

SHREVEPORT REGIONAL SPORTS AUTHORITY

SHREVEPORT, LOUISIANA

DECEMBER 31, 1998 AND 1997

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Release Date 7-21-99

SHREVEPORT REGIONAL SPORTS AUTHORITY

SHREVEPORT, LOUISIANA

DECEMBER 31, 1998 AND 1997

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS

	<u>Page</u>
Independent Auditor's Report	1
Component Unit Financial Statements:	
All Fund Types and Account Groups:	
Balance Sheets at December 31, 1998 and 1997	2
Governmental Fund:	
For the Years Ended December 31, 1998 and 1997:	
Statements of Revenues, Expenditures, and Changes in Fund Balance	3
Statements of Revenues and Expenditures-Budget and Actual	4
Proprietary Fund:	
For the Years Ended December 31, 1998 and 1997:	
Statements of Revenues, Expenses, and Changes in Retained Earnings	5
Statements of Cash Flows	6
Notes to the Financial Statements	7-10

SUPPLEMENTARY INFORMATION

Schedule I-Details of Statement of Revenues and Expenses- Proprietary Fund for the Year Ended December 31, 1998	11
Schedule II-Details of Statement of Revenues and Expenses- Proprietary Fund for the Year Ended December 31, 1997	12

OTHER REPORTS

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13-14
Schedule of Findings and Questioned Costs	15-16
Schedule of Prior Year Findings	17

AUDITED FINANCIAL STATEMENTS

**HEARD
McELROY
& VESTAL**
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June 30, 1999

Board of Directors
Shreveport Regional Sports Authority
Shreveport, Louisiana

We have audited the accompanying general purpose financial statements of Shreveport Regional Sports Authority, a component unit of the City of Shreveport, as of and for the years ended December 31, 1998 and 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Shreveport Regional Sports Authority as of December 31, 1998 and 1997, and the results of its operations and cash flows of its proprietary fund type for the years ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 1999 on our consideration of the Authority's internal control structure and on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedules on Pages 11 and 12 are presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audits of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Heard, McElroy & Vestal, LLP

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SHREVEPORT REGIONAL SPORTS AUTHORITY

ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEETS AT DECEMBER 31, 1998 AND 1997

	1998			
	<u>Governmental</u>		<u>Account Group</u>	<u>Total</u>
	<u>Funds</u>		<u>General</u>	<u>(Memorandum</u>
	<u>General</u>	<u>Enterprise</u>	<u>Fixed</u>	<u>Only)</u>
	<u>Fund</u>	<u>Fund</u>	<u>Assets</u>	<u>Only)</u>
 <u>ASSETS AND OTHER DEBITS</u>				
Cash-Note 3	216,618	-	-	216,618
Certificates of deposit-Note 3	168,867	-	-	168,867
Accounts receivable	-	12,000	-	12,000
Travel advances	2,500	-	-	2,500
Due from other fund	52,722	-	-	52,722
Other debits:				
Equipment-Note 4	-	-	8,185	8,185
Total assets and other debits	<u>440,707</u>	<u>12,000</u>	<u>8,185</u>	<u>460,892</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	7,500	2,000	-	9,500
Payroll liabilities	3,209	-	-	3,209
Due to other fund	-	52,722	-	52,722
	10,709	54,722	-	65,431
Fund equity:				
Fund balance-unreserved and undesignated	429,998	-	-	429,998
Retained earnings (deficit)	-	(42,722)	-	(42,722)
Investment in general fixed assets	-	-	8,185	8,185
Total fund equity	<u>429,998</u>	<u>(42,722)</u>	<u>8,185</u>	<u>395,461</u>
Total liabilities and fund equity	<u>440,707</u>	<u>12,000</u>	<u>8,185</u>	<u>460,892</u>

See accompanying notes and accountants' report.

