



Internal Audit Department Sun Bowl Game Audit A2024-04

Objectives

Determine if the Sun Bowl Association is compliant with the requirements of the Agreement.

1. Using the Motor Vehicle Rental Tax only for Qualified Expenses.
2. To provide the required Quarterly Expenditure and Annual Financial Reports to the City.
3. Securing personnel at its own expense.
4. Proper insurance coverage is maintained.

Scope

Agreement between the City and Sun Bowl Association dated August 11, 1998.

Finding 1

1. The City is providing reports to the Sun Bowl detailing the amount of Motor Vehicle Rental Tax collected. Reports need to be in an easy to read format.
2. The Sun Bowl is submitting one payment request versus quarterly as required.

Recommendation

1. The City should provide easy to read quarterly reports to the Sun Bowl.
2. The Sun Bowl should request an update to the Agreement to reflect current practices.

Finding 2

1. As of April 30, 2024, the Motor Vehicle Tax has a balance of \$4,214,836.93 in the City Treasury.
2. As of December 31, 2023, a Certificate of Deposit in the amount of \$4,525,999.20, is held at a local bank in the name of the Sun Bowl Association.

Recommendation

1. The City and the Sun Bowl should review quarterly the Motor Vehicle Tax balances.

Conclusion

1. The Sun Bowl only uses the Motor Vehicle Rental Tax to support the Sun Bowl Game.
2. The Sun Bowl is providing Annual Financial Statements to the City.
3. The Sun Bowl accurately reports reimbursement payments received from the City on their Annual Financial Statements.
4. The Sun Bowl maintains proper insurance coverages.
5. The current Agreement is in need of an update.

Management Response From Sun Bowl

“The Sun Bowl Association is very aware of the qualified expenses in which the Rental Car Tax can be used to include the costs of planning, establishing, developing, advertising, promoting, conducting, sponsoring or otherwise supporting the athletic event. It can also be used for payments to the colleges and universities that participate in the athletic event. The Association is very diligent in tracking the monies collected and requested. As per the contract between the City of El Paso and the Sun Bowl Association, it states that the Association shall request payment before the 30th day of July, October, January, and April.”

Management Response (Cont.) From Sun Bowl

“However, to avoid any confusion as to where the money is spent and to simplify the request, the Association requests payment once a year and is only used for payment to teams that participate in the annual Sun Bowl Football game. This request is made before March 31, when the team payments are due. The Association would like to continue to make one request a year, unless unknown circumstances occur that would require additional money be requested.

The Association would, however, like to have quarterly reports so that both parties are aware of the balance of the Rental Car Tax.”

Q & A