Wrestling Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Furthermore, the commission may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal offices in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

UNAUDITED

LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA

Notes to the Financial Statements (Continued)

2. CASH

As reflected on Statement A, the Louisiana State Boxing and Wrestling Commission has cash in demand accounts (book balances) totaling \$24,823 at June 30, 1988. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. These deposits are fully secured through federal deposit insurance.

3. CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets follow:

	Balance July 1, 1988	Additions	Deletions	Balance June 30, 1988	Additions	Deletions	Balance June 30, 1988
Furniture and equipment	\$1,000	None	None	\$1,000	None	None	\$1,000

4. LEASE OBLIGATIONS

The Louisiana State Boxing and Wrestling Commission has no capital leases or operating leases for office space at June 30, 1988.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal controls as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BAYOU BOULEVARD, LOUISIANA 70804-8997

EMMETT G. KYLL, PRES., CPA, CIA
LEGISLATIVE AUDITOR

MONROE OFFICE (504) 385-1177
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TELEPHONE (504) 385-1000
FACSIMILE (504) 385-1000

May 20, 1999

Report on Compliance and an Internal Control Over Financial
Reporting Based State or an Engagement to Audit the
General Purpose Financial Statements Performed in
Accordance With Government Auditing Standards

LOUISIANA STATE BOXING AND
WRESTLING COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
New Orleans, Louisiana

We were engaged to audit the general purpose financial statements of the Louisiana State Boxing and Wrestling Commission, a component unit of the State of Louisiana, as of June 30, 1998, and for the years ended June 30, 1998 and 1997, and have issued our report thereon dated May 20, 1999. Our audit was to have been conducted 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. However, because of inadequacies in the commission's accounting records, we were not able to apply the foregoing standards.

Compliance

As part of attempting to obtain reasonable assurance about whether the Louisiana State Boxing and Wrestling Commission's statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards.

Failure to Remit Performance Bonds

For the fourth consecutive audit, the Louisiana State Boxing and Wrestling Commission did not remit abandoned performance bonds received from event promoters to the Department of Revenue and Taxation as prescribed by law. Louisiana Revised Statute (R.S.) 9:184 requires that any monies due and payable for more than one year are presumed abandoned and must be remitted to the Department of Revenue and Taxation. The commission collected \$5,000 of performance bonds in 1998 that have

LEGISLATIVE AUDITOR

LOUISIANA STATE BOXING AND WRESTLING COMMISSION DEPARTMENT OF ECONOMIC DEVELOPMENT STATE OF LOUISIANA

Compliance and Internal Control Report

May 20, 1999

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not been returned to their rightful owners or remitted to the Department of Revenue and Taxation as required by law.

The commission should remit the \$6,660 of unclaimed performance bonds to the Department of Revenue and Taxation. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 7).

Failure to Submit Budget

The Louisiana State Boxing and Wrestling Commission did not submit a budget for fiscal years ended June 30, 1998 and 1997, as required by Louisiana law. The Louisiana Licensing Agency Budget Act (R.S. 38:1351-1342) requires the commission to prepare an annual comprehensive budget and submit it not later than January 1 of each year to the Department of Economic Development, the Joint Legislative Committee on the Budget, and other legislative committees and agencies. The budget should include a statement showing the fund balance at the beginning of the year, anticipated revenues and expenditures for the year, and fund balance at the end of the year. Without submission of a comprehensive budget, the appropriate authorities cannot exercise budgetary control over the commission.

The commission should prepare and submit a budget as required by the Louisiana Licensing Agency Budget Act. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 2).

Salaries Overpaid

The Louisiana State Boxing and Wrestling Commission overpaid salaries to certain commission members during the fiscal years ended June 30, 1999 and 1997. R.S. 4:571C sets the maximum per annum salaries for commission members. The statute further states that if money available in the commissioner's General Fund is insufficient to pay the maximum salaries authorized, the salaries must be reduced proportionally and paid in such amounts that will not exceed available funds. For fiscal years ended June 30, 1999 and 1997, salaries received exceeded the statutory total by \$12,380 for six commissioners and \$1,030 for two commissioners, respectively. As a result, salaries were paid to commissioners that were not authorized by state statute.

The commission asserted that the excess payments were made to pay back salaries that were deferred by vote of the commissioners in 1992. It is the opinion of the

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**LOUISIANA STATE BOXING AND
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Legislative Auditor that the commission has no lawful obligation or authorization to pay any amount of alleged back salary claimed by former or current commissioners.

The Louisiana State Boxing and Wrestling Commission should comply with the requirements of Louisiana law regarding the payment of salaries to commissioners. Management does not concur with the finding and recommendation (see Appendix A, page 3).

Failure to File Annual Financial Statements

For the fiscal year ended June 30, 1997, the Louisiana State Boxing and Wrestling Commission did not prepare and file annual financial statements as required by Louisiana law. R.S. 24:514 requires that sworn annual financial statements prepared in accordance with generally accepted accounting principles be furnished to the Legislative Auditor between the first and ninetieth day following the close of the accounting year.