1997

Governmental Funds		Account Group	Total
General Fund	Enterprise Fund	General Fixed Assets	(Memorandum Only)
156,129	700	-	156,829
223,545	-	-	223,545
-	117,777	-	117,777
2,804	-	-	2,804
-	73,057	-	73,057
-	-	<u>5,527</u>	<u>5,527</u>
<u>382,478</u>	<u>191,534</u>	<u>5,527</u>	<u>579,539</u>
449	230,149	-	230,598
3,135	-	-	3,135
<u>73,057</u>	-	-	<u>73,057</u>
76,641	230,149	-	306,790
305,837	-	-	305,837
-	(38,615)	-	(38,615)
-	-	<u>5,527</u>	<u>5,527</u>
<u>305,837</u>	<u>(38,615)</u>	<u>5,527</u>	<u>272,749</u>
<u>382,478</u>	<u>191,534</u>	<u>5,527</u>	<u>579,539</u>

SHREVEPORT REGIONAL SPORTS AUTHORITY

GOVERNMENTAL FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>General Fund</u>	
	<u>1998</u>	<u>1997</u>
<u>Revenues:</u>		
Grants-City of Shreveport	270,000	270,000
Grants-USAW	25,000	15,000
Interest	<u>17,207</u>	<u>7,950</u>
Total revenues	312,207	292,950
<u>Expenditures:</u>		
Promotion of sports events:		
Dues	1,179	1,984
Insurance	6,072	11,222
Office supplies and postage	9,728	3,464
Capital outlay-Note 4	2,658	4,474
Telephone	4,715	3,102
Salaries and wages	121,632	95,589
Payroll taxes	9,088	8,179
Printing	3,830	3,096
Secretarial service	2,767	107
Travel and promotion	9,052	13,024
Miscellaneous	3,898	334
Marketing	1,579	2,390
Professional services	11,327	4,125
Conferences	<u>521</u>	<u>1,900</u>
Total expenditures	<u>188,046</u>	<u>152,990</u>
<u>Excess of revenues over expenditures</u>	124,161	139,960
<u>Fund balance at beginning of period</u>	<u>305,837</u>	<u>165,877</u>
<u>Fund balance at end of period</u>	<u>429,998</u>	<u>305,837</u>

See accompanying notes and accountants' report.

SHREVEPORT REGIONAL SPORTS AUTHORITY

GOVERNMENTAL FUND

STATEMENTS OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>		Variance Favorable (Unfavorable)
	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	
<u>Revenues:</u>			
Grants-City of Shreveport	270,000	270,000	-
Grants-USAW	25,000	25,000	-
Interest	-	<u>17,207</u>	<u>17,207</u>
Total revenues	<u>295,000</u>	<u>312,207</u>	<u>17,207</u>
<u>Expenditures:</u>			
Promotion of sports events:			
Dues	-	1,179	(1,179)
Insurance	22,000	6,072	15,928
Rent and utilities	12,000	-	12,000
Office supplies and postage	6,000	9,728	(3,728)
Capital outlay	-	2,658	(2,658)
Telephone	-	4,715	(4,715)
Salaries and wages	113,636	121,632	(7,996)
Payroll taxes	11,364	9,088	2,276
Printing	-	3,830	(3,830)
Secretarial service	-	2,767	(2,767)
Travel and promotion	21,610	9,052	12,558
Underwriting funds	100,000	-	100,000
Miscellaneous	2,255	3,898	(1,643)
Marketing	2,390	1,579	811
Professional services	3,745	11,327	(7,582)
Conferences	-	<u>521</u>	<u>(521)</u>
Total expenditures	<u>295,000</u>	<u>188,046</u>	<u>106,954</u>
<u>Excess of revenues over expenditures</u>	<u>-</u>	<u>124,161</u>	<u>124,161</u>

See accompanying notes and accountants' report.

1997		
General Fund		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
270,000	270,000	-
15,000	15,000	-
-	<u>7,950</u>	<u>7,950</u>
<u>285,000</u>	<u>292,950</u>	<u>7,950</u>
-	1,984	(1,984)
22,000	11,222	10,778
12,000	-	12,000
6,000	3,464	2,536
-	4,474	(4,474)
-	3,102	(3,102)
104,545	95,589	8,956
10,455	8,179	2,276
-	3,096	(3,096)
-	107	(107)
21,610	13,024	8,586
100,000	-	100,000
2,255	334	1,921
2,390	2,390	-
3,745	4,125	(380)
-	<u>1,900</u>	<u>(1,900)</u>
<u>285,000</u>	<u>152,990</u>	<u>132,010</u>
<u>-</u>	<u>139,960</u>	<u>139,960</u>

