

LOUISIANA SYMPHONY ASSOCIATION

Baton Rouge, Louisiana

SCHEDULE OF DEVELOPMENT, MARKETING AND
GENERAL AND ADMINISTRATIVE EXPENSESFor the year ended June 30, 1997
(With comparative amounts for 1996)

	1997	1996
DEVELOPMENT		
Personnel	\$ 73,831	\$ 58,247
Annual fund	9,676	14,547
Other	3,199	7,332
	<u>86,706</u>	<u>80,126</u>
MARKETING		
Personnel	63,761	57,291
Masterworks subscriptions	31,945	41,918
Masterworks single tickets	39,462	21,600
Pop single tickets	15,214	17,575
Printing	18,573	22,260
Family single tickets	11,312	14,215
Family subscriptions	3,373	8,490
Pop subscriptions	180	714
Other	18,091	28,924
	<u>184,738</u>	<u>218,772</u>
GENERAL AND ADMINISTRATIVE		
Personnel	144,120	138,686
Depreciation	13,413	16,571
Legal and accounting	14,633	15,831
Rent and utilities	19,961	16,096
Printing	16,332	15,983
Banquet and entertainment	22,590	29,939
Bank fees	11,896	14,486
Interest	19,040	12,489
Telephone	7,652	7,485
Office and computer supplies	6,348	7,213
Travel and subscriptions	8,584	6,997
Insurance	5,962	6,231
Postage	9,877	8,127
Office equipment	4,836	3,654
Bad debts	4,199	-
Scholarship	800	-
Other	42,408	47,873
	<u>343,858</u>	<u>346,438</u>
Total	\$ 625,302	\$ 661,342

LOUISIANA SYMPHONY ASSOCIATION

Baton Rouge, Louisiana

SCHEDULE OF PROGRAM EXPENSES

For the year ended June 30, 1997
 (With comparative amounts for 1996)

	<u>1997</u>	<u>1996</u>
Masterworks concerts	\$ 585,605	\$ 525,541
Pops concerts	258,286	202,046
Outdoor Festivals - summer series	241,477	165,182
Family concerts	24,884	31,121
Regional concerts	12,256	38,114
Youth concerts	23,909	33,978
Monthly	18,175	18,324
Opera	18,458	18,308
Louisiana Youth Orchestra	15,957	14,589
Young Patrons	13,179	12,553
Velour Quartet	33,855	-
Commissions	11,655	18,386
Other	<u>38,887</u>	<u>75,284</u>
Total	<u>\$ 1,299,605</u>	<u>\$ 1,172,317</u>



**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

Board of Directors
Louisiana Symphony Association
Baton Rouge, Louisiana

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedules (S-1 and S-2) are presented for purposes of additional analysis and are 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.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
November 13, 1997



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Louisiana Symphony Association
Baton Rouge, Louisiana

We have audited the financial statements of the LOUISIANA SYMPHONY ASSOCIATION (a non-profit organization) as of and for the year ended June 30, 1997, and have issued our report on that date November 13, 1997.

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.

Compliance with laws, regulations, contracts, and grants applicable to the LOUISIANA SYMPHONY ASSOCIATION is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the organization's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
November 13, 1997

Computer program

Observation: In July 1997, the Symphony began to replace its current ticket accounting software and upgrade its computer system. As of November 13, 1997, the new system was not operational.

Recommendation: We recommend the Symphony's computer consultants' and management identify the problems with this implementation and resolve it in a timely manner.

Management response: We concur with the recommendation.

Contractual payments

Recommendation: Contractual payments to employment agencies for temporary personnel was recorded as salary expense in the June 30, 1997 financial statements. When performing audit procedures, we compared payroll expenses as reported to taxing authorities to the Symphony's general ledger. We discovered a difference of an amount equal to contractual payments for temporary employment costs.

Observation: We recommend that these expenses be reported as a separate line item on the Symphony's financial statements to allow for comparison to payroll reported to taxing authorities.

Management response: We concur with the recommendation.

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


Paul J. Winkler, CEA
Certified Public Accountant

Baton Rouge, Louisiana
November 13, 1997

Cash disbursement authorization

Observation: Based on our review of canceled checks for the year ended June 30, 1993, there does not appear to be a dollar threshold established for dual signature authorization of cash disbursements.

Recommendation: We recommend that the Symphony establish a policy for the use of dual signatures for cash disbursements.

Management response: We concur with the finding.

We also noted other matters involving the internal control structure and its operation that are as follows:

OTHER COMMENTS

Cash receipts

Observation: Incoming cash receipts are distributed from the Symphony's receptionist to various employees within management for financial record maintenance. All cash receipts are then routed to one individual for deposit preparation. At this time, no type of logging system is used to monitor incoming cash receipts.

