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**FESTIVAL INTERNATIONAL  
DE LOUISIANE**  
Lafayette, Louisiana

Financial Report

Year Ended August 31, 1999

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 1-26-2000

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# KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Festival International de Louisiane  
Lafayette, Louisiana

We have audited the accompanying statement of financial position of the Festival International de Louisiane (a nonprofit organization), as of August 31, 1999, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 Festival International de Louisiane, as of August 31, 1999, and the changes in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 31, 1999 on our consideration of the Festival International de Louisiane's internal control over financial reporting and on our tests of its compliance with laws, regulations, and contracts.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes and taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Festival International de Louisiane.

***Kolder, Champagne, Slaven & Rainey, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
November 19, 1999

MEMBER OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS**

FESTIVAL INTERNATIONAL DE LOUISIANE  
Lafayette, Louisiana

Statement of Financial Position  
August 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 96,182	\$ 76,040
Receivables:		
Office of Community Development	-	110
CODOFIL	-	1,000
Prepaid expense	<u>2,901</u>	<u>4,942</u>
Total current assets	99,083	82,092
<b>FIXED ASSETS</b>		
Furniture and equipment (net of accumulated depreciation of \$9,093 and \$8,928 as of 1999 and 1998, respectively)	5,609	1,798
<b>OTHER ASSETS</b>		
Trademark	<u>535</u>	<u>535</u>
<b>TOTAL ASSETS</b>	<u><u>\$105,227</u></u>	<u><u>\$ 84,425</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 2,188	\$ 2,910
Accrued liabilities	<u>244</u>	<u>216</u>
Total current liabilities	2,432	3,126
<b>NET ASSETS</b>		
Unrestricted	<u>102,795</u>	<u>81,299</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$105,227</u></u>	<u><u>\$ 84,425</u></u>

The accompanying notes are an integral part of this statement.

FESTIVAL INTERNATIONAL DE LOUISIANE  
Lafayette, Louisiana

Statement of Activities  
Years Ended August 31, 1999 and 1998

	1999	1998
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Support:		
Contributions	\$ 266,585	\$ 197,057
Grants	6,285	7,580
In-kind contributions	55,726	177,199
Total unrestricted support	328,596	381,836
Revenue:		
Sales and admissions, net of direct expenses	198,284	184,097
Interest	1,323	1,516
Miscellaneous	1,025	25
Total unrestricted revenue	200,632	185,638
Total support and revenue	529,228	567,474
<b>EXPENSES</b>		
Program services:		
Artists' fees and expenses	131,900	173,769
Production	136,042	119,062
Marketing and promotion	82,336	86,101
Support services	157,454	140,202
Total expenses	507,732	519,134
Increase in unrestricted net assets	21,496	48,340
NET ASSETS, beginning of year	81,299	32,959
NET ASSETS, end of year	\$ 102,795	\$ 81,299

The accompanying notes are an integral part of this statement.

FESTIVAL INTERNATIONAL DE LOUISIANE  
Lafayette, Louisiana

Statement of Cash Flows  
Years Ended August 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$21,496</u>	<u>\$48,340</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	931	794
Loss on disposal of fixed assets	233	-
Changes in current assets and liabilities -		
Decrease (increase) in receivables	1,110	(1,110)
Decrease in prepaid expense	2,041	534
Increase (decrease) in accounts payable	(722)	910
Decrease in accrued liabilities	28	(53)
Total adjustments	<u>3,621</u>	<u>1,075</u>
Net cash provided by operating activities	25,117	49,415
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	<u>(4,975)</u>	<u>-</u>
Net increase in cash and cash equivalents	20,142	49,415
CASH AND CASH EQUIVALENTS, beginning of year	<u>76,040</u>	<u>26,625</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$96,182</u></u>	<u><u>\$76,040</u></u>

The accompanying notes are an integral part of this statement.

FESTIVAL INTERNATIONAL  
DE LOUISIANE  
Lafayette, Louisiana

Notes to Financial Statements

(1) Nature of Activities

Festival International de Louisiane (Festival) is a nonprofit corporation organized under the laws of the State of Louisiana on September 2, 1986, for the purpose of producing a Francophone festival of performing and visual arts. The Festival is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

(2) Summary of Significant Accounting Policies

A. Basis of Accounting

The Festival reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Absent explicit donor stipulations about how these long-lived assets must be maintained, the Festival reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenue from ticket sales is recorded in the year services are rendered.