SHREVEPORT REGIONAL SPORTS AUTHORITY

PROPRIETARY FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>Revenues:</u>		
Sponsorships	278,649	25,188
Ticket sales	146,157	328,383
Novelty sales	24,028	6,678
Entry fees	26,124	19,224
Program advertising and sales	10,919	3,714
Rents and signage	16,100	-
Service fees and other	<u>6,905</u>	<u>45,500</u>
Total revenues	508,882	428,687
<u>Expenses:</u>		
Bid fees	23,900	8,201
Commissions and management fees	2,500	8,307
Event services and supplies	141,194	53,249
Game officials	9,540	16,761
Guarantee fees	218,415	245,000
Host and sanction fees	6,046	1,625
Insurance	-	2,660
Marketing and promotional	35,022	57,669
Postage and printing	15,208	21,067
Rent	4,295	14,561
Security	28,002	26,131
Telephone	2,502	2,210
Meals and catering	15,534	2,651
Travel and other	<u>10,831</u>	<u>4,670</u>
Total expenses	<u>512,989</u>	<u>464,762</u>
<u>Net (loss)</u>	(4,107)	(36,075)
<u>Retained earnings (deficit) at beginning of period</u>	<u>(38,615)</u>	<u>(2,540)</u>
<u>Retained earnings (deficit) at end of period</u>	<u>(42,722)</u>	<u>(38,615)</u>

See accompanying notes and accountants' report.

SHREVEPORT REGIONAL SPORTS AUTHORITY

PROPRIETARY FUND

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>Cash flows from operating activities:</u>		
Operating (loss)	(4,107)	(36,075)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Decrease (increase) decrease in accounts receivable	105,777	(117,777)
Decrease (increase) in due from other fund	73,057	(73,057)
(Decrease) increase in accounts payable	(228,149)	230,149
Increase (decrease) in due to other fund	<u>52,722</u>	<u>(2,540)</u>
Net cash provided (used) by operating activities	(700)	700
 <u>Cash at beginning of year</u>	 <u>700</u>	 <u>-</u>
 <u>Cash at end of year</u>	 <u>-</u>	 <u>700</u>

See accompanying notes and accountants' report.

SHREVEPORT REGIONAL SPORTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

INTRODUCTION

The Shreveport Regional Sports Authority was incorporated on June 17, 1996 to promote the City of Shreveport and Northwest Louisiana as a tourist destination by attracting and underwriting professional and amateur sporting events. Operations began in October 1996. The Authority is governed by a board of directors consisting of 9 members, all of whom are appointed by the Mayor of Shreveport and confirmed by a majority of the Shreveport City Council. Members serve six-year terms and receive no compensation for their services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Shreveport Regional Sports Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

GASB Statement No. 14 establishes criteria for determining which component units should be considered part of the City of Shreveport for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City of Shreveport appoints all members of the governing board and has the ability to impose its will on them, the Authority was determined to be a component unit of the City of Shreveport. The accompanying financial statements present information only on the funds maintained by the Authority and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FUND ACCOUNTING

The Authority uses two funds and an account group (general fixed assets) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The general fund of the Authority is classified as a governmental fund. Governmental funds account for the Authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The enterprise fund of the Authority is classified as a proprietary fund. Proprietary funds are used to account for operations whose costs are expected to be recovered through user fees. Such operations typically encompass various sporting events sponsored, managed, produced, or otherwise promoted by the Authority.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of this fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund.

The enterprise fund, which is a proprietary fund type, accounts for operations that are operated in a manner similar to private business enterprises, where the intent is that costs of providing services to the general public on a continuing basis be recovered primarily through user charges. This fund uses the accrual basis of accounting and the full flow of economic resources as its measurement focus. Under this basis of accounting, the Authority applies all GASB pronouncements, and all FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins that do not conflict with the GASB pronouncements.

Revenues

Grants from other governments are recorded as revenues in the general fund as they become measurable and available, as is interest income. Revenues are recorded as they are earned in the enterprise fund.

Expenditures

Expenditures in the general fund are generally recognized when the fund liability is incurred, as are those in the enterprise fund.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources. Debt proceeds are accounted for as other financing sources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. BUDGETS

The budget for the ensuing year is prepared by Authority personnel prior to December 31 of each year. The budget is then made available for public inspection at least fifteen days prior to the budget's adoption during the Authority's regular December meeting. The budget is prepared on the modified accrual basis of accounting, and is legally adopted and amended, if necessary, by the Board of Directors. Unexpended appropriations lapse at year end and must be reappropriated in the following year's budget to be expended. Budget amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments.