Recommendation: We recommend that the Symphony establish a cash receipts logging system to document and monitor incoming payments. A bank deposit should be prepared upon receipt of incoming payments, along with a listing for distribution to various employees within management for financial record maintenance.

Management response: We concur with the recommendation.

Endowment Fund

Observation: The Symphony's operation account is currently holding \$27,468 designated for the Endowment Fund.

Recommendation: We recommend that such funds be transferred to the Endowment Fund investment account.

Management response: We concur with the recommendation.

FINANCIAL STATEMENT/MANAGEMENT

Observation: The Symphony has experienced losses for each of the last two years. In reviewing the Board minutes, comments were made as to the unsatisfactory financial position of the organization and the anticipation of an operating surplus for the year. Our observation of accounting procedures related to the preparation of interim financial statements include the following:

- As of year-end, the Symphony has significant deferred revenue from advance payment from subscribers and advertising. These amounts are applicable to performances that occur during the subsequent twelve month period; however, the revenue is recognized as of July 1 rather than ratably over the applicable period of performances.
- Expenses from the Centroplex of approximately \$79,000 were not recorded on the preliminary June 30, 1997 financial statements. These expenses were applicable to a six month period that ended at year-end.
- Investment activity from restricted and endowment fund assets are not recorded until year-end.

Recommendation: The accounting procedures of the Symphony be enhanced to present a more appropriate matching of revenues to related expenses, and to record all significant account transactions on a more timely basis. In this manner, accurate information will be available in a timely manner for management planning, evaluation and response.

Management response: We concur with the finding, other than the omission of expenses to the Centroplex was an isolated incident.

FINANCIAL ADMINISTRATION

Expense documentation

Observation: The Symphony uses a debit card through its Merrill Lynch investment account. In certain instances, there was a lack of proper documentation maintained to substantiate the expenditures.

Recommendation: We recommend proper documentation, such as an original invoice, be maintained to support these expenditures.

Management Response: Management will establish procedures to maintain documentation of expenditures made through the use of its debit card.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 Council's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 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 noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the LOUISIANA SYMPHONY ASSOCIATION, for the year ended June 30, 1993.

SEGREGATION OF DUTIES

Observation: There is not sufficient segregation of duties to have effective internal control. The findings result from the small size of the organization. These limitations allow no opportunity for meaningful segregation of duties.

Recommendation: No action recommended other than the Symphony management consider hiring a part-time chief financial officer to provide assistance with financial management. An opportunity for a proper segregation of duties could arise from such a position that will assist with the implementation of recommendations made throughout this report. Various duties could be assigned to the position, to include:

- Analysis of investment activity,
- Financial statement preparation,
- Financial statement analysis to management,
- Assist with the analysis of grant acquisitions, to include compliance adherence,
- Enhance internal control policies and procedures,
- Cost control procedures.

Management response: We concur with the finding.



**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT ACCOUNTING STANDARDS**

Board of Directors
Louisiana Symphony Association
Baton Rouge, Louisiana

We have audited the financial statements of the **LOUISIANA SYMPHONY ASSOCIATION** (a non-profit organization), as of and for the year ended June 30, 1997, and have issued our report thereon dated November 11, 1997.

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 the **LOUISIANA SYMPHONY ASSOCIATION** is responsible for establishing and maintaining an internal control structure. 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 an 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 executed 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 the **LOUISIANA SYMPHONY ASSOCIATION** for the year ended June 30, 1997, 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 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.

Special Independent Auditors' Reports

LOUISIANA SYMPHONY ASSOCIATION

Baton Rouge, Louisiana

June 30, 1997

NOTE 4 - LONG-TERM DEBT

The Association had long-term debt of \$130,631 at June 30, 1997. The note is payable in monthly installments of \$1,485, including interest at 8.17%, secured by building and land, and maturing January 2018.

Maturities of long-term debt are as follows:

<u>June 30,</u>	<u>Amount</u>
1998	6,461
1999	7,088
2000	7,684
2001	8,248
2002	8,942
2003 and thereafter	<u>82,135</u>
	<u>\$ 130,631</u>

NOTE 5 - SUPPLEMENTAL CASH FLOW INFORMATION

Cash payments during the year ended June 30, 1997, for interest was \$30,045.

NOTE 6 - LEASE COMMITMENT

The Association leases office space in Toronto under a non-cancelable operating lease with a one year term. The future minimum rentals under the lease are \$3,900 for the year ended June 30, 1998.

