

## STATEMENT OF FINANCIAL POSITION

## Friends of the New Orleans Center for Creative Arts

June 30, 1997

## Assets

Cash and cash equivalents	\$ 28,763
Due from State of Louisiana	153,265
Other receivable	545
Prepaid expenses	2,497
Donated art work held for sale	7,580
Property and equipment, net of accumulated depreciation of \$10,614	2,137
Unconditional promises to give:	
Capital Campaign	746,126
Other	55,783
Construction in progress	1,394,870
Funds held by the Greater New Orleans Foundation	370,419
<b>Total assets</b>	<b>\$4,771,810</b>

## Liabilities

Accounts payable	\$ 137,758
Accrued expenses	4,524
Gift due to Orleans Parish School Board	4,137,086
<b>Total liabilities</b>	<b>4,319,368</b>

## Commitments (Note 12)

## Net Assets (Deficit)

Unrestricted	(33,575)
Temporarily restricted	115,508
Permanently restricted	370,419
<b>Total net assets</b>	<b>452,352</b>
<b>Total liabilities and net assets</b>	<b>\$4,771,810</b>

See notes to financial statements.

## STATEMENT OF ACTIVITIES

## Friends of the New Orleans Center for Creative Arts

For the year ended June 30, 1997

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenues</b>				
<b>Support:</b>				
Special events	\$ 98,821			\$ 98,821
Membership	44,083			44,083
Contributions and grants	22,551	\$ 122,289	\$ 6,900	151,740
Capital Campaign		88,554		88,554
<b>Revenues:</b>				
Interest	2,298			2,298
Investment income including realized and unrealized gains on funds held by the Greater New Orleans Foundation		13,995	28,844	42,839
Miscellaneous income	289			289
<b>Total support and revenues</b>	<u>168,044</u>	<u>224,834</u>	<u>35,744</u>	<u>428,622</u>
<b>Net assets released from restriction:</b>				
Satisfaction of purpose restriction	139,722	(139,722)	-	-
Satisfaction of time restriction	2,977	(2,977)	-	-
<b>Total support and revenues</b>	<u>310,743</u>	<u>82,135</u>	<u>35,744</u>	<u>428,622</u>

**Exhibit B  
(Continued)**

<b>Expenses</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Advertising and promotion	14,379			14,379
Depreciation	1,237			1,237
Dues and subscriptions	1,509			1,509
Fundraising expenses	68,849			68,849
Insurance	4,053			4,053
Miscellaneous	4,446			4,446
Office expenses	19,978			19,978
Parking and automobile	2,952			2,952
Postage	3,899			3,899
Professional fees	34,689			34,689
Rent	9,734			9,734
Repairs and maintenance	1,358			1,358
Salaries and benefits	83,070			83,070
Scholarships and visiting artists' expenses	51,168			51,168
Telephone	3,734			3,734
<b>Total expenses</b>	<u>304,455</u>			304,455
<b>Increase in Net Assets</b>	6,298	82,125	35,344	123,767
<b>Net Assets (Deficit)</b>				
Beginning of the year	<u>(29,842)</u>	<u>33,463</u>	<u>135,075</u>	<u>138,696</u>
End of the year	<u>\$ (23,544)</u>	<u>\$ 115,588</u>	<u>\$ 170,419</u>	<u>\$ 452,462</u>

See notes to the financial statements.

## STATEMENT OF CASH FLOWS

## Friends of the New Orleans Center for Creative Arts

For the year ended June 30, 1997

<b>Cash Flows From Operating Activities</b>	
Increase in net assets	\$ 123,767
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation	1,237
Contribution restricted for endowment purposes	(6,500)
Income reinvested at Greater New Orleans Foundation	(28,844)
Capital Campaign collections (net of portion recorded as support)	357,047
Amounts received from State of Louisiana (increase in gift due to Orleans Parish School Board)	283,444
Construction in progress additions	(943,556)
Increase in other receivable	(543)
Increase in unconditional promises to give - other	(35,782)
Increase in prepaid expenses	(3,197)
Increase in accounts payable and accrued expenses	111,448
Net cash used by operating activities	(161,480)
<b>Cash Flows From Investing Activities</b>	
Purchase of property and equipment	(676)
<b>Net Decrease in Cash and Cash Equivalents</b>	(162,156)
<b>Cash and Cash Equivalents</b>	
Beginning of the year	200,892
End of the year	\$ 38,736

See notes to the financial statements.

