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NEW ORLEANS OPERA ASSOCIATION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1999 AND 1998

Under provisions of state law, this report is a public document. A copy of the report is on file with the entity and office of the 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 10/13/99

NEW ORLEANS OPERA ASSOCIATION

JUNE 30, 1999 AND 1998

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Bain, Freibaum, Sagona & Co., L.L.P.
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the President and Board of Directors
New Orleans Opera Association
New Orleans, Louisiana

We have audited the accompanying statements of financial position of the New Orleans Opera Association (a non-profit organization) as of June 30, 1999 and June 30, 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.

As more fully described in Note B to the financial statements, the Association has not reported a contribution and expense for the use of certain facilities donated to the Association. In addition and as further discussed in Note B we were unable to satisfy ourselves concerning the basis at which certain real estate is recorded in the financial statements.

In our opinion, except for the effects of accounting for the use of certain facilities donated to the Association and for the effects of accounting, if any, that might have been required had we been able to determine the basis of certain real estate as discussed in the preceding paragraph and in Note B, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the New Orleans Opera Association as of June 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.

Bain, Freibaum, Sagona & Co.
Certified Public Accountants
July 29, 1999

NEW ORLEANS OPERA ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 742,964	\$ 980,316
Accounts receivable	11,000	133,208
Prepaid expenses	15,611	15,223
Property and equipment, net of accumulated depreciation	564,119	644,059
Deposits	<u>1,012</u>	<u>6,012</u>
TOTAL ASSETS	<u>\$1,334,706</u>	<u>\$1,778,818</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Notes payable	\$ -	\$ 19,000
Accounts payable and accrued expenses	10,840	116,410
Deferred income	<u>577,239</u>	<u>626,460</u>
TOTAL LIABILITIES	<u>588,079</u>	<u>761,870</u>
COMMITMENTS	-	-
NET ASSETS:		
Unrestricted	728,871	660,844
Temporarily restricted	<u>17,756</u>	<u>356,104</u>
TOTAL NET ASSETS	<u>746,627</u>	<u>1,016,948</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,334,706</u>	<u>\$1,778,818</u>

See notes to financial statements

NEW ORLEANS OPERA ASSOCIATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 1999 AND 1998

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>1999 Total</u>	<u>1998 Total</u>
REVENUES AND SUPPORT:				
Revenues:				
Season subscriptions	\$ 624,120	\$ -	\$ 624,120	\$ 636,199
Box office sales	124,884	-	124,884	130,453
MetroPelican and student matinee sales	15,790	-	15,790	23,902
Scenery rental, net of load costs	186,914	-	186,914	189,046
Interest earned	23,113	-	23,113	17,929
Miscellaneous income	924	-	924	40
TOTAL REVENUES	<u>975,745</u>	<u>-</u>	<u>975,745</u>	<u>997,569</u>
Support:				
Campaign Fund:				
Foundations	112,500	-	112,500	149,200
Corporations	88,775	-	88,775	59,918
Mastersigners	71,739	-	71,739	184,048
Individuals	67,729	-	67,729	359,642
Other	14,733	-	14,733	-
New Orleans Opera Endowment Fund	275,000	-	275,000	204,848
State of Louisiana Grants	49,825	-	49,825	14,450
Arts Council of New Orleans Grant	4,625	-	4,625	18,375
Committee revenues:				
Opera Ball	200,288	-	200,288	236,179
Women's Guild	122,545	-	122,545	153,315
Junior Committee	29,821	-	29,821	43,576
Men's Club	25,748	-	25,748	49,829
TOTAL SUPPORT	<u>1,063,328</u>	<u>-</u>	<u>1,063,328</u>	<u>1,473,380</u>
Net assets released from restrictions	<u>338,348</u>	<u>(338,348)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>\$2,377,421</u>	<u>\$(338,348)</u>	<u>\$2,039,073</u>	<u>\$2,470,949</u>

(Continued)

See notes to financial statements

NEW ORLEANS OPERA ASSOCIATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 1999 AND 1998