The commission's accounting records were not maintained in a manner adequate for preparation of the required financial statements. As a result, the commission did not prepare or file financial statements and violated Louisiana law.

The commission should file annual financial statements as required by Louisiana law. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 4).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana State Boxing and Wrestling Commission's internal control over financial reporting to determine our auditing procedures for the purpose of attempting to express an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, because of inadequacies in the commission's accounting records, we were unable to form an opinion on the commission's financial statements and related notes. We noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Louisiana State Boxing and Wrestling Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the following paragraphs:

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Accounting Control Weaknesses

For the fourth consecutive audit, the Louisiana State Boxing and Wrestling Commission did not provide proper internal controls or maintain accurate and complete accounting records. Proper internal controls require that accurate and complete financial records be maintained that (1) provide evidence the commission has fulfilled its stewardship responsibilities, (2) properly reflect and account for the receipt and disbursement of funds, (3) properly account for and safeguard assets, and (4) provide for the preparation of financial statements in accordance with generally accepted accounting principles. The following deficiencies in internal controls and the accounting records were identified:

Balance Sheet Accounts

Cash

Of 51 deposits tested, totaling \$38,705, 5 deposits did not have supporting documentation, and 5 deposits contained incomplete supporting documentation. Of 7 deposits for which copies of checks or tax reports were available for examination, 15 checks totaling \$15,903 were deposited one to 67 days after the date on the check or on the Gate Receipts and Tax Report. The average number of days to deposit was 19 days.

Event Liability

At June 30, 1998, the debit balance of \$9,951 in the event liability account could not be identified with individual event managers or promoters. Event promoters pay the Louisiana State Boxing and Wrestling Commission a deposit, usually \$250. From the deposit, the commission deducts event officials' costs, license fees, and gate receipt fees. For costs incurred over the deposit amount, an additional check is provided to the commission by the event promoter, and for situations where total costs are less than the deposit, the commission provides a refund check to the event promoter. The debit balance may be caused by improper classification of cash receipts and disbursements.

LEGISLATIVE AUDITOR

**LOUISIANA STATE BOXING AND
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DEPARTMENT OF ECONOMIC DEVELOPMENT
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Revenues

1. The commission did not maintain adequate records on licenses issued. A record (log) of the number sequence of the preprinted, consecutively numbered licenses was not maintained. A log should account for all licenses issued and all licenses remaining in stock. Therefore, there were no assurances that the amounts collected for issued licenses were equal to the amounts deposited, which totaled \$24,034 and \$5,580 during the years ended June 30, 1998, and June 30, 1997, respectively.
2. Although a general ledger was maintained with separate revenue classifications for taxes and licenses, deposits totaling \$4,615, for both years, were contained as taxes and licenses revenue.
3. Of 11 revenue deposits tested, 6 deposits did not have any supporting documentation.
4. No written procedures have been established for the accountability and filing of tax receipts and license documentation.
5. Procedures employed by the commission require that a Gross Receipts Tax Form be completed for each event, and the form should be signed by the promoter of the event and the deputy commissioner attending the event. Each event date should be approved and recorded in the commission's meeting minutes. However, we noted several inadequacies in the use of these forms:
 - Of 11 deposits tested containing monies for shows and events, 3 deposits totaling \$7,255 contained 8 personal checks of a deputy commissioner. The deputy commissioner deposited show and event monies into his personal checking account and wrote personal checks to the commission for these monies. The commingling of personal and state funds results in the loss of control over commission funds.
 - Because taxes due for some events are deducted from show deposits owed to promoters, we could not determine if a Gross Receipts Tax Form was completed for each approved event.

LEGISLATIVE AUDITOR

**LOUISIANA STATE BOXING AND
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DEPARTMENT OF ECONOMIC DEVELOPMENT
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- Two of the 11 deposits tested contained both taxes and license fees but were deposited as taxes. The two deposits were also not of travel reimbursements to the commissioners.

Because of these deficiencies, there is no audit trail, and we could not be assured that all the taxes earned were collected and deposited.

Expenditures

For 26 cash disbursements tested, totaling \$6,028, the following deficiencies were noted:

- For 19 of the 26 disbursements, there were no supporting vouchers, and for 4 disbursements, there were no cancelled checks.
- Of the 7 vouchers that were located, 3 vouchers were incorrectly classified in the accounting records, and 2 vouchers did not provide evidence that the services were received.

Because the commission did not provide proper internal controls and did not maintain complete accounting records, errors may have occurred and may not have been detected in a timely manner.

The commission should establish written internal control policies and procedures to ensure that assets are safeguarded and errors, if they occur, are detected in a timely manner. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 5).

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described previously are material weaknesses.

