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ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Financial Report

April 30, 1999 and 1998

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

Nov 24 1999
Release Date _____

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KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Acadiana Symphony Association
Lafayette, Louisiana

We have audited the accompanying statements of financial position of the Acadiana Symphony Association (a nonprofit organization), as of April 30, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 audits provide 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 Acadiana Symphony Association, as of April 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 21, 1999 on our consideration of Acadiana Symphony Association's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplementary information is required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Acadiana Symphony Association is or will become year 2000 compliant, that the Symphony's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Symphony does business are or will be year 2000 compliant.

The supplemental information is presented for purposes of additional analysis. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

Lafayette, Louisiana
October 21, 1999

FINANCIAL STATEMENTS

ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Statements of Financial Position
April 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
CURRENT -		
Cash	\$ 8,954	\$ 44,657
Interest-bearing deposits	4,512	26,695
Receivables:		
Grant	11,868	3,812
Conservatory tuition	5,642	-
Season tickets	-	2,706
Total current assets	<u>30,976</u>	<u>77,870</u>
NONCURRENT -		
Building and equipment, at cost - net of accumulated depreciation	<u>511,010</u>	<u>516,900</u>
TOTAL ASSETS	<u><u>\$ 541,986</u></u>	<u><u>\$ 594,770</u></u>
LIABILITIES AND NET ASSETS		
CURRENT -		
Accounts payable	\$ 3,231	\$ 1,140
Accrued liabilities	3,339	255
Notes payable	<u>125,000</u>	<u>100,000</u>
Total current liabilities	131,570	101,395
NONCURRENT -		
Notes payable	<u>-</u>	<u>175,000</u>
Total liabilities	131,570	276,395
NET ASSETS		
Unrestricted	<u>410,416</u>	<u>318,375</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 541,986</u></u>	<u><u>\$ 594,770</u></u>

The accompanying notes are an integral part of this statement.

ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Statements of Activities
Years Ended April 30, 1999 and 1998

CHANGES IN UNRESTRICTED NET ASSETS -	<u>1999</u>	<u>1998</u>
Revenues:		
Ticket sales	\$ 219,436	\$191,679
Conservatory income	111,786	102,281
Outside concerts	15,644	2,487
Miscellaneous	3,964	6,432
Total unrestricted revenues	<u>350,830</u>	<u>302,879</u>
Support:		
Grants	69,539	61,644
Fundraising events	115,237	159,527
Contributions	438,431	353,014
Rental income	28,275	24,430
Interest income	4,134	5,153
Total unrestricted support	<u>655,616</u>	<u>603,768</u>
Total unrestricted revenues and support	<u>1,006,446</u>	<u>906,647</u>
Expenses:		
Program services	658,483	668,402
Supporting services	255,922	178,994
Total expenses	<u>914,405</u>	<u>847,396</u>
Increase in unrestricted net assets	92,041	59,251
NET ASSETS, beginning	<u>318,375</u>	<u>259,124</u>
NET ASSETS, ending	<u>\$ 410,416</u>	<u>\$318,375</u>

The accompanying notes are an integral part of this statement.

ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Statements of Cash Flows
Years Ended April 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>\$ 92,041</u>	<u>\$ 59,251</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	21,458	17,881
Noncash contribution of assets	(14,980)	-
Noncash contribution - forgiveness of debt	(50,000)	-
Changes in current assets and liabilities -		
Decrease (increase) in receivables	(10,993)	1,548
(Decrease) increase in accounts payable	2,091	(4,063)
Increase in accrued liabilities	<u>3,084</u>	<u>29</u>
Total adjustments	<u>(49,340)</u>	<u>15,395</u>
Net cash provided by operating activities	42,701	74,646
CASH FLOWS FROM INVESTING ACTIVITIES -		
Purchase of equipment	(587)	(9,751)
CASH FLOWS FROM FINANCING ACTIVITIES -		
Payment of principal on notes payable	<u>(100,000)</u>	<u>(100,000)</u>
Net decrease in cash and cash equivalents	(57,886)	(35,105)
CASH AND CASH EQUIVALENTS, beginning	<u>71,352</u>	<u>106,457</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 13,466</u>	<u>\$ 71,352</u>
Supplemental disclosures:		
Interest paid	<u>\$ 20,250</u>	<u>\$ 27,290</u>

The accompanying notes are an integral part of this statement.

ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Nature of Activities

The Acadiana Symphony Association (Association) is a non-profit organization incorporated on July 6, 1984, and formed to support, encourage and educate the public in the appreciation of music in all its disciplined styles, including but not limited to, singing, opera, dancing, and the organization of a symphony orchestra.

A. Financial Statement Presentation

In 1998, the Association elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", early. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this new statement, the Association has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required.

B. Basis of Accounting

The Association also elected to adopt SFAS No. 116 "Accounting for Contributions Received and Contributions Made", in 1998. In accordance with SFAS No. 116, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Those donor-restricted contributions whose restrictions, however, are met in the same reporting period are reported as unrestricted support. Revenue from tuition is recorded in the year services are rendered.