**NOTES TO FINANCIAL STATEMENTS****Friends of the New Orleans Center for Creative Arts**

June 30, 1993

**Note 1 - NATURE OF ACTIVITIES**

Friends of the New Orleans Center for Creative Arts (the Organization) is a nonprofit corporation which provides supplemental funding and community support for the New Orleans Center for Creative Arts (a program funded and administered by the Orleans Parish School Board). The Organization funds various classes and workshops and provides financial aid to certain disadvantaged young artists enrolled in the program. The Organization is acting as the planner, facilitator, developer and fund raiser to provide a new facility for the New Orleans Center for Creative Arts, to be gifted to and owned and operated by the Orleans Parish School Board for regional arts education.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Organization and Income Taxes**

Friends of the New Orleans Center for Creative Arts is a nonprofit 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 R.S. 47:123(5).

**b) Basis of Accounting**

The financial statements of the Organization are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

d) Promises to Give

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

For the year ended June 30, 1997, promises to give included amounts due to the Organization related to the Capital Campaign which was conducted to raise funds to assist with the construction of a new facility for the New Orleans Center for Creative Arts. As described in Notes 8 and 12, the Organization has entered into a cooperative endeavor agreement for the construction of this new facility. Under this agreement, the Organization is acting in an agency/intermediary capacity. Promises to give were recognized as assets and a corresponding liability (gift due to Orleans Parish School Board) under this relationship. Other promises to give relate to a donation of office space and a legacy described in Note 5.

All promises to give are deemed by management to be collectible.

e) Contributions and Revenue Recognition

Contributions received are classified as unrestricted, temporarily restricted, or permanently restricted support based 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 to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Contributions and Revenue Recognition

Capital Campaign support is reported as a liability under the agency/intermediary relationship described in the cooperative endeavor agreement. Certain costs related to the construction project are not allowable for capitalization under generally accepted accounting principles. These costs are reported as expenses on the statement of activities, and Capital Campaign support is recognized on the statement of activities to the extent of these costs, which were \$88,554 for the year ended June 30, 1997.

d) Reimbursements Due From the State of Louisiana

Reimbursements due from the State of Louisiana for certain construction costs allowable under the cooperative endeavor agreement (Note 12) are recognized as a receivable and liability (gift due to Orleans Parish School Board) when an application for reimbursement is submitted to the State. Reimbursements totaling \$153,265 were outstanding at June 30, 1997.

e) Donated Art Work Held For Sale

The Organization intends to sell donated art work which is valued at management's best estimate of net realizable value.

f) Property and Equipment

Property and equipment acquisitions are recorded at cost except for those donated to the Organization, which are recorded at estimated value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Depreciation is determined using the straight-line method and is intended to allocate the cost of the assets over their estimated useful lives. Depreciation expense for the year ended June 30, 1997 was \$1,237.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) In-Kind Support**

The organization recorded the value of in-kind support related to the free use of its office facilities, which amounted to \$23,819 for the period from April 1, 1997 to March 31, 1999. The portion related to the fiscal year ended June 30, 1997 of \$2,977 has been reported as a release from restriction, satisfaction of time restriction on the statement of activities. The balance is recorded as an unconditional promise to give of \$20,333 at net present value at June 30, 1997.

**j) Construction in Progress**

Construction in progress includes all costs incurred by the Organization relative to the new facility for the New Orleans Center for Creative Arts. Costs incurred to date include land acquisition, planning and architectural services, site preparation and demolition services, and various indirect costs.

