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JEFFERSON PERFORMING ARTS SOCIETY

REPORT ON EXAMINATION OF

FINANCIAL STATEMENTS

YEAR ENDED

JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 APR 22 1997

# JEFFERSON PERFORMING ARTS SOCIETY

## CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT . . . . .	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION . . . . .	2
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS . . . . .	3
STATEMENT OF CASH FLOWS . . . . .	5
STATEMENT OF FUNCTIONAL EXPENSES . . . . .	7
NOTES TO FINANCIAL STATEMENTS . . . . .	8
SPECIAL REPORTS OF INDEPENDENT AUDITOR	
INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS . . . . .	14
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS . . . . .	16

**John, Kenney & Breaux**  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Jefferson Performing Arts Society

We have audited the accompanying statement of financial position of Jefferson Performing Arts Society (a nonprofit organization) as of June 30, 1996, and the related statements of activities and changes in net assets, functional expenses, 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 Jefferson Performing Arts Society as of June 30, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements on July 1, 1996 Jefferson Performing Arts Society changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

In accordance with Government Auditing Standards, we have also issued a report dated December 30, 1996, on our consideration of Jefferson Performing Arts Society's internal control structure and a report dated December 30, 1996, on its compliance with laws and regulations.

*John, Kenney & Breaux*  
John, Kenney & Breaux  
Certified Public Accountants

Bossier, Louisiana  
December 30, 1996

## JEFFERSON PERFORMING ARTS SOCIETY

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 1998

ASSETS

## Current Assets

Cash and interest bearing deposits	\$ 57,808
Accounts receivable	27,082
Prepaid expenses	4,748
Unconditional promise to give (Note 3)	<u>21,488</u>

Total Current Assets 110,126

Assets restricted to investment in  
property, furniture and equipment at cost,  
less accumulated depreciation of \$121,488 (Note 4)

100,878

Long-term unconditional promise to give (Note 3) 167,871

Total Assets \$ 378,875

LIABILITIES AND NET ASSETS

## Current Liabilities

Accounts payable	\$ 3,805
Payroll taxes payable	1,015
Lease payable	3,048
Unearned revenue (Note 5)	<u>8,712</u>

Total Current Liabilities 16,580

Lease payable, net of current  
installments (Note 4)

8,328

Total Liabilities 24,908

## Net Assets

Restricted	138,568
Temporarily restricted by donors (Note 3)	<u>228,314</u>

Total Net Assets 343,762

Total Liabilities and Net Assets \$ 378,875

See accompanying notes to financial statements.

## JEFFERSON PERFORMING ARTS SOCIETY

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 1994

	Restricted	Temporarily Restricted	Total
Public Support, Revenues and Reclassifications			
Public Support:			
Contributions	\$ 381,391	\$ 14,943	\$196,334
Grant - Jefferson Parish		215,000	215,000
Grant - State of Louisiana	87,900		87,900
Program sponsorship	<u>43,783</u>		<u>83,343</u>
Total Public Support	<u>229,636</u>	<u>219,943</u>	<u>449,579</u>
Revenues:			
Program service revenue	318,347		318,347
Membership dues	13,318		13,318
Investment income	3,300		3,300
Miscellaneous	<u>1,323</u>		<u>1,323</u>
Total Revenues	<u>336,288</u>		<u>336,288</u>
Reclassifications:			
Net assets released from restrictions (Note 7)			
Satisfaction of purpose restrictions	276,960	(276,960)	
Expiration of time restrictions	<u>21,480</u>	<u>(21,480)</u>	
Total Reclassifications	<u>298,440</u>	<u>(298,440)</u>	
Total Public Support, Revenues and Reclassifications	<u>528,076</u>	<u>(68,517)</u>	<u>459,559</u>

See accompanying notes to financial statements.

## JEFFERSON PERFORMING ARTS SOCIETY

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 1994

	Unrestricted	Temporarily Restricted	Total
<b>Expenses:</b>			
Program Services (Note 9)	\$ 623,885		\$623,885
Total Program Services	<u>623,885</u>		<u>623,885</u>
Supporting Services:			
Management and general	174,821		174,821
Fund raising	<u>27,864</u>		<u>27,864</u>
Total Supporting Services	<u>202,685</u>		<u>202,685</u>
Total Expenses	<u>826,570</u>		<u>826,570</u>
Decrease in Net Assets before cumulative effect adjustment	42,940	\$ (64,159)	\$(21,219)
Cumulative effect on prior years of a change in method of accounting for contributions (Note 10)	_____	<u>280,321</u>	<u>280,321</u>
Increase (Decrease) in Net Assets	(2,942)	216,162	213,220
Net assets at beginning of year	<u>112,338</u>	_____	<u>112,338</u>
Net assets at end of year	<u>\$ 109,396</u>	<u>\$ 216,162</u>	<u>\$325,558</u>

See accompanying notes to financial statements.