The Association 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 Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

C. Depreciation

Building and equipment are valued at historical cost and are being depreciated on a straight-line basis. Assets with an original cost, if purchased or fair value, if contributed of \$300 are subject to capitalization.

ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

D. Donated Services and Facilities

During the year, the Association received donated hotel facilities, accounting and advertising services. These donated services and facilities were recorded at market value.

E. Compensated Absences

Full time employees are given two weeks of paid vacation after 6 months employment. Sick leave is available to all employees. A policy on the payment of unused vacation or sick leave is presently not in place.

F. Income Taxes

The Association 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.

G. Statement of Cash Flows

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

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates made by management.

(2) Building and Equipment

Building and equipment are comprised of the following:

	1999	1998
Office equipment	\$ 20,695	\$ 13,307
Office furniture	3,200	-
Music equipment	14,591	9,611
Building and improvements	546,549	546,549
	585,035	569,467
Less: Accumulated depreciation	(74,025)	(52,567)
	\$ 511,010	\$ 516,900

Depreciation expense amounted to \$21,458 and \$17,881 for the years ended April 30, 1999 and 1998, respectively.

ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(3) Notes Payable

Notes payable are comprised of the following at April 30, 1999:

	<u>Current</u>
<p>Promissory note dated September 28, 1996, in the amount of \$425,000 for the purchase of a conservatory building; annual interest rate is 9% with a maturity date of October 1, 1999; annual payments began October 1, 1996 at \$100,000.</p>	<p style="text-align: right;"><u>\$ 125,000</u></p>

The total amount of interest expense for the years ended April 30, 1999 and 1998 were \$20,250 and \$27,290 respectively.

The annual requirement to retire notes payables as of April 30, 1999, including interest payments of \$11,250 is as follows:

<u>Year Ending April 30,</u>	<u>Amount</u>
2000	<p style="text-align: right;"><u>\$ 136,250</u></p>

(4) Fundraising Events

Annually, the Acadiana Symphony Women's League (ASWL), an affiliated organization of the Association, holds fundraisers specifically for the benefit of the Acadiana Symphony Association. All costs are incurred by the ASWL with net revenue being remitted to the Association. The amount of fundraising monies remitted to the Association for the years ended April 30, 1999 and 1998 were \$28,545 and \$49,560, respectively. The total cost of all fund-raising activities for the years ended April 30, 1999 and 1998 were \$17,779 and \$32,390, respectively.

ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(5) Grants

The following grants were awarded during the following concert seasons:

	<u>1999</u>	<u>1998</u>
Louisiana Division of the Arts	\$ 43,539	\$ 15,250
The Powell Foundation	-	1,000
Lafayette Consolidated Government	20,000	20,000
Acadiana Arts Council	-	2,094
Ernest F. & Carol Wong Foundation	-	16,000
Kiwanis Club	-	2,000
Lafayette Convention & Visitors Commission	-	5,000
Smith Barney	-	300
Target	1,000	-
Phillips Petroleum	<u>5,000</u>	<u>-</u>
	<u>\$ 69,539</u>	<u>\$ 61,644</u>

(6) Litigation

There was no pending litigation against the Association at April 30, 1999.

SUPPLEMENTAL INFORMATION

ACADIANA SYMPHONY ASSOCIATION
Lafayette, Louisiana

Statements of Functional Expenses
Years Ended April 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
PROGRAM SERVICES -		
<i>Contract services:</i>		
Musicians	\$219,796	\$213,438
Music director	59,079	52,500
Guest artists	20,913	17,537
Conservatory teachers	55,626	64,144
Other	8,881	6,641
Payroll taxes	4,574	3,583
Musicians travel	41,019	45,447
Musicians travel and lodging - contributed	44,433	47,241
Heymann Center expenses	30,059	24,992
Ticket handling charges	13,662	12,671
Musical scores	2,794	6,719
Printing	29,159	28,390
Depreciation	14,306	11,530
Advertising	426	6,123
Advertising-contributed	93,159	99,739
Utilities	3,874	4,866
Repairs and maintenance	1,301	929
Other concert expenses	1,922	3,719
Interest expense	<u>13,500</u>	<u>18,193</u>
TOTAL PROGRAM SERVICES	<u><u>658,483</u></u>	<u><u>668,402</u></u>
 SUPPORT SERVICES -		
Salaries	168,793	84,334
Office supplies	7,300	4,631
Office supplies - contributed	1,323	970
Utilities	1,936	2,433
Telephone	2,204	1,958
Payroll taxes	9,149	7,166
Membership fees	2,514	1,000
Repairs and maintenance	526	345
Postage	4,866	5,719
Dues and subscriptions	5,393	2,732
Insurance	5,929	5,945
Fundraiser	17,779	32,390
Fundraiser - contributed	1,500	-
Contribution to Acadiana Symphony Orchestra Foundation	-	2,185
Audit fees	2,500	2,500
Audit fees - contributed	5,500	5,000
Depreciation	7,152	6,351
Miscellaneous	4,809	4,238
Interest expense	<u>6,750</u>	<u>9,097</u>
TOTAL SUPPORT SERVICES	<u><u>\$255,922</u></u>	<u><u>\$178,994</u></u>