NOTE 2 - PROPERTY

A summary of property and equipment, accumulated depreciation and related service lives as of June 30, 1997, are as follows:

	<u>Estimated Service Lives</u>	<u>Amount</u>
Building and land	40 years	\$ 299,687
Equipment	5 - 10 years	49,311
Furniture and fixtures	5 - 10 years	<u>13,622</u>
		462,620
Less accumulated depreciation		<u>(138,811)</u>
		<u>\$ 323,809</u>

Depreciation expense was \$13,413 for the year ended June 30, 1997.

NOTE 3 - INVESTMENTS

Investments as of June 30, 1997, are summarized as follows:

	<u>Cost</u>	<u>Market Value</u>	<u>Carrying Value</u>
Unrestricted			
Equity securities	\$ 268,908	\$ 285,789	\$ 285,789
Certificates of deposit	<u>73,000</u>	<u>74,321</u>	<u>74,321</u>
Total unrestricted	<u>\$ 341,908</u>	<u>\$ 360,110</u>	<u>\$ 360,110</u>
Permanently restricted			
Fixed income	\$ 179,091	\$ 179,928	\$ 179,928
Equity securities	112,384	150,344	150,344
Bacon Rouge Area Foundation	<u>52,385</u>	<u>68,895</u>	<u>68,895</u>
	<u>\$ 344,040</u>	<u>\$ 400,121</u>	<u>\$ 400,121</u>

The following schedule summarizes the investment income and its classification in the statement of activities for the year ended June 30, 1997:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 27,942	\$ 17,250	\$ 45,192
Realized gains, net	-	21,800	21,800
Unrealized gains	<u>16,302</u>	<u>38,555</u>	<u>54,857</u>
Total investment income	<u>\$ 44,244</u>	<u>\$ 77,605</u>	<u>\$ 121,849</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

The Association considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be "cash equivalents." Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Accounts receivable

Uncollectible amounts due for support, concert and advertising receivables are recognized as bad debts through the use of an allowance account and directly charged off at the time information becomes available which would indicate that the particular receivable is not collectible.

Interfund borrowings

Interfund borrowings are eliminated for financial reporting purposes. During the years ended June 30, 1997 and 1996, the Endowment Fund loaned the Association's operating fund \$27,488 and \$13,247, respectively. These balances are not reflected in these statements.

Equipment

Depreciation of equipment is computed using the straight-line and accelerated methods over the estimated useful lives of the assets.

Investments

Investments, other than time certificates of deposit, have been recorded at market value, with the amount of unrealized gain or loss recorded in the statement of activities.

Time certificates of deposit are recorded at lower of cost or market value, with the amount of unrealized loss recorded as a contra-asset account.

Income taxes

The Association is a non-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain amounts in the 1996 financial statements have been reclassified to conform with the 1997 financial statement presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give (Continued)

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grant revenue recognition

Grants which represent exchange transactions are recorded as a receivable when the grant is formally committed. Grants committed at year end which are applicable to the subsequent fiscal period are included in grants receivable and deferred income.

Grants which represent contributed support are recognized in the same manner as promises to give.

Contributed Services

During the year ended June 30, 1997, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Restricted and designated net assets

The management of the Association has elected to designate as unrestricted net assets cash and certificates of deposit relating to the Louisiana Symphony League.

All temporarily restricted net assets are contributions which are designated for future periods. When the time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In October, 1980, the Association established an endowment trust to be funded by contributions. Income earned on investments can be used by the Association, but the principal must remain intact. The endowment trust has been classified as permanently restricted net assets.

LOUISIANA SYMPHONY ASSOCIATION

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Nature of activities**

The Louisiana Symphony Association (Association) was founded in 1947 to provide a symphony orchestra with a regional and national profile, and to provide educational and cultural enrichment for the people of greater Baton Rouge and the State of Louisiana.

Basis of presentation

The financial statements of the Association have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements.

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 Association is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The statement of activities presents expenses of the Association's operations functionally between program services, and development, marketing, general and administrative.

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. Estimates are used primarily when accounting for the allowance for decline in market value, depreciation, and deferred revenue.

Provision to Give

The Association follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

LOUISIANA SYMPHONY ASSOCIATION

Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended June 30, 1997
(With comparative amounts for 1996)

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (80,527)	\$ (97,412)
Adjustments to change in net assets:		
Depreciation	13,414	16,371
Unrealized gain on investments	(96,787)	(5,657)
Realized gain on investments	(21,838)	-
Change in operating assets and liabilities:		
Receivables	(5,314)	(15,157)
Prepaid expenses	(10,878)	(19,587)
Accounts payable	15,732	4,126
Accrued expenses and other liabilities	528	(7,288)
Deferred revenues	26,725	26,149
Net cash used by operating activities	<u>(88,207)</u>	<u>(68,790)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in fixed assets	(8,215)	(14,182)
Decrease (increase) in investments	87,838	(96,182)
Increase in permanently restricted net assets	<u>(1,867)</u>	<u>(35,898)</u>
Net cash provided (used) by investing activities	<u>77,856</u>	<u>(146,262)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	<u>(1,838)</u>	<u>15,816)</u>
Net decrease in cash and cash equivalents	<u>(21,211)</u>	<u>(217,234)</u>
CASH/CASH OVERDRAFT		
Beginning of year	<u>21,162</u>	<u>249,186</u>
End of year	<u>\$ (4,195)</u>	<u>\$ 75,162</u>

The accompanying notes to financial statements
are an integral part of this statement.