(Continued)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>1999 Total</u>	<u>1998 Total</u>
EXPENSES:				
Opera costs	\$1,335,744	\$ -	\$1,335,744	\$1,386,594
MetroPelican and student matinee	28,734	-	28,734	31,935
Studio salaries and expenses	208,884	-	208,884	166,304
Depreciation	85,439	-	85,439	100,499
General and administrative	399,414	-	399,414	313,914
Development	65,259	-	65,259	60,212
Marketing	40,635	-	40,635	88,066
Committee expenses:				
Opera Ball	43,390	-	43,390	136,827
Women's Guild	70,352	-	70,352	64,238
Junior Committee	10,710	-	10,710	5,965
Men's Club	<u>20,833</u>	<u>-</u>	<u>20,833</u>	<u>21,491</u>
TOTAL EXPENSES	<u>2,309,394</u>	<u>-</u>	<u>2,309,394</u>	<u>2,376,045</u>
INCREASE (DECREASE) IN NET ASSETS	68,027	(338,348)	(270,321)	94,904
NET ASSETS AT BEGINNING OF YEAR	<u>660,844</u>	<u>356,104</u>	<u>1,016,948</u>	<u>922,044</u>
NET ASSETS AT END OF YEAR	<u>\$ 728,871</u>	<u>\$ 17,756</u>	<u>\$ 746,627</u>	<u>\$1,016,948</u>

See notes to financial statements

NEW ORLEANS OPERA ASSOCIATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$ (270,321)	\$ 94,904
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operations:		
Depreciation	85,439	100,499
Change in operating assets and liabilities:		
Accounts receivable	122,208	(126,957)
Prepaid expenses	(388)	14,860
Deposits	5,000	(5,000)
Accounts payable and accrued expenses	(105,570)	89,392
Deferred income	<u>(49,220)</u>	<u>38,937</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(212,852)</u>	<u>206,635</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(5,500)</u>	<u>(118,886)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(5,500)</u>	<u>(118,886)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	<u>(19,000)</u>	<u>(10,250)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(19,000)</u>	<u>(10,250)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(237,352)	77,499
CASH AND CASH EQUIVALENTS - BEGINNING	<u>980,316</u>	<u>902,817</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 742,964</u>	<u>\$ 980,316</u>

See notes to financial statements

NEW ORLEANS OPERA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

A. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The New Orleans Opera Association (the Association), was chartered in 1943 to own, control, engage, employ, manage and direct a company of artists to give performances in order to encourage and foster the love, study and performance of music and dancing and to do any and all things to promote and develop New Orleans as a recognized music, dancing, dramatic and opera center.

In carrying out its charter, the Association provides the Community with four operas of two performances each during the opera season (generally October through March). Additionally, in conjunction with various grants and other sponsors, student performances are held each year both at the Theater of Performing Arts and the schools themselves. In order to support the services provided, the Association seeks contributions from the community as well as from ticket sales of opera performances. The Association also maintains a scenic studio for the building and maintenance of opera sets for its own use and as rentals to other opera companies.

Standing Committees

In order to facilitate the Association's objectives, standing committees were formed which operate under the Association's Charter to promote and provide additional resources for the Association. These committees are legally a part of the Association, operate under the Association's Charter and are subject to control by the Association's management. Accordingly, the accompanying financial statements include the accounts of the Women's Guild, the Junior Committee of the Women's Guild and the Men's Opera Club.

Revenue Recognition

Donated materials and equipment are recorded as contributions at their estimated values at date of receipt. Donated services have not been reflected in the financial statements since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donate significant amounts of their time in the Association's program and supporting services.

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. Accordingly, actual results could differ from those estimates.

(Continued)

NEW ORLEANS OPERA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

(Continued)

A. **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** -
(Continued)

Property and Equipment

Property and equipment are valued at cost less accumulated depreciation. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed utilizing the straight-line method over the assets' estimated useful lives (3 to 20 years). Expenditures for maintenance, repairs and minor renewals are charged against earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Income Taxes

The New Orleans Opera Association, a non-profit organization operating under section 501(c)(3) of the Internal Revenue Code, is generally exempt from federal and state income taxes and accordingly, no provision for income taxes is included in the financial statements.