**k) Capitalized Interest**

The Organization follows the policy of capitalizing interest as a component of construction in progress (Note 2j).

**l) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments in money market funds to be cash equivalents.

**m) Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization 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.



**Note 3 - RESTRICTIONS ON ASSETS**

Temporarily restricted net assets are restricted by donors for specific purposes. Cash, investments and promises to give raised through the Capital Campaign are restricted for the construction of a facility which will be transferred to the Orleans Parish School Board upon completion. These restrictions are considered to expire when construction payments are made. Restricted assets and liabilities related to the Capital Campaign and cooperative endeavor agreement at June 30, 1997 are summarized as follows:

Cash and cash equivalents	\$ (11,418)
Donated art work held for sale	7,500
Unconditional promises to give -	
Capital Campaign	746,126
Construction in progress	<u>2,384,870</u>
<b>Total assets</b>	<b>4,137,086</b>
<b>Less liability - gift due to</b>	
Orleans Parish School Board	<u>4,137,086</u>
<b>Net assets</b>	<b>\$ _____</b>

Temporarily restricted net assets at June 30, 1997 are available for the following purposes or periods:

Artists in residence	\$ 12,887
Charitable remainder trust	35,550
Value of in-kind rent	20,253
Scholarships	<u>46,928</u>
<b>Total</b>	<b>\$115,618</b>

Permanently restricted net assets consist of funds held by the Greater New Orleans Foundation which are restricted for endowment purposes, the interest from which are available for the artists in residence and scholarship programs.

**Note 4 - PROMISES TO GIVE**

At June 30, 1997, unconditional promises to give consist of the following:

Capital Campaign restricted for building construction	\$700,029
Charitable remainder trust	50,000
Irrevocable	___20,852
Gross unconditional promises to give	850,871
Less unamortized discount	___422,952
Net unconditional promises to give	<u>\$427,919</u>
Amounts due in:	
Less than one year	\$366,491
One to five years	399,868
Over five years	___11,559
Total	<u>\$801,908</u>

**Note 5 - LEGACY**

The Organization is a residuary principal beneficiary of a fractional interest of a charitable remainder trust of an anonymous donor. The Trustee has placed a value of approximately \$50,000 on the Organization's fractional interest in trust's assets at June 30, 1997.

**Note 6 - FUNDS HELD BY THE GREATER NEW ORLEANS FOUNDATION**

The Organization maintains two endowment funds at the Greater New Orleans Foundation. These funds are in an investment pool managed by the Greater New Orleans Foundation. A fee of 1/8% of 1% is charged on the value of the funds to cover the cost of management, investment reporting and record keeping. Annually, the Greater New Orleans Foundation determines the amounts available for distribution. The amount available for distribution is equal to 5 percent of the previous twelve quarters average fund balance. Any unexpended income is reinvested in the endowment and is classified as permanently restricted.

**Note 7 - CAPITAL CAMPAIGN**

In 1992, the Organization began a Capital Campaign to raise funds to assist with the construction of a building located on the New Orleans river front which will be the new facility of the New Orleans Center for Creative Arts. As of June 30, 1997, \$3,146,569 has been raised, including cash received through that date, in-kind donations, and promises to give in subsequent periods.

Details of the Capital Campaign are as follows:

<i>Activity through June 30, 1996:</i>	
Cash received	\$1,685,180
In-kind building donation	125,000
In-kind services	82,357
Art object donated	7,200
Cash received during the year ended June 30, 1997	445,600
Unconditional promises to give at June 30, 1997	289,039
In-kind furniture and fixture donation during the year ended June 30, 1997	<u>32,000</u>
<b>Total</b>	<b><u>\$3,146,569</u></b>
<b>Total amount raised through June 30, 1997</b>	<b>\$3,146,569</b>
<i>Amounts recognized as support and expenses on the statement of activities to the extent certain building related costs were not allocable for capitalization:</i>	
Year ended June 30, 1997	(88,534)
Prior periods	(448,152)
Unrecognized discount on unconditional promises to give	<u>(62,993)</u>
<b>Amount reported as a component of the gift due to Orleans Parish School Board</b>	<b><u>\$2,566,922</u></b>