F. CASH AND CERTIFICATES OF DEPOSIT

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the Authority may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

II. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH

At December 31, 1998 and 1997, the Authority has cash (book balances) in demand deposits and certificates of deposit that total \$385,485 and \$380,374. These deposits are stated at cost, which approximates market value. Deposits exceeded federal deposit insurance, and were unprotected by pledged investments, by \$93,178 at December 31, 1998 and \$92,230 at December 31, 1997.

3. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January 1, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1998</u>
Office furniture and equipment	4,860	857	-	5,717
Weight lifting equipment	<u>667</u>	<u>1,801</u>	-	<u>2,468</u>
	<u>5,527</u>	<u>2,658</u>	<u>-</u>	<u>8,185</u>

3. CHANGES IN FIXED ASSETS (Continued)

	Balance January 1, <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1997</u>
Office furniture and equipment	1,053	3,807	-	4,860
Weight lifting equipment	<u>-</u>	<u>667</u>	<u>-</u>	<u>667</u>
	<u>1,053</u>	<u>4,474</u>	<u>-</u>	<u>5,527</u>

4. LITIGATION AND CLAIMS

At December 31, 1998, the Authority was not involved in any material litigation or aware of any material claims.

5. YEAR 2000 DISCLOSURES (UNAUDITED)

The Authority has addressed Year 2000 issues relating to its computer systems and other electronic equipment that are considered mission-critical. Generally, these include the accounting system and various applications systems the Authority uses in performing its work. These systems have been subjected to the four stages, as defined by GASB Technical Bulletin 98-1, necessary to help implement a Year 2000-compliant system. These stages are awareness, assessment, remediation, and validation/testing. The systems are in the validation/testing phase of work; however, there can be no assurance that, even with completion of all four stages of work, the Authority's systems will be fully Year 2000-compliant under all circumstances.

6. COMPENSATED ABSENCES

Employees generally accrue annual leave under the following schedule:

<u>Length of Service</u>	<u>Annual Leave Accrual</u>
Less than one year	.42 days per month
From one year to five years	One week per year
Five years or more	Two weeks per year

Unused annual leave may not be carried forward to the succeed fiscal year.

7. RELATED PARTY TRANSACTIONS

A member of the Authority's board of directors, Orvis Sigler, served as interim executive director during late 1998 for a management fee of \$7,500.

SUPPLEMENTARY INFORMATION

SCHEDULE I

SHREVEPORT REGIONAL SPORTS AUTHORITY

PROPRIETARY FUND

DETAILS OF STATEMENT OF REVENUES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Southland Conference Basketball</u>	<u>Southland Conference Baseball</u>	<u>Anglers Choice Pro-Am</u>	<u>Saints/ Cowboys Football Game</u>	<u>Grambling/ Arkansas Football Game</u>
<u>Revenues:</u>					
Sponsorships	-	2,500	15,000	250,000	8,184
Ticket sales	-	-	-	-	138,704
Novelty sales	-	-	-	-	-
Entry fees	-	-	-	-	-
Program advertising and sales	-	-	-	-	3,000
Rents and signage	-	-	-	-	-
Service fees and other	<u>1,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
Total revenues	1,240	2,500	15,000	250,000	151,088
<u>Expenses:</u>					
Bid fees	-	-	10,000	-	-
Commissions and management fees	-	-	-	-	-
Event services and supplies	25	-	780	98,519	19,089
Game officials	-	-	-	-	-
Guarantee fees	12,391	5,325	-	100,000	100,000
Host and sanction fees	-	-	-	-	-
Insurance	-	-	-	-	-
Marketing and promotional	-	-	-	896	14,761
Postage and printing	53	-	15	40	2,868
Rent	-	-	-	-	-
Security	-	-	89	19,173	8,500
Telephone	-	-	-	517	1,985
Meals and catering	2,556	-	8,532	-	1,055
Travel and other	-	-	3,135	-	-
Total expenses	<u>15,025</u>	<u>5,325</u>	<u>22,551</u>	<u>219,145</u>	<u>148,258</u>
<u>Net income (loss)</u>	<u>(13,785)</u>	<u>(2,825)</u>	<u>(7,551)</u>	<u>30,855</u>	<u>2,830</u>

See accountants' report.