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Page 7

This report is intended for the information and use of the commission and its management. However, by provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kato, CPA, CFE
Legislative Auditor

JCS:JRC:as

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Appendix A

Management's Corrective Action Plan and Responses to the Findings and Recommendations

EDW. M.J. "BOBE" FOSTER
Governor



LOUISIANA STATE BOXING AND WRESTLING COMMISSION

P.O. Box 988199 New Orleans, Louisiana
70184-0199

May 28, 1999

Mr. Daniel G. Kyle
Legislative Auditor
State of Louisiana
Kerens Center Suite 390
2400 Veterans Blvd.
Kenner, LA 70062

Dear Mr. Kyle:

In reference to your letter of May 15, 1999 regarding the audit of the Louisiana State Boxing and Wrestling Commission, please find the official response relating to your findings on the audit.

REFERENCE MATTER: PERFORMANCE BONDS

We do concur with the auditor and have issued our check #901906 in the amount of \$6000.00.

Sincerely,

Fielding Lewis
Chairman

HON. H.L. "BOBE" FOSTER
Governor



LOUISIANA STATE BOXING AND WRESTLING COMMISSION

P.O. Box 840188 New Orleans, Louisiana
70184-0188

May 26, 1999

Mr. Daniel G. Kyle
Legislative Auditor
State of Louisiana
Kemper Center Suite 260
2480 Veterans Blvd.
Kenner, LA 70062

Dear Mr. Kyle:

In reference to your letter of May 25, 1999 regarding the audit of the Louisiana State Boxing and Wrestling Commission, please find the official response relating to your findings on the audit.

REFERENCE MATTER: BUDGET REQUIREMENT

We do concur with the auditors regarding filing the annual budget. Attached is our 1999 budget.

Sincerely,

Handwritten signature of Fickling Lewis in dark ink.

Fickling Lewis
Chairman

HON. MAJ. "MIKE" FOSTER
Governor



LOUISIANA STATE BOXING AND WRESTLING COMMISSION

P.O. Box 840188 New Orleans, Louisiana
70184-0188

May 26, 1998

Mr. Daniel G. Kyle
Legislative Auditor
State of Louisiana
Narco Centre Suite 360
2489 Veterans Blvd.
Kenner, LA 70062

Dear Mr. Kyle:

In reference to your letter of May 23, 1998 regarding the audit of the Louisiana State Boxing and Wrestling Commission, please find the official response relating to your findings on the audit.

REFERENCE MATTER: SALARY OVERPAID

We do not concur with the auditors findings regarding the overpayment of salaries in fiscal 1997 and 1998. In 1992 the commission voted to delay payment of salaries to the commissioners to make sure the commission would have sufficient funds to operate on a monthly basis. The commission always had monies in the bank. In 1993 and 1998 the commission paid some of the back salaries due them. The commissioners are still due about \$68,000.

If the commission can not pay back salaries because of not complying with requirement of R.S. 4:676, why is the office of risk management making the commission pay back liability insurance for the same years that the salaries are not allowed to be paid back?

Sincerely,



Fickling Lewis
Chairman

HON. H.L. "MIKE" FOSTER
Governor



May 26, 1999

LOUISIANA STATE BOXING AND WRESTLING COMMISSION

P.O. Box 948188 New Orleans, Louisiana
70184-0188

Mr. Daniel G. Kyle
Legislative Auditor
State of Louisiana
Kaiser Center Suite 268
2480 Veterans Blvd.
Kenner, LA 70062

Dear Mr. Kyle:

In reference to your letter of May 25, 1999 regarding the audit of the Louisiana State Boxing and Wrestling Commission, please find the official response relating to your findings on the audit.

REFERENCE MATTER: ANNUAL STATEMENTS

We do concur with the auditors.

A copy of the statement is attached. The statement will be filed in a timely manner in the future.

Sincerely,



Fielding Lewis
Chairman

HON. M.J. "BOB" FOSTER
Governor



LOUISIANA STATE BOXING AND WRESTLING COMMISSION

P.O. Box 840188 New Orleans, Louisiana
70284-0188

May 26, 1999

Mr. Daniel G. Kyle
Legislative Auditor
State of Louisiana
Newman Center Suite 268
2400 Veterans Blvd.
Kenner, LA 70002

Dear Mr. Kyle:

In reference to your letter of May 25, 1999 regarding the audit of the Louisiana State Boxing and Wrestling Commission, please find the official response relating to your findings on the audit.

REFERENCE MATTER: REVENUE AND EXPENDITURES

We do concur with the findings of the auditors, however, during the two years audited we had a change in commission and the appointed chairman had his own idea of record keeping and that is why we are missing checks, deposit slips, etc.

We have taken proper action to make deposits, issue licenses and collect the proper licenses and taxes.

We have asked the legislative auditor to do an audit at fiscal year ended June 30, 1999, to make sure the commission is in compliance with all of the weaknesses found in the years audited.

Sincerely,


Fielding Lewis
Chairman