Advertising

The Association follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$15,733 and \$31,675 for the years ended June 30, 1999 and 1998, respectively.

Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid debt instruments, including the certificates of deposit, to be cash equivalents.

Restatement and Reclassification

Certain amounts in the 1998 financial statements have been reclassified to conform with 1999 financial statement presentation.

B. **DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

The Association occupies office space for which it does not pay fair rental value. Under generally accepted accounting principles the fair rental value should be reported as contributed support and as an expense for the period in which the premises are used. The fair rental value has not been determined and is not reported in the accompanying financial statements.

(Continued)

NEW ORLEANS OPERA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

(Continued)

B. DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – (Continued)

In addition, certain improvements were made to the space in excess of the allowance granted by the landlord. These additional costs were expended by the landlord in the summer of 1996, but have not yet been billed to the Association. Management believes the landlord may donate these additional improvements to the Association. Therefore, the estimated fair rental has not been determined and the contribution of the use of the facilities has not been reported as support and expense in the accompanying financial statements nor has any liability been recognized by the Association for the additional improvements that is expected to be absorbed by the landlord.

The Women's Guild of the New Orleans Opera Association recognizes revenue from the rental of a certain house located in New Orleans. The Women's Guild also uses this facility for various other functions. This house along with the land and contents were donated in 1966 and recognized in the financial statements with an estimated original basis of \$150,000 less accumulated depreciation of \$120,000 resulting in a net book value of \$30,000. The original basis of this real estate and contents should be equal to their fair value at time of donation. No appraisals or other information is available to confirm this estimated value.

C. RESTRICTIONS ON NET ASSETS

During 1998, the Association received a \$50,000 donation in which the donor stipulated that the funds be used to underwrite the cost of conductor fees. This restriction is considered to expire with the payment of conductor fees included in the direct cost of operas. Conductor fees amounted to \$33,500 in 1999.

During 1998, the Association received a \$100,000 donation and a \$204,848 donation to purchase a certain piece of land for the further construction of a rehearsal hall. The Association intended to use the funds for this purpose and the restriction was to expire when such construction was completed. During 1999, the Association decided against the purchase of the land and received permission from both donors to use these funds for general purposes.

Temporarily restricted net assets are available for the following purposes:

	<u>1999</u>	<u>1998</u>
Payment of conductors fees	\$17,756	\$ 51,256
Purchase of land for rehearsal hall	—	<u>304,848</u>
	<u>\$17,756</u>	<u>\$356,104</u>

(Continued)

NEW ORLEANS OPERA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

(Continued)

D. CASH AND CASH EQUIVALENTS

At June 30, 1999 and 1998, the Association's cash and cash equivalents are as follows:

	<u>1999</u>	<u>1998</u>
Cash	\$725,964	\$941,316
Certificate of deposit	<u>17,000</u>	<u>39,000</u>
	<u>\$742,964</u>	<u>\$980,316</u>

E. PREPAID EXPENSES

Prepaid expenses consist of the following:

	<u>1999</u>	<u>1998</u>
Prepaid opera costs	\$15,611	\$ 6,223
Other	<u>-</u>	<u>9,000</u>
	<u>\$15,611</u>	<u>\$15,223</u>

F. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 1999 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>	<u>Estimated Useful Life</u>
Land	\$ 166,690	\$ -	\$166,690	N/A
Building	638,751	493,966	144,785	20 Years
Furniture and fixtures	97,959	81,343	16,616	5-20 Years
Production equipment	42,179	37,176	5,003	3-20 Years
Scenery	959,999	756,515	203,484	4-10 Years
Studio equipment	63,225	57,954	5,271	5-10 Years
Automobiles and trucks	55,705	43,581	12,124	3-10 Years
Leasehold improvements	5,505	359	5,146	20 Years
Apartments	<u>5,000</u>	<u>-</u>	<u>5,000</u>	39 Years
TOTAL	<u>\$2,035,013</u>	<u>\$1,470,894</u>	<u>\$564,119</u>	

(Continued)

NEW ORLEANS OPERA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

(Continued)