<u>ASA National Tournament</u>	<u>ASA Men's Class B</u>	<u>North America Youth Basketball</u>	<u>USA Badminton</u>	<u>High School Football</u>	<u>Other</u>	<u>Total</u>
300	-	165	-	-	2,500	278,649
1,190	2,560	3,703	-	-	-	146,157
4,088	14,508	5,196	236	-	-	24,028
-	16,175	-	9,728	-	985	26,124
38	182	3,350	700	-	2,900	10,919
-	-	-	-	7,000	9,100	16,100
<u>86</u>	<u>3,248</u>	<u>158</u>	<u>606</u>	<u>-</u>	<u>352</u>	<u>6,905</u>
5,702	36,673	12,572	11,270	7,000	15,837	508,882
-	-	5,000	500	-	8,400	23,900
1,250	1,250	-	-	-	-	2,500
1,836	5,322	10,138	4,953	-	532	141,194
1,904	7,364	272	-	-	-	9,540
699	-	-	-	-	-	218,415
2,251	3,750	-	-	-	45	6,046
-	-	-	-	-	-	-
2,437	8,385	2,405	2,543	-	3,595	35,022
139	187	3,582	3,593	-	4,731	15,208
-	-	-	-	4,000	295	4,295
-	-	240	-	-	-	28,002
-	-	-	-	-	-	2,502
200	-	-	3,191	-	-	15,534
<u>1,447</u>	<u>2,555</u>	<u>-</u>	<u>316</u>	<u>-</u>	<u>3,378</u>	<u>10,831</u>
<u>12,163</u>	<u>28,813</u>	<u>21,637</u>	<u>15,096</u>	<u>4,000</u>	<u>20,976</u>	<u>512,989</u>
<u>(6,461)</u>	<u>7,860</u>	<u>(9,065)</u>	<u>(3,826)</u>	<u>3,000</u>	<u>(5,139)</u>	<u>(4,107)</u>

SCHEDULE II

SHREVEPORT REGIONAL SPORTS AUTHORITY

PROPRIETARY FUND

DETAILS OF STATEMENT OF REVENUES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>Southland Conference Basketball</u>	<u>Louisiana Tennis Association</u>	<u>Bass Tournament</u>	<u>SMU/ Arkansas Football Game</u>	<u>Grambling/ Arkansas Football Game</u>
<u>Revenues:</u>					
Sponsorships	-	750	1,000	104	11,667
Ticket sales	811	-	-	-	146,178
Novelty sales	-	-	-	-	615
Entry fees	-	-	-	-	-
Program advertising and sales	-	-	-	354	-
Service fees	-	-	-	<u>42,500</u>	<u>-</u>
Total revenues	<u>811</u>	<u>750</u>	<u>1,000</u>	<u>42,958</u>	<u>158,460</u>
<u>Expenses:</u>					
Bid fees	-	2,000	5,851	-	-
Commissions and management fees	-	-	-	-	102
Event services and supplies	-	-	8,879	8,347	11,651
Game officials	-	-	-	-	-
Guarantee fees	-	-	-	-	100,000
Host and sanction fees	-	-	1,000	-	-
Insurance	-	-	-	887	887
Marketing and promotional	1,572	-	-	5,790	17,058
Postage and printing	-	-	-	5,246	9,520
Rent	7,061	-	-	1,500	1,500
Security	-	-	120	7,778	7,995
Telephone	-	-	-	380	917
Ticket and program sellers	-	-	-	1,453	1,198
Travel and other	-	-	-	-	-
Total expenses	<u>8,633</u>	<u>2,000</u>	<u>15,850</u>	<u>31,381</u>	<u>150,828</u>
<u>Net income (loss)</u>	<u>(7,822)</u>	<u>(1,250)</u>	<u>(14,850)</u>	<u>11,577</u>	<u>7,632</u>

See accountants' report.

