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NEW ORLEANS BOWL, INC.
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-15-04

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Member
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Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Orleans Bowl, Inc.
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the **New Orleans Bowl, Inc.** (a non-profit organization) as of December 31, 2003, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the **New Orleans Bowl, Inc.** Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 **New Orleans Bowl, Inc.** as of December 31, 2003, and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
New Orleans Bowl, Inc.
New Orleans, Louisiana
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated May 7, 2004 on our consideration of **New Orleans Bowl, Inc.**'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 page 10) is presented for the purpose of additional analysis and is not a required part of the financial statements of **New Orleans Bowl, Inc.** 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 materials respects in relation to the financial statements taken as a whole.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 7, 2004

NEW ORLEANS BOWL, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2003

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 530
Grant receivable	367,375
Other receivables	315,757
Prepaid expenses	<u>13,749</u>
 Total assets	 <u>\$697,411</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Bank overdraft	\$ 20,682
Accounts payable	211,224
Due to affiliate (NOTE 3)	161,213
Note payable	<u>220,200</u>
 Total liabilities	 <u>613,319</u>
 Net Assets (NOTE 2):	
Unrestricted net assets	<u>84,092</u>
 Total net assets	 <u>84,092</u>
 Total liabilities and net assets	 <u>\$697,411</u>

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

NEW ORLEANS BOWL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

Revenues and Other Support

Ticket sales	\$ 747,260
Conference guarantees	50,000
Contributions	72,521
Grant revenue	391,342
Merchandising revenue	17,150
Television and radio rights	62,500
Hotel rebates	46,326
Miscellaneous	<u>23,233</u>

Total revenues and other support 1,410,332

Expenses

Program services	1,186,254
Support services	<u>116,460</u>

Total expenses 1,302,714

Change in net assets 107,618

Net assets, beginning of year (23,526)

Net assets, end of year \$ 84,092

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

NEW ORLEANS BOWL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Cash Flows From Operating Activities</u>	
Changes in net assets	\$ 107,618
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Increase in receivables	(243,711)
Increase in prepaid expenses	(11,028)
Decrease in payables	(71,162)
Decrease in deferred revenue	<u>(5,626)</u>
Net cash used in operating activities	<u>(223,909)</u>
<u>Cash Flows From Financing Activities</u>	
Proceeds from short-term borrowings	452,658
Repayment of short-term borrowings	<u>(232,458)</u>
Net cash provided by financing activities	<u>220,200</u>
Net decrease in cash and cash equivalents	(3,709)
Cash and cash equivalents, January 1, 2003	<u>4,239</u>
Cash and cash equivalents, December 31, 2003	\$ <u><u>530</u></u>

The accompanying notes are an integral part of these financial statements

NEW ORLEANS BOWL, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The **New Orleans Bowl, Inc. (the Bowl)** was organized in 2001 as a non-profit organization to foster national sports competition. Each year, it will organize a college football bowl game between two members of the National Collegiate Athletic Association which will be held in New Orleans, Louisiana. Also, **the Bowl** was organized to provide any ideas and support necessary to assist in the coordination and production of the New Orleans Bowl.

The Bowl is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

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 those estimates.

Basis of Reporting

The Bowl 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.

NEW ORLEANS BOWL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Principles of Accounting, Continued

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

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

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, 2003, **the Bowl** did not have any temporarily or permanently restricted net assets.

NEW ORLEANS BOWL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents

Cash consist solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows. All deposits are secured by federal deposit insurance.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 - Related Party Transactions:

Certain board members of **the Bowl** are also board members of the Greater New Orleans Sports Foundation. **The Bowl** has contracted with the Greater New Orleans Sports Foundation to manage and handle the administrative functions of hosting the New Orleans Bowl. The Greater New Orleans Sports Foundation provides office space, meeting space, utilities, and use of all office furniture and equipment, as well as providing any and all personnel needed to host the New Orleans Bowl. **The Bowl** provided the Greater New Orleans Sports Foundation with New Orleans Bowl game tickets valued at \$43,800 for services rendered to **the Bowl**.

Additionally, at December 31, 2003, **the Bowl** had a non-interest bearing loan and other payables due to the Greater New Orleans Sports Foundation in the amount of \$161,213.

NEW ORLEANS BOWL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Concentration of Credit Risk:

Financial instruments that potentially subject **the Bowl** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions.

NOTE 5 - Fair Value of Financial Instruments:

The estimated fair value of all significant financial amounts have been determined by **the Bowl** using available market information and appropriate valuation methodologies. **The Bowl** considers the carrying amounts of cash and cash equivalents, and accounts receivable to be the fair value.

SUPPLEMENTARY INFORMATION

NEW ORLEANS BOWL, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>TOTAL EXPENSES</u>
Professional fees	\$ 104,022	\$ 6,000	\$ 110,022
Insurance	-0-	15,105	15,105
Facility rental	2,516	52,385	54,901
Janitorial	12,516	-0-	12,516
Telephone	-0-	417	417
Supplies	-0-	1,210	1,210
Computer and internet	-0-	354	354
Bank charges	-0-	108	108
Postage	-0-	2,781	2,781
Transportation	2,690	-0-	2,690
Letter of credit fee	-0-	6,515	6,515
Officials	16,202	-0-	16,202
Event awards and gifts	93,606	-0-	93,606
Licenses and fees	-0-	2,505	2,505
Miscellaneous	-0-	20,540	20,540
Printing and advertising	60,832	-0-	60,832
Team guarantees	650,000	-0-	650,000
Travel and entertainment	34,372	-0-	34,372
Field crew	14,029	-0-	14,029
NCAA fee	12,000	-0-	12,000
Audio/video	3,462	-0-	3,462
Event equipment	2,000	-0-	2,000
Security	14,308	-0-	14,308
Ticket services	20,007	-0-	20,007
Food and beverage	75,916	-0-	75,916
Game operations	15,797	-0-	15,797
Game day events	47,684	-0-	47,684
Interest expense	-0-	4,690	4,690
Bad debt	-0-	3,850	3,850
Outreach	<u>4,295</u>	<u>-0-</u>	<u>4,295</u>
Total	<u>\$1,186,254</u>	<u>\$116,460</u>	<u>\$1,302,714</u>



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**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
New Orleans Bowl, Inc.
New Orleans, Louisiana

We have audited the financial statements of the **New Orleans Bowl, Inc. (the Bowl)** as of and for the year ended December 31, 2003, and have issued our report thereon dated May 7, 2004. 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 Bowl'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 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 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 Bowl'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 amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management and the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 7, 2004

NEW ORLEANS BOWL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003

We have audited the financial statements of **New Orleans Bowl, Inc.** as of and for the year ended December 31, 2003, and have issued our report thereon dated May 7, 2004. 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, 2003 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

Material Weaknesses/Reportable Conditions **No**

Compliance

Compliance Material to Financial Statements **No**

b. Federal Awards
Not Applicable

c. Identification of Major Programs
Not Applicable

Section II - Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:

NONE

Section III - Findings and Questioned Costs Related to Federal Awards:

NONE

NEW ORLEANS BOWL, INC.
DECEMBER 31, 2003

EXIT CONFERENCE

An exit conference was held with the following individuals:

NEW ORLEANS BOWL, INC.

Mr. Ron Maestri	–	Executive Director
Ms. Colleen Lieberman	–	Vice President of Administration

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA	–	Managing Partner
Mr. Sean M. Bruno, CPA	–	Manager
Mr. Gerald Burton	–	Senior

The audit report was discussed. This report is intended solely for the information and use of the Board of Directors, management and the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.