B. Inventory

Inventory consists of design, production, and editing cost for published anniversary books. The books are stated at the lower of cost or market.

C. Donated Services

The estimated fair value of the donated use of facilities and other assets owned by others, and the estimated fair value of measurable contributed services, which constitute a part of the normal program or services that would otherwise be performed by paid personnel, are recorded. However, the value for other donated services is not recorded by the Festival since no objective basis is available to measure the value of such services. There are a number of volunteers who donate significant amounts of time in the planning and production of the festival.

D. Fixed Assets

Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

E. Income Taxes

The Festival is a non-profit organization and is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.



FESTIVAL INTERNATIONAL  
DE LOUISIANE  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

F. Statement of Cash Flows

The Festival considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

G. Estimates

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.

(3) Litigation and Claims

Festival International de Louisiane is involved in a lawsuit claiming damages. In the opinion of Festival International de Louisiane's legal counsel, resolution of this lawsuit would not create a liability in excess of insurance coverage.

(4) Fair Values of Financial Instruments

The Festival's financial instruments, none of which are held for trading purposes, include cash, accounts receivable, other receivables and accounts payable. The Festival estimates that the fair value of all financial instruments at August 31, 1999 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Festival using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Festival could realize in a current market exchange.

**SUPPLEMENTAL INFORMATION**

FESTIVAL INTERNATIONAL DE LOUISIANE  
Lafayette, Louisiana

Statement of Functional Expenses  
Year Ended August 31, 1999  
With Comparative Totals for the Year Ended August 31, 1998

	Artist's		Marketing		Support	Totals	
	Fees and Expenses	Production	and Promotion	Services		1999	1998
Salaries	\$ -	\$ -	\$ -		\$105,890	\$ 89,869	
Professional fees	68,546	28,021	1,688		105,888	80,099	
Outside services and fees	9,000	-	-	40	9,040	20,802	
Supplies	273	8,820	-	1,641	10,734	9,996	
Telephone and utilities	-	-	-	5,293	5,293	4,840	
Postage and shipping	1,035	-	212	3,216	4,463	4,414	
Payroll taxes	-	-	-	8,033	8,033	6,860	
Rental of property and equipment	-	35,250	-	2,985	38,235	45,262	
Printing and publications	-	2,923	-	1,218	4,141	2,817	
Transportation and other services	28,557	8,456	-	-	37,013	53,380	
Meals and lodging	23,211	-	-	-	23,211	55,661	
Advertising and promotion	-	-	71,668	-	71,668	65,207	
Sound and lighting	-	38,678	-	-	38,678	34,390	
Licenses	1,278	745	-	-	2,023	1,489	
Electrical	-	11,624	-	-	11,624	5,117	
Insurance	-	-	-	13,804	13,804	10,303	
Decorations and signage	-	1,525	2,783	-	4,308	17,706	
Photography	-	-	3,915	-	3,915	3,039	
Depreciation	-	-	-	931	931	794	
Other	-	-	2,070	6,770	8,840	7,089	
	<u>\$131,900</u>	<u>\$136,042</u>	<u>\$82,336</u>	<u>\$157,454</u>	<u>\$507,732</u>	<u>\$519,134</u>	

**INTERNAL CONTROL AND COMPLIANCE**

# KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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## 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  
Festival International de Louisiane  
Lafayette, Louisiana

We have audited the financial statements of Festival International de Louisiane, (a nonprofit organization), as of and for the year ended August 31, 1999, and have issued our report thereon dated November 19, 1999. 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 Festival International de Louisiane'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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Festival International de Louisiane'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. 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 general purpose 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 for the information of management. However, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Rainey, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
November 19, 1999

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FESTIVAL INTERNATIONAL DE LOUISIANA  
Lafayette, Louisiana

Follow-up on Prior Year Findings  
August 31, 1999

There were no findings and/or management comments mentioned in the August 31, 1998 audit that required follow-up procedures.