AFFILIATED ORGANIZATION FINANCIAL STATEMENTS

ACADIANA SYMPHONY WOMEN'S LEAGUE
Lafayette, Louisiana

Statements of Financial Position
April 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	<u>\$ 6,205</u>	<u>\$ 6,227</u>
LIABILITIES and NET ASSETS		
LIABILITIES		
Accounts payable	\$ -	\$ 300
NET ASSETS		
Unrestricted	<u>6,205</u>	<u>5,927</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,205</u>	<u>\$ 6,227</u>

ACADIANA SYMPHONY WOMEN'S LEAGUE
Lafayette, Louisiana

Statements of Activities
Years Ended April 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CHANGE IN UNRESTRICTED NET ASSETS		
Support:		
Fundraising events	\$ 42,697	\$ 60,958
Memberships	<u>4,563</u>	<u>4,903</u>
Total unrestricted support	<u>47,260</u>	<u>65,861</u>
 Expenses:		
Support services -		
Acadiana Symphony Association contribution	28,545	49,560
Acadiana Symphony Orchestra Foundation contribution	3,000	6,000
Donations	750	1,500
Fundraising expenses	11,114	15,062
Postage	31	181
Miscellaneous expense	<u>3,543</u>	<u>1,685</u>
Total expenses	<u>46,982</u>	<u>73,988</u>
 Increase (decrease) in net assets	 278	 (8,127)
 NET ASSETS, beginning	 <u>5,927</u>	 <u>14,054</u>
 NET ASSETS, ending	 <u>\$ 6,205</u>	 <u>\$ 5,927</u>

ACADIANA SYMPHONY WOMEN'S LEAGUE
Lafayette, Louisiana

Statements of Cash Flows
Years Ended April 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 278	\$(8,127)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Increase (decrease) in accounts payable	<u>(300)</u>	<u>300</u>
Net cash used by operating activities	(22)	(7,827)
CASH AND CASH EQUIVALENTS, beginning	<u>6,227</u>	<u>14,054</u>
CASH AND CASH EQUIVALENTS, ending	<u><u>\$ 6,205</u></u>	<u><u>\$ 6,227</u></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 of
Acadiana Symphony Association

We have audited the financial statements of the Acadiana Symphony Association as of and for the year ended April 30, 1999, and have issued our report thereon dated October 21, 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 the Acadiana Symphony Association'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 the Acadiana Symphony Association'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 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Acadiana Symphony Association in a separate letter.

This report is intended for the information of the Board of Directors and 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
October 21, 1999

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

ACADIANA SYMPHONY ASSOCIATION

Summary Schedule of Findings and Corrective Action Plan
Year Ended April 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
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Management Letter Recommendations -

ML99-1	1999	Management should reconcile the schedule of conservatory income with the general ledger monthly.	Yes	A revised schedule was developed to facilitate reconciliation to the general ledger.	Geraldine Hubbell	Complete
ML99-2	1999	Management should maintain an accurate list of sponsors with the dates and amounts of the donations. Management should consider purchasing software that manages all donations.	Yes	Management is exploring ways to implement this recommendation, including purchasing software to track donations.	Geraldine Hubbell	Incomplete

Prior Year Findings -

IC98-1	1998	Due to the small number of employees, the Association did not have adequate segregation of functions within the accounting system.	Yes	The Association has hired a part-time accounting clerk which has improved segregation of accounting functions.	Geraldine Hubbell	Complete
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OTHER SUPPLEMENTARY INFORMATION

Acadiana Symphony Association
Impact of Year 2000 on Computer Programs (Unaudited)

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Acadiana Symphony Association's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

Management has been determined that the Acadiana Symphony Association is not significantly dependent on computerized systems for essential operations. There are no contracted amounts committed to this project as of April 30, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Symphony is or will be year 2000 ready, that the Symphony's remediation efforts will be successful in whole or in part, or that the parties with whom the Symphony does business will be year 2000 ready.

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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MANAGEMENT LETTER

To the Board of Directors of
Acadiana Symphony Association
Lafayette, Louisiana

In planning and performing our audit of the financial statements of the Acadiana Symphony Association for the year ended April 30, 1999, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls. This letter does not affect our report dated October 21, 1999, on the financial statements of the Acadiana Symphony Association.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

- (1) The schedule of conservatory income should be reconciled with the general ledger on a monthly basis.
- (2) The ASA should use a donation log for all money, services, materials and facilities to record the date of the gift, description, market value and purpose of the donation. The ASA should consider purchasing software that manages donations.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization.

We would like to express our appreciation to the Executive Director and her department for their courtesies and assistance during our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

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

Lafayette, Louisiana
October 21, 1999