**Note 8 - GIFT DUE TO ORLEANS PARISH SCHOOL BOARD**

As discussed in Note 12, the Organization has entered into a cooperative and/or agreement for the construction of a new facility for the New Orleans Center for Creative Arts and the Orleans Parish School Board. The agreement provides that upon completion of construction, ownership of the building will be gifted to the Orleans Parish School Board which agrees to own and operate the New Orleans Center for Creative Arts as a regional resource. Under the terms of this agreement, the Organization functions in an agency/intermediary capacity. All monies received or pledged under the Capital Campaign and any reimbursements from State of Louisiana have been recorded as a liability, gift due to the Orleans Parish School Board.

This liability has been reduced by that portion of the Capital Campaign contributions which have been recognized as support on the statement of activities to the extent that building related costs were deemed allowable for capitalization and recognized as expenses.

The gift due to Orleans Parish School Board is comprised of the following:

Capital Campaign	\$2,568,998
State of Louisiana reimbursements	<u>1,538,123</u>
Total	<u>\$4,107,121</u>

**Note 9 - FUNCTIONAL ALLOCATION OF EXPENSES**

Expenses have been reported on the statement of activities by natural classification for the year ended June 30, 1997. To present the total expenses by functional classifications, expenses are charged to program services and supporting services (management and general expenses and fundraising expenses) on the basis of management's estimate of periodic time and expense evaluations. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

**Note 9 - FUNCTIONAL ALLOCATION OF EXPENSES (Continued)**

Total expenses for the year ended June 30, 1997 are allocated as follows:

Program services	\$ 51,668
Supporting services:	
Management and general	100,472
Fundraising	<u>152,315</u>
 Total expenses	 <u>\$304,455</u>

**Note 10 - STATEMENT OF CASH FLOWS**

As required by generally accepted accounting principles, cash flows related to the funding and construction of the building to be gifted to and for the benefit of the Orleans Parish School Board as a regional resource have been reported as operating activities.

**Note 11 - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash accounts and cash equivalents in various financial institutions where the accounts are insured by Federal Deposit Insurance Corporation up to \$100,000 per bank. At June 30, 1997, the Organization had approximately \$234,800 in excess of the insured limits.

**Note 12 - COMMITMENTS**

The Organization has entered into a cooperative endeavor agreement with the State of Louisiana and the Audubon Park Commission for the construction of a new facility for The New Orleans Center for Creative Arts, which upon completion will be gifted to, owned, and operated by the Orleans Parish School Board as a regional resource. According to the terms of the agreement, the Organization will be responsible for the administration of the construction project including land acquisition, building design and construction oversight.

**Note 12 - COMMITMENTS (Continued)**

The estimated project cost is \$23,628,957, per the first amended cooperative purchase agreement dated April 22, 1997. The State of Louisiana has agreed to provide \$17,590,000 of funding derived from the sale of general obligation bonds of the State. The Organization is responsible for the remaining portion of \$6,438,957. As of October 17, 1997, the Organization has not received a determination from the State of Louisiana as to how much of the \$6,438,957 has been satisfied by prior capitalized expenditures paid by the Organization which are included in construction in progress. The construction in progress balance of \$3,394,870 as June 30, 1997 has been funded by \$1,570,127 from State of Louisiana reimbursements and \$1,824,743 from the Organization's funds.

**SPECIAL REPORTS OF INDEPENDENT AUDITOR**



Ernst & Young

**INDEPENDENT AUDITOR'S 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  
Friends of the New Orleans Center for Creative Arts,  
New Orleans, Louisiana.

We have audited the financial statements of Friends of the New Orleans Center for Creative Arts, (the Organization), a nonprofit organization, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 17, 1997. 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 Organization'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 these 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 Organization'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. However, we noted a matter involving the internal control over financial reporting and it



operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Board of Directors, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Bourgeois Bennett, LLC*

Certified Public Accountant

New Orleans, La.,  
October 17, 1997.