## JEFFERSON PERFORMING ARTS SOCIETY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1996

<b>Cash Flows From Operating Activities:</b>	
Cash received from Jefferson Parish grant	\$ 229,080
Cash received from State of Louisiana grant	56,425
Cash collected from contributions and program sponsorship	172,422
Cash received from program services	118,417
Cash received from members fee dues	13,354
Interest received	3,382
Other cash received	1,725
Cash paid to employees	(224,164)
Fringe benefits	(31,849)
Professional fees and contract services	(273,484)
Supplies and materials	(82,387)
Telephone	(12,810)
Postage and shipping	(5,100)
Commuting	(13,894)
Rental and maintenance of equipment	(15,834)
Printing, publications and visual aids	(50,581)
Travel, conferences, conventions and meetings	(25,477)
Jefferson Children's Chorus Florida Concert	(22,783)
Miscellaneous	(11,863)
Interest	(2,425)
Fund raising	(6,332)
Promotion and advertising	(58,554)
<b>Net cash used by operating activities</b>	<u>(22,525)</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of equipment and software	<u>(16,433)</u>
<b>Net cash used by investing activities</b>	<u>(16,433)</u>
<b>Cash Flows From Financing Activities:</b>	
Payments on software lease payable	<u>(3,312)</u>
<b>Net cash used by financing activities</b>	<u>(3,312)</u>
<b>Net decrease in cash</b>	<u>(42,270)</u>
Cash - beginning of year	<u>92,324</u>
Cash - end of year	<u>\$ 50,054</u>

See accompanying notes to financial statements.

## JEFFERSON PERFORMING ARTS SOCIETY

## STATEMENT OF CASH FLOW (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 1996

Reconciliation of change in net assets to  
net cash used by operating activities:

Change in net assets	\$ 339,292
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	27,838
Net unconditional promises to give	(375,272)
Increase in receivables	(13,087)
Increase in prepaid expenses	19,617
Increase in accounts payable	3,885
Increase in payroll taxes payable	3,009
Increase in unearned revenue	<u>128,635</u>
Net cash used by operating activities	\$ <u>(20,002)</u>

Supplemental data:  
Interest paid

\$ 2,673

See accompanying notes to financial statements.



## JEFFERSON PERFORMING ARTS SOCIETY

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 1995

	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 183,809	\$ 34,808	\$ 3,749	\$222,366
Employee benefits and payroll taxes	<u>29,320</u>	<u>3,368</u>	<u>520</u>	<u>33,208</u>
Total Salaries and Related Expenses	213,129	38,176	4,269	255,574
Professional fees and contract services	218,607	20,182	18,845	257,634
Supplies and materials	67,586	18,213		85,799
Telephones	2,383	11,128		13,511
Postage and shipping	3,550			3,550
Occupancy	18,379	11,517		29,896
Rental and maintenance of equipment	5,484	10,354		15,838
Printing, publications and visual aids	18,581	8,883		27,464
Travel, conferences, conventions and meetings	17,362	10,100		27,462
Jefferson Children's Chorus Florida Chorus	12,183			12,183
Miscellaneous	874	3,364		4,238
Membership dues		2,233		2,233
Interest		2,675		2,675
Volunteer expenses		1,277		1,277
Promotion and advertising	33,489	8,207		41,696
Fund raising			4,538	4,538
Depreciation	<u></u>	<u>12,426</u>	<u></u>	<u>12,426</u>
	<u>\$ 473,983</u>	<u>\$126,821</u>	<u>\$27,384</u>	<u>\$628,188</u>

(See accompanying notes to financial statements.)

## JEFFERSON PERFORMING ARTS SOCIETY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1984

## NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## STATEMENT OF PURPOSE

Jefferson Performing Arts Society (JPAS) is one of Louisiana's fastest growing and Jefferson Parish's largest multi-dimensional arts organization. Through numerous associated activities, JPAS offers members of the metropolitan New Orleans community an opportunity for cultural enrichment, arts education, and professional entertainment in symphonic and vocal music, theater, dance, and children's programs. JPAS offers the young person as well as the adult an opportunity for personal growth and artistic expression through these activities. JPAS provides the artist as well as the audience the cultural nurturing necessary to create the whole person. Finally, it is the dream of JPAS to serve as the catalyst to construct a major facility from which to present its programs and enhance the quality of life in this community.