LOUISIANA SYMPHONY ASSOCIATION

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended June 30, 1997
(with comparative amounts for 1996)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
	1997	1996	1997	1996	1997
SUPPORT, RECEIPTS, AND RECLASSIFICATION					
Classified					
Government	\$ 783,178	\$ -	\$ -	\$ 783,178	\$ 783,178
Private	64,060	-	-	64,060	64,060
Investment income	503,200	181,411	-	712,814	471,971
Other	44,144	-	58,715	105,878	65,902
See assets released from restrictions	123,142	-	1,800	116,444	117,200
	<u>1,298,114</u>	<u>171,411</u>	<u>60,515</u>	<u>1,449,040</u>	<u>1,365,130</u>
Total support, revenue and/or classification					
	1,298,114	-	-	1,298,114	1,112,117
EXPENSES					
Program	621,663	-	2,261	621,382	641,532
Development, marketing, and general and administrative					
	1,218,441	-	2,261	1,220,702	1,311,664
Total expenses					
	<u>(1,218,504)</u>	<u>0</u>	<u>(4,522)</u>	<u>(1,223,026)</u>	<u>(171,552)</u>
Total change in net assets					
	<u>86,610</u>	<u>171,411</u>	<u>55,987</u>	<u>214,008</u>	<u>193,565</u>
NET ASSETS					
Beginning of year					
	<u>1,161,504</u>	<u>160,000</u>	<u>349,066</u>	<u>1,670,570</u>	<u>1,161,504</u>
End of year					
	<u>1,248,114</u>	<u>331,411</u>	<u>405,053</u>	<u>1,984,578</u>	<u>1,355,069</u>

The accompanying notes to financial statements are an integral part of this statement.

LOUISIANA SYMPHONY ASSOCIATION

EXHIBIT A

Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

June 30, 1987

(With comparative amounts for 1986)

	ASSETS	
	1987	1986
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 23,857
Investments	368,364	402,400
Receivables	100,480	87,167
Prepaid expenses	38,258	48,177
Total current assets	507,099	461,599
ENDOWMENT INVESTMENTS	488,073	715,808
PROPERTY AND EQUIPMENT - net	211,284	312,862
Total assets	\$ 1,206,456	\$ 1,489,969
	LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES		
Cash overdraft	\$ 4,529	\$ -
Current maturities of long-term debt	4,981	2,957
Accounts payable	27,030	21,188
Accrued expenses and other liabilities	1,094	3,080
Deferred revenues:		
Ticket sales	216,206	203,908
Grants	60,840	41,529
Dues	11,876	34,284
Other	3,250	1,680
Total current liabilities	340,306	311,877
LONG-TERM DEBT, less current maturities	128,128	350,644
Total liabilities	468,434	462,521
NET ASSETS		
Unrestricted:		
Operating	91,181	211,830
Board-designated - League	68,928	35,878
Total unrestricted	160,109	247,708
Temporarily restricted	181,404	150,886
Permanently restricted	421,298	369,196
Total net assets	762,811	767,790
Total liabilities and net assets	\$ 1,231,245	\$ 1,230,311

The accompanying notes to financial statements
are an integral part of this statement.



INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Symphony Association
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of the **LOUISIANA SYMPHONY ASSOCIATION** as of June 30, 1997, and the related statement of activities and cash flows for the year 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 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 **LOUISIANA SYMPHONY ASSOCIATION** as of June 30, 1997 and the changes in its net assets and cash flows for the year then ended, in conformity with generally accepted accounting principles.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 1996, from which the summarized information was derived.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 1997, on our consideration of the **LOUISIANA SYMPHONY ASSOCIATION'S** internal control structure and on its compliance with laws and regulations.

Faulk Winkler, U.C.
Certified Public Accountants

Baton Rouge, Louisiana
November 13, 1997

LOUISIANA SYMPHONY ASSOCIATION

Baton Rouge, Louisiana

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June 30, 1997

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LOUISIANA SYMPHONY ASSOCIATION
Baton Rouge, Louisiana
FINANCIAL REPORT

June 30, 1967

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