## **SCHEDULE OF REPORTABLE CONDITION**

### **Friends of the New Orleans Center for Creative Arts**

June 30, 1997

**Condition** - The Organization currently does not have a written policy regarding capitalization of cost incurred for the construction of the new facility for the New Orleans Center for Creative Arts.

**Recommendation** - The Organization should adopt a specific written policy regarding what expenses should be capitalized as the cost of the building.

**Response** - We agree. A policy will be developed and adopted regarding capitalization of construction costs.



Georgiois Bennett

October 17, 1997

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To the Board of Directors  
Friends of the New Orleans  
Center for Creative Arts

We have audited the financial statements of Friends of the New Orleans Center for Creative Arts as of and for the year ended June 30, 1997, and have issued our report thereon dated October 17, 1997. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Audit Standards

Our audit was conducted 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 which require that we plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As required, a separate letter has been issued on compliance and the internal controls over financial reporting.

As part of our audit, we considered the internal controls of Friends of the New Orleans Center for Creative Arts (the Department). Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

To the Board of Directors  
Friends of the New Orleans  
Center for Creative Arts  
October 13, 1997  
Page 2

### Significant Accounting Policies

Management of the Organization has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Organization are described in the notes to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

Management's estimate of the collectibility of unconditional promises to give from the Capital Campaign is based on past history and the aging of the receivables. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

### Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures.

To the Board of Directors  
Friends of the New Orleans  
Center for Creative Arts  
October 13, 1997  
Page 5

We proposed, and the Organization recorded, various audit adjustments. One of the more significant audit adjustments was the reclassification of cash received from the Capital Campaign during the year ended June 30, 1997, as amounts due to Orleans Parish School Board from support and revenue. This adjustment decreased net assets by \$445,601.

#### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Consultations with Other Independent Accountants

To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants during the past year that are subject to the requirements of Statement on Auditing Standards No. 50.

#### Difficulties Encountered in Performing the Audit

The management, staff and Jack Bazzoli were very cooperative during our audit. They responded to our questions and assisted us as requested. We had no disagreements with them concerning the scope of our audit, the accounting treatment of any of the Organization's transactions, or disclosures required in the financial statements.

During our audit, the following item was noted which we believe is deserving of your attention:

To the Board of Directors  
Friends of the New Orleans  
Center for Creative Arts  
October 13, 1987  
Page 4

### Capital Campaign

The Organization maintains a file for each individual or corporation who has made a promise to give for the capital campaign. This file includes donor information and an agreement to donate to the capital campaign. In most cases, copies of the donors' checks are included in the file, but we noticed that some check copies were not in the files. We recommend that all donor checks be copied and retained in the donors' files.

We appreciate our relation with Friends of the New Orleans Center for Creative Arts and look forward to working with you in the future. Please call if you'd like to discuss these items or any other matters that come to your attention.

This information is intended solely for the use of the Board of Directors of Friends of the New Orleans Center for Creative Arts, its management, and the Legislative Auditor of the State of Louisiana. This report is a matter of public record and its distribution is not limited.

Sincerely,



For the Firm.

LH/H

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2025 RELEASE UNDER E.O. 14176

*Financial Report*

*Friends of the New Orleans Center  
for Creative Arts*

*June 30, 1997*

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 12-18-98



Bourgeois Bennett

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Friends of the New Orleans Center for Creative Arts,  
New Orleans, Louisiana.

We have audited the accompanying statement of financial position of Friends of the New Orleans Center for Creative Arts (a nonprofit organization) as of June 30, 1997, and the related statements 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 the standards applicable to financial audits contained in 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. 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 Friends of the New Orleans Center for Creative Arts as of June 30, 1997, 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 October 17, 1997 on our consideration of the Friends of the New Orleans Center for Creative Arts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

New Orleans, La.,  
October 17, 1997.

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