## ASSOCIATED ACTIVITIES

Jefferson Symphony Orchestra  
 Jefferson Chamber Orchestra  
 Jefferson Symphony Chorus  
 Jefferson Children's Chorus  
 Jefferson Youth Chorus  
 Jefferson Ballet  
 Arts Adventure Series (for students)  
 Theatre Wing  
 Broadway Pic Orchestra  
 Jefferson Opera Theater  
 Special Arts for Seniors Series "MAGS"  
 "TRAT" Stage Without a Theater

The financial statements of Jefferson Performing Arts Society are prepared on the accrual basis of accounting and in accordance with the recommendations of the American Institute of Certified Public Accountants. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The significant accounting policies followed are described below:

# **NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## **a) Incorporation**

Jefferson Performing Arts Society is a non-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is exempt from Louisiana income tax under the authority of S.S. 47:183(C).

## **b) Financial Statement Presentation:**

On July 1, 1993, Jefferson Performing Arts Society, (JPAS), elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for Profit Organizations". Under SFAS No. 117, the JPAS 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. In addition, SFAS is required to present a statement of cash flows. As provided by this new statement, JPAS has discontinued the use of fund accounting and has, accordingly reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for the year ended June 30, 1994.

## **c) Contributions and Revenue Recognition**

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

## **d) Furniture, Equipment, and Leasehold Improvements**

Office furniture and equipment are recorded at cost. Depreciation is computed using different basis over estimated useful lives of 5 to 7 years. Leasehold improvements are depreciated over an estimated useful life of 50 years.

## NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## c) In-kind Support

JFAS occupies an office at 1118 Clearview Parkway in Metairie, Louisiana under a long-term lease. An annual rental of \$1 is paid by JFAS. The estimated approximate fair value of the annual rental is \$17,400 and it is included in the statement of activities as public support and expenses.

JFAS also occupies the auditorium at East Jefferson High School for scheduled performance dates throughout the fiscal year. No rent is paid by JFAS for the long-term agreement that extends to September 1, 1993. No amounts have been recognized in the accompanying statement of activities because no criteria for recognition of such in-kind support has been satisfied under SFAS No. 116, Accounting for Contributions Received and Contributions Made. The in-kind support of the Jefferson Parish School Board includes the use of the facility and all costs and expenses associated with the use of the facility by JFAS for any and all events scheduled by it. The amount of the support is not readily determinable on an annual basis.

## NOTE 2--DONATED SERVICES

The value of donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the JFAS program service area.

## NOTE 3--UNCONDITIONAL PROMISE TO GIVE

JFAS occupies an office at 1118 Clearview Parkway in Metairie, Louisiana. An annual rental of \$1 is paid by JFAS under a long-term lease. The estimated approximate fair value of the annual rental is \$21,400 and represents an unconditional promise to give by the Parish of Jefferson to JFAS for the next eight years. This unconditional promise to give at June 30, 1994 is as follows:

Receivable in less than one year	\$ 17,400
Receivable in one to seven years	148,400
Total Unconditional Promise To Give	165,800
Less discounts to net present value	(180,812)
Net Unconditional Promise To Give at June 30, 1994	<u>\$122,212</u>

**NOTE 4--FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

Furniture, equipment, and leasehold improvements at cost, and accumulated depreciation at June 30, 1988 are summarized as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Equipment and Furniture	\$641,936	\$ 83,404	\$ 558,532
Leasehold Improvements	<u>61,238</u>	<u>32,884</u>	<u>28,354</u>
	<u>\$703,174</u>	<u>\$ 116,288</u>	<u>\$ 586,886</u>

**NOTE 5--DEFERRED REVENUE**

A summary of unearned revenue follows:

Ticket sales for performances and events in the next fiscal year	\$ <u>3,115</u>
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**NOTE 6--LEASE COMMITMENTS**

On May 18, 1984 IFAS signed a lease with the Parish of Jefferson for Parish owned property at 1118 Claiborne Parkway. The term of the lease is for 18 years commencing on April 15, 1984 with an annual consideration of \$1 payable on each anniversary date.

IFAS did not occupy these premises until October 1986. Future minimum lease payments under this noncancelable operating lease are as follows:

1987 through 1993 \$ 2

IFAS has also entered into a lease for software originating on 1984-85 with a term of five years. Based on the provisions of Statement No. 13, issued by the Financial Accounting Standards Board, the lease meets the criteria of a capital lease and, accordingly, has been recorded as such. These assets are stated on the balance sheet at their capitalized cost of \$15,000. Depreciation of \$8,000 has been recognized to date.

Future minimum lease payments under the capital lease, together with the present value of minimum lease payments subsequent to June 30, 1988 are as follows:

Year Ended June 30,	
1987	\$ 4,980
1988	4,980
1989	4,980
1990	<u>426</u>
	15,366
Less amount representing interest	<u>(1,824)</u>
Present value of minimum lease payments	<u>\$ 13,542</u>

## NOTE 6--LEASE COMMITMENTS (CONTINUED)

JPS also maintains a photocopier under a long-term operating lease. Future minimum rental payments required under the operating lease that has an initial noncancelable lease term in excess of one year, as of June 30, 1986, are:

Year Ended June 30,	
1987	\$ 3,108
1988	<u>142</u>
	<u>\$ 3,250</u>

The rental expense for the photocopier lease is \$3,250 for the year ended June 30, 1986.