<u>La. Tech/ California Football Game</u>	<u>Shreveport Shootout 1997</u>	<u>AAU Girls Basketball</u>	<u>ASA National Tournament</u>	<u>Other</u>	<u>Total</u>
11,667	-	-	-	-	25,188
117,777	17,370	5,185	40,826	236	328,383
30	-	6,000	33	-	6,678
-	-	-	19,224	-	19,224
-	800	-	1,260	1,300	3,714
-	-	-	-	3,000	45,500
<u>129,474</u>	<u>18,170</u>	<u>11,185</u>	<u>61,343</u>	<u>4,536</u>	<u>428,687</u>
-	-	200	-	150	8,201
-	-	675	7,380	150	8,307
10,871	10,798	204	2,475	24	53,249
-	4,899	-	11,862	-	16,761
125,000	8,000	-	12,000	-	245,000
-	-	625	-	-	1,625
886	-	-	-	-	2,660
7,071	4,510	317	21,061	290	57,669
1,895	1,639	1,003	1,764	-	21,067
1,500	2,500	500	-	-	14,561
8,385	660	120	-	1,073	26,131
913	-	-	-	-	2,210
-	-	-	-	-	2,651
-	-	18	4,295	357	4,670
<u>156,521</u>	<u>33,006</u>	<u>3,662</u>	<u>60,837</u>	<u>2,044</u>	<u>464,762</u>
<u>(27,047)</u>	<u>(14,836)</u>	<u>7,523</u>	<u>506</u>	<u>2,492</u>	<u>(36,075)</u>

OTHER REPORTS

June 30, 1999

Board of Directors
Shreveport Regional Sports Authority
Shreveport, Louisiana

Report on Compliance and on Internal Control over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

We have audited the general-purpose financial statements of Shreveport Regional Sports Authority, a component unit of the City of Shreveport, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 30, 1999. We conducted our audits 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 Authority's general-purpose 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 98-1 through 98-4.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, 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 Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the general-purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-5 and 98-6.

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 none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the board of directors, management, and City of Shreveport, and is not intended to be and should not be used by anyone other than these specified parties.

Heard, M^cElroy & Vestal, LLP

SHREVEPORT REGIONAL SPORTS AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

We have audited the financial statements of Shreveport Regional Sports Authority, a component unit of the City of Shreveport, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 30, 1999. We conducted our audits 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 audits of the financial statements as of December 31, 1998 and 1997 resulted in an unqualified opinion.

Section I-Summary of Auditor's Reports

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

Internal Control - Reportable conditions noted; no management letter was issued.

Compliance - Material noncompliance was noted.

b. Federal Awards - Not Applicable

c. Identification of Major Programs - Not Applicable

Section II-Financial Statement Findings

98-1. Funds in financial institutions in excess of the \$100,000 protection afforded by Federal Deposit insurance are not protected by pledged securities of the institution at December 31, 1998 and 1997, nor is there a system in place to monitor the amounts of such deposits. Louisiana Revised Statute 39:1221 requires that the entity design and place in operation such a system to minimize risk of financial loss. Management was unaware of this requirement, but has begun to implement procedures to monitor and control these balances on a monthly basis.

98-2. No annual sworn financial statements for the fiscal year 1997 were submitted to the Legislative Auditor. Louisiana Revised Statute 24:514 requires such statements to be prepared and submitted within ninety days. Management also was not aware of this requirement, but plans to obtain an annual audit, and submit those financial statements to the Legislative Auditor within the time frame required by law.

98-3. No annual inventory was made of fixed assets at December 31, 1998 and 1997, nor were property records consistently maintained for each year (showing asset description, date acquired, serial number, and cost), all as required by Revised Statute 39:324. Management has begun preparing these records.

- 98-4 Louisiana Revised Statute 24:513 requires governmental units to submit audited financial statements to the Legislative Auditor within six months after the end of the last fiscal year covered within the biennial audit report. The Authority was unable to meet this deadline because of recent personnel changes including the executive director, and difficulty in timely locating all the financial records maintained by the former executive director. However, management has taken certain steps in the current year to correct the financial records problem, including an updated filing system.
- 98-5 The major portion of the budget for the general fund of the Authority is set forth in its grant agreement with the City of Shreveport. Certain expense categories used by the general fund are not contained in the budget. It may be appropriate for management to review these, and specifically budget for these expenses, as a means of controlling the overall expenditures of the general fund.
- 98-6 The nature of the Authority's operations and related funding is such that there are two clearly defined areas of operation: those funded with public money (City of Shreveport grant), and those funded with private money (sponsors and earnings pursuant to the handling of sports events). Because operations funded by public money are generally subject to public scrutiny, the Authority may wish to explore methods of separately accounting for its private operations and funding, so as to limit public access to those financial records. If so, we also would recommend the involvement of the Authority's legal counsel in this process.

SHREVEPORT REGIONAL SPORTS AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

Section I-Financial Statement Findings

Not applicable - no prior year audit performed before 1997, as the Authority began operations in late 1996.