F. PROPERTY AND EQUIPMENT – (Continued)

A summary of property and equipment at June 30, 1998 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>	<u>Estimated Useful Life</u>
Land	\$ 166,690	\$ -	\$166,690	N/A
Building	638,751	466,982	171,769	20 Years
Furniture and fixtures	97,959	74,639	23,320	5-20 Years
Production equipment	42,179	34,780	7,399	3-20 Years
Scenery	959,498	710,829	248,669	4-10 Years
Studio equipment	63,225	56,099	7,126	5-10 Years
Automobiles and trucks	55,705	41,906	13,799	3-10 Years
Leasehold improvements	<u>5,505</u>	<u>218</u>	<u>5,287</u>	20 Years
TOTAL	<u>\$2,029,512</u>	<u>\$1,385,453</u>	<u>\$644,059</u>	

G. NOTES PAYABLE

Notes payable consist of the following:

	<u>1999</u>	<u>1998</u>
Note payable to Wisner Foundation, secured by future rentals of FLYING DUTCHMAN scenery, non-interest bearing	\$ _____ -	<u>\$19,000</u>
	<u>\$ _____ -</u>	<u>\$19,000</u>

H. DEFERRED INCOME

Deferred income consists primarily of the ticket sales for the upcoming opera season and advance deposits on future scenery rentals.

(Continued)

NEW ORLEANS OPERA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

(Continued)

I. **COMMITMENTS**

The Association, in connection with its long-term planning for future seasons, has obtained contracts with various artists for the next two seasons. The contracts are non-cancelable and are fixed as to the artists compensation. Most contracts also provide for round-trip airfare for the artists. At June 30, 1999, future obligations under these contracts are as follows:

Year Ended	
<u>June 30,</u>	
1999	\$232,500
2000	<u>75,000</u>
TOTAL	<u>\$307,500</u>

The above amounts do not reflect the cost of round-trip airfares for the artists since no objective determination of the cost can be made on a prospective basis. Airfare costs incurred for the year ended June 30, 1999 were approximately \$35,000.

J. **CONTINGENCIES**

Grants and bequests require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill these conditions could result in the return of the funds to grantors. Although this is a possibility, the Board deems the contingency remote, since by accepting the gifts and their terms, it has accommodated the objectives of the organization to the provisions of the gifts.

K. **CONCENTRATION OF CREDIT RISK**

The Association maintains its cash in secured deposit accounts at various banks located in New Orleans, Louisiana and in a money market deposit account with a national securities broker. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation and the Securities Investors Corporation, respectively, up to \$100,000. The uninsured balance is approximately \$106,009 at June 30, 1999.

(Continued)

NEW ORLEANS OPERA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

(Continued)

L. LITIGATION

In 1998 the Association entered into an employment contract with an individual to serve as its General Director. The term of the contract was for five years with an annual salary of \$72,000. Subsequently, the Association and this individual severed their relationship.

The individual has filed suit alleging breach of his employment contract and has made a demand upon the Association for payment of \$220,000. The Association believes the suit is without merit based on its position that the individual violated his employment contract and was terminated for just cause under the terms of that contract.

Attorneys for the Association have advised there is insufficient information at this time to evaluate the likelihood of an unfavorable outcome of this matter. Accordingly, no provision for loss has been provided in the accompanying financial statements.



Bain, Freibaum, Sagona & Co., L.L.P.
Certified Public Accountants and Consultants

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NEW ORLEANS OPERA ASSOCIATION

AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following information on pages 14 through 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bain, Freibaum, Sagona & Co.

Certified Public Accountants
July 29, 1999

NEW ORLEANS OPERA ASSOCIATION
STATEMENT OF TICKET SALES AND COST OF OPERAS
FOR THE YEAR ENDED JUNE 30, 1999

TICKET SALES:	Average per Opera	Total	Samson and Delila	Barber of Seville	The Flying Dutchman	Aida
Season subscriptions	\$ 156,030	\$ 624,120	\$ 156,030	\$ 156,030	\$ 156,030	\$ 156,030
Box office sales	31,221	124,884	13,384	27,298	19,362	64,840
TOTAL TICKET SALES	<u>187,251</u>	<u>749,004</u>	<u>169,414</u>	<u>183,328</u>	<u>175,392</u>	<u>220,870</u>
COST OF OPERAS:						
Artists	47,879	191,515	40,515	47,950	39,350	63,700
Artists' housing and travel	9,132	36,528	12,940	4,947	4,743	13,898
Ballet	6,438	25,750	12,650	0	0	13,100
Chorus	31,625	126,501	31,814	7,509	29,230	57,948
Conductors	8,375	33,500	8,000	7,250	8,750	9,500
Costumes	17,172	68,688	22,108	10,754	14,529	21,297
Insurance	4,818	19,272	4,818	4,818	4,818	4,818
Janitorial	1,550	6,200	1,500	1,700	1,500	1,500
Lighting-design and equipment	10,838	43,352	9,782	7,560	13,257	12,753
Make-up & wigs	6,290	25,158	6,361	5,047	4,700	9,050
Musical instrument rental and arrangements	2,317	9,267	1,841	2,994	2,291	2,141
Parking	4,743	18,970	4,000	5,475	4,000	5,495
Photography	1,015	4,061	1,131	1,141	870	919
Production costs	2,154	8,616	1,948	1,706	3,675	1,287
Props	2,701	10,805	952	3,244	105	6,504
Orchestra	51,236	204,944	52,415	48,465	49,135	54,929
Scenery	2,834	11,336	2,987	1,727	2,533	4,089
Stage directors	6,000	24,000	6,000	6,000	6,000	6,000
Stage managers	4,175	16,700	3,000	3,625	3,625	6,450
Stage hands	62,753	251,012	57,511	49,599	70,296	73,606
Supertitles	3,679	14,717	4,560	2,809	3,071	4,277
Taxes-payroll	7,772	31,089	7,738	4,662	7,947	10,742
Threatre and rehearsal	17,473	69,890	16,420	17,515	17,795	18,160
Payroll-other	1,800	7,200	2,400	2,400	2,400	0
Wardrobe-salaries	13,047	52,188	13,507	5,713	8,492	24,476
Security	3,635	14,540	3,755	2,885	3,545	4,355
Other	2,486	9,945	3,116	1,172	1,417	4,240
TOTAL COST OF OPERAS	<u>333,937</u>	<u>1,335,744</u>	<u>333,769</u>	<u>258,667</u>	<u>308,074</u>	<u>435,234</u>
COST OF OPERAS IN EXCESS OF TICKET SALES	(146,686)	(586,740)	(164,355)	(75,339)	(132,682)	(214,364)
GENERAL AND ADMINISTRATIVE EXPENSES	(99,854)	(399,414)	(99,853)	(99,854)	(99,853)	(99,854)
COST OF OPERAS AND ADMINISTRATIVE EXPENSES IN EXCESS OF TICKET SALES	<u>\$ (246,540)</u>	<u>\$ (986,154)</u>	<u>\$ (264,208)</u>	<u>\$ (175,193)</u>	<u>\$ (232,535)</u>	<u>\$ (314,218)</u>

NEW ORLEANS OPERA ASSOCIATION

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Bank charges	\$ 18,225	\$ 13,961
Business entertainment	2,789	-
Computer expense	18,776	26,938
Dues and subscriptions	8,563	3,213
Insurance	44,446	24,570
Miscellaneous	12,368	7,793
Office expense	15,759	20,667
Parking	7,224	-
Postage	7,687	6,508
Printing and stationery	4,596	6,352
Professional fees	10,038	7,515
Salaries	204,867	156,994
Taxes – payroll	27,996	23,987
Telephone	12,902	8,852
Travel	<u>3,178</u>	<u>6,564</u>
TOTAL	<u>\$399,414</u>	<u>\$313,914</u>

NEW ORLEANS OPERA ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

	<u>N.O. OPERA ASSOCIATION</u>	<u>WOMEN'S GUILD</u>	<u>JUNIOR COMMITTEE</u>	<u>MEN'S CLUB</u>	<u>ADJUSTMENTS/ ELIMINATIONS</u>	<u>COMBINED</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 473,597	\$ 204,882	\$ 57,197	\$ 7,288	\$ -	\$ 742,964
Accounts receivable	123,000				(112,000)	11,000
Prepaid expenses	15,611					15,611
Property and equipment, net of accumulated depreciation	534,119				30,000	564,119
Deposits	<u>1,012</u>					<u>1,012</u>
TOTAL ASSETS	<u>\$ 1,147,339</u>	<u>\$ 204,882</u>	<u>\$ 57,197</u>	<u>\$ 7,288</u>	<u>\$ (82,000)</u>	<u>\$ 1,334,706</u>
<u>LIABILITIES AND NET ASSETS</u>						
LIABILITIES:						
Notes payable	\$ -					\$ 0
Accounts payable and accrued expenses	10,840	72,000	40,000		(112,000)	10,840
Deferred income	<u>577,239</u>					<u>577,239</u>
TOTAL LIABILITIES	<u>588,079</u>	<u>72,000</u>	<u>40,000</u>	<u>0</u>	<u>(112,000)</u>	<u>588,079</u>
NET ASSETS:						
Unrestricted	541,504	132,882	17,197	7,288	30,000	728,871
Temporarily restricted	<u>17,756</u>					<u>17,756</u>
TOTAL NET ASSETS	<u>559,260</u>	<u>132,882</u>	<u>17,197</u>	<u>7,288</u>	<u>30,000</u>	<u>746,627</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,147,339</u>	<u>\$ 204,882</u>	<u>\$ 57,197</u>	<u>\$ 7,288</u>	<u>\$ (82,000)</u>	<u>\$ 1,334,706</u>

NEW ORLEANS OPERA ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
JUNE 30, 1999

	<u>N.O. OPERA ASSOCIATION</u>	<u>WOMEN'S GUILD</u>	<u>JUNIOR COMMITTEE</u>	<u>MEN'S CLUB</u>	<u>ADJUSTMENTS/ ELIMINATIONS</u>	<u>COMBINED</u>
REVENUES AND SUPPORT	\$ 1,830,242	\$ 222,689	\$ 129,965	\$ 25,748	\$ (169,571)	\$ 2,039,073
EXPENSES	<u>2,164,109</u>	<u>131,977</u>	<u>145,046</u>	<u>37,833</u>	<u>(169,571)</u>	<u>2,309,394</u>
INCREASE (DECREASE) IN NET ASSETS	(333,867)	90,712	(15,081)	(12,085)	-	(270,321)
NET ASSETS AT BEGINNING OF YEAR	<u>893,127</u>	<u>42,170</u>	<u>32,278</u>	<u>19,373</u>	<u>30,000</u>	<u>1,016,948</u>
NET ASSETS AT END OF YEAR	<u>\$ 559,260</u>	<u>\$ 132,882</u>	<u>\$ 17,197</u>	<u>\$ 7,288</u>	<u>\$ 30,000</u>	<u>\$ 746,627</u>

NEW ORLEANS OPERA ASSOCIATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 1999

We have audited the financial statements of the New Orleans Opera Association as of and for the year ended June 30, 1999, and have issued our report thereon dated July 29, 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. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ___ Yes X No Reportable Conditions ___ Yes X No

Compliance

Compliance Issues Material to Financial Statements ___ Yes X No

- b. Federal Awards - None
c. Identification of Major Programs - None

Section II Financial Statement Findings - No matters were reported.

Section III Federal Award Findings and Questioned Costs - None



Bain, Freibaum, Sagona & Co., L.L.P.
Certified Public Accountants and Consultants

Gus Freibaum, Jr., CPA*
Elliott M. Bain, CPA*
Nick O. Sagona, Jr., CPA*
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MEMBER
American Institute of CPAs
Society of Louisiana CPAs
Accounting Group International
(Associates in Principal Cities Worldwide)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the President and Board of Directors
New Orleans Opera Association
New Orleans, Louisiana

We have audited the general-purpose financial statements of the New Orleans Opera Association as of and for the year ended June 30, 1999, and have issued our report thereon dated July 29, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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 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 reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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.

To The President and Board of Directors
New Orleans Opera Association

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

Bain, Treibbaum, Segona & Co.

Certified Public Accountants

July 29, 1999