## NOTE 7--RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by donors for specific purposes or designated for subsequent periods. At June 30, 1986 temporarily restricted net assets are available for the following purposes or periods:

Jefferson Parish grant to be used for programs in subsequent periods	\$ 36,800
Jefferson Parish building rental due for subsequent periods	175,271
Orchestra pit contributions to be used for construction of orchestra pit	<u>16,363</u>
	<u>\$228,434</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of these restrictions specified by donors as follows:

Purpose restrictions accomplished:	
Jefferson Parish grant	\$276,500
Time restrictions expired on lease of 1118 Clearview Parkway	<u>22,480</u>
	<u>\$298,980</u>

## NOTE 8--CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES

JPS receives a grant from the Parish of Jefferson which comprises a significant portion of its revenue.

## NOTE 9--PROGRAM SERVICES

Program services include activities conducted year round with the Jefferson Symphony Orchestra, Jefferson Children's Chorus, Jefferson Ballet, Theater Wing, Jefferson Chamber Orchestra, Jefferson Symphony Chorus, Jefferson Youth Chorus, Jefferson Opera Theater, Arts Adventure Series and Special Arts for Seniors Series.

Also during the year program concerts and shows are held for the general public to further appreciation of the arts in the community. These events are held as either one or several performances.

## NOTE 10--CHANGE IN ACCOUNTING PRINCIPLES FOR CONTRIBUTIONS

Effective in July 1, 1995, JPAS adopted Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made. JPAS previously recorded contributions as deferred revenue until the funds were either expended for restricted purposes or through the expiration of time restrictions. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. As permitted by SFAS No. 116, JPAS has recognized the cumulative effect of the provisions of this new statement in its 1995-96 statement of activities and changes in net assets.

The cumulative effect adjustment at July 1, 1995 represents \$202,815 which is an unconditional promise to give previously unreported. Under SFAS No. 116, such promises are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon the expiration of the time restrictions. An additional cumulative effect adjustment at July 1, 1995 represents \$47,500 of Jefferson Parish grant support previously recorded as deferred revenue until the funds were expended for restricted purposes. Under SFAS No. 116, such promises are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon the expiration of the purpose restrictions.

**SPECIAL REPORTS OF INDEPENDENT AUDITOR**



**Independent Auditor's Report On The Internal Control  
Structure Based On An Audit Of The Financial Statements  
Performed In Accordance With Government Auditing Standards**

To the Board of Directors,  
Jefferson Performing Arts Society

We have audited the financial statements of Jefferson Performing Arts Society (a nonprofit organization), as of June 30, 1994, and have issued our report thereon dated December 30, 1994.

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.

The management of Jefferson Performing Arts Society is responsible for establishing and maintaining internal control structures. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of the internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Jefferson Performing Arts Society for the year ended June 30, 1994, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

The reportable condition noted is that there is a lack of segregation of duties in the handling of cash receipts and disbursements due to the relative size of the organization.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of JPAS's management and the Legislative Audit Advisory Committee. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Zahn, Roney & Brantette*  
Zahn, Roney & Brantette  
Certified Public Accountants

Metairie, Louisiana  
December 18, 1996

**Independent Auditor's Report On Compliance With  
Laws And Regulations Based On An Audit Of The Financial Statements  
Performed In Accordance With Government Auditing Standards**

To the Board of Directors,  
Jefferson Performing Arts Society

We have audited the financial statements of Jefferson Performing Arts Society (a nonprofit organization) as of June 30, 1994, and have issued our report thereon dated December 30, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with the laws, regulations, contracts, and grants applicable to Jefferson Performing Arts Society is the responsibility of, the management of Jefferson Performing Arts Society. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Company's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards:

Louisiana Revised Statute 24:113 and Section 129.01 of the Louisiana Governmental Audit Code require all engagements to be completed and transmitted to the legislative auditor within six months of the close of the entity's fiscal year. Due to the change in accounting principles and the adoption of SFAS No. 118 and 117 the auditing process was delayed.

We considered this instance of noncompliance in forming our opinion on whether Jefferson Performing Arts Society's June 30, 1994 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated December 30, 1994, on these financial statements.

This report is intended for the information of JPAS's management, and the legislative audit advisory committee. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*John Henry & Associates*  
John Henry & Associates  
Certified Public Accountants

Metairie, Louisiana  
December 30, 1994