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MONROE SYMPHONY LEAGUE
FINANCIAL STATEMENTS
JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 10/30/02

**MONROE SYMPHONY LEAGUE
JUNE 30, 2002**

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**To the Board of Directors
Monroe Symphony League
Monroe, Louisiana**

We have compiled the accompanying balance sheet of the Monroe Symphony League (the League) as of June 30, 2002, and the related statements of activities and changes in net assets and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, we did become aware of departures from generally accepted accounting principles that are described in the following paragraph.

As discussed in Note 2 to the financial statements, generally accepted accounting principles require that long-lived property and equipment be capitalized and depreciated over their estimated useful lives. The League has not capitalized the cost of certain furnishings. They have also not recorded any depreciation on property, plant and equipment. The effects of these departures from generally accepted accounting principles on the financial position, results of operations, and cash flow of the League has not been determined.

(A Professional Accounting Corporation)

August 19, 2002

MONROE SYMPHONY LEAGUE
BALANCE SHEET
JUNE 30, 2002

ASSETS

Cash	\$ 30,499
Property, Plant, and Equipment (Note 2)	<u>168,300</u>
TOTAL ASSETS	<u>\$ 198,799</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ -
Unrestricted Net Assets	<u>198,799</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 198,799</u>

See accompanying notes and accountant's report

MONROE SYMPHONY LEAGUE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2002

REVENUE AND SUPPORT

Book Sales	\$ 36,482
Memberships	1,315
Donations	95
Competition Fees	620
Grants	108,416
Interest	828
	147,756

TOTAL REVENUE AND SUPPORT

147,756

EXPENSES

Advertising	1,890
Donations	725
Dues	800
Insurance	1,368
Interest	2,109
Luncheons and Open House	428
Miscellaneous	2,497
Office Supplies	1,310
Telephone	506
Utilities	2,646
Youth and Young Adult Competition	18,082
	32,361

TOTAL EXPENSES

32,361

INCREASE IN NET ASSETS

115,395

Net Assets - Unrestricted - Beginning of Year

83,404

NET ASSETS - UNRESTRICTED - END OF YEAR

\$ 198,799

See accompanying notes and accountant's report

MONROE SYMPHONY LEAGUE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2002

Cash Flows Provided by Operating Activities:	
Change in net assets	\$ 115,395
Cash Flows Used by Investing Activities:	
Renovation of building	(83,300)
Cash Flows Used by Financing Activities:	
Payment on notes payable	<u>(37,006)</u>
Net Decrease in Cash	(4,911)
Cash - beginning of year	<u>35,410</u>
Cash - end of year	<u><u>\$ 30,499</u></u>

See accompanying notes and accountant's report

MONROE SYMPHONY LEAGUE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Note 1 – Nature of Organization

The Monroe Symphony League (the League) is a nonprofit organization founded in 1972. The mission of the League is to promote the cause of good music and music education and to enhance the activities of the Monroe Symphony Orchestra.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Presentation

The League presents its financial statements on the accrual basis of accounting and follows the requirement of Financial Accounting Standards No. 117, *Financial Statements for Not-For-Profit Organizations*. Under FASB Statement No. 117, the League 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. At June 30, 2002, the League did not have any assets that were temporarily or permanently restricted.

B. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the League considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

C. Property and Equipment

Generally accepted accounting principles require that property and equipment be recorded at cost for assets purchased and at fair market value for those that are donated. The League has chosen to record the cost of its building and the improvements made to it, but has not recorded the cost of the furnishings as required by generally accepted accounting principles. For the year ended June 30, 2002, the League has not recorded depreciation on any of its fixed assets.

D. Income Taxes

The League qualifies as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code and is not subject to federal income taxes.

MONROE SYMPHONY LEAGUE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Note 3 - State Grants

The League received an allocation from the State of Louisiana under the 2000-2001 Capital Outlay Act. The purpose of these funds is to provide for the planning and renovation cost of the building housing the League's book fairs.

The amount of the grant for 2002 was \$83,300, and has been included in the Statement of Activities as support.

The League also received a grant from the State of Louisiana, Office of Cultural Development, Division of the Arts to help defray the cost of a competition and concert for the youth and young musicians in Louisiana. This grant in the amount of \$18,000 for the year 2002 is included in the Statement of Activities.

SUPPLEMENTARY INFORMATION

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**To The Board of Directors
Monroe Symphony League
Monroe, Louisiana**

We have performed the procedures enumerated below, which were agreed to by the management of the Monroe Symphony League, solely to assist certain regulators and grantors (the specified users) in evaluating management's assertions about the Monroe Symphony League's compliance with certain provisions of laws, regulations, contracts and grants during the year ended June 30, 2002, embodied in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state, and local award expenditures for the fiscal year, by grant and grant year.

The Monroe Symphony League's state and local awards expenditures for the fiscal year follows -- (No Federal awards were received):

<u>State and Local Grant Name</u>	<u>Grant Year</u>	<u>Amount</u>
Monroe Symphony League Phase III Renovation, Planning, and Construction	2000 - 2001	\$ 83,300
Through-The-Arts	2002	18,000
Organizational Support	2000-2001	1,972
Organizational Support	2001-2002	<u>5,144</u>
Total Expenditures		<u>\$ 108,416</u>

**Monroe Symphony League
Monroe, Louisiana**

2. For each state and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined the supporting documentation for each of the six selected disbursements in each state and local award and found that they were proper as to payee. The supporting documents for check nos. 1603, 1604, and 1609 did not indicate the amount paid. For all of the other disbursements, the supporting documentation agreed to the amount paid.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

Examination of the supporting documents indicated that all payments were coded to the proper fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from the proper authorities.

Inspection of the documentation supporting the six selected disbursements indicated that none of the invoices were approved for payment by the Board.

6. For the items selected in procedure 2: For state and local awards, we determined whether the disbursements complied with the provisions of the grant agreement, relating to:

Activities Allowed or Unallowed:

We reviewed the previously listed disbursements for types of service allowed or not allowed. All of the disbursements met the allowability requirements.

Eligibility:

We reviewed the previously listed disbursements for eligibility requirements. There were no payments made from the grants for which there were eligibility requirements.

**Monroe Symphony League
Monroe, Louisiana**

Reporting:

We reviewed the previously listed disbursements for reporting requirements. For the Capital Outlay Grant and the 2000-2001 Organizational Support Grant, we were able to trace the selected disbursements to the *Request for Advancement or Reimbursement Reports*. The disbursements selected for the 2001-2002 Organizational Support Grant could not be traced to the *Request for Advancement or Reimbursement Reports* since the grant only requires a final report to be filed.

7. For the programs selected for testing in item 2 that had been completed during the period under review, we compared the close out report, when required, with the entity's financial records to whether the amounts agree.

The six disbursements selected included one local grant that was closed out during the period of our review. We compared the close out report for this program with the entity's financial records. The amounts reported on the close out report agreed with the entity's financial records.

Comprehensive Budget

8. For grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies was/were provided a comprehensive budget of those grants that included the purpose, duration, and for state grants included specific goals and objectives and measures of performance.

The Monroe Symphony League provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

9. We reviewed any prior suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior comments and recommendations.

**Monroe Symphony League
Monroe, Louisiana**

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Monroe Symphony League and the specified users and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised statute 24:513, this report is distributed to the Louisiana Legislative Auditor as a public document.



(A Professional Accounting Corporation)

August 19, 2002

**MONROE SYMPHONY LEAGUE
SCHEDULE OF FINDINGS
JUNE 30, 2002**

Procedure No. 3

Finding:

We examined the supporting documentation for each of the six selected disbursements in each state and local award and found that they were proper as to payee. The supporting documents for check nos. 1603, 1604, and 1609 did not indicate the amount paid. For all of the other disbursements, the supporting documentation agreed to the amount paid.

Management's Corrective Action Plan:

For check nos. 1063, 1064, and 1069, the supporting documentation did not contain the amount paid. These checks were the payment to the Monroe Symphony and two of the young artists. The supporting documentation for these checks was the program for the concert and the bio's of the young artist. Beginning immediately Management will make sure that the minutes of the League will include the amount to be paid to the Symphony for the concert and what each young artist will be awarded.

Procedure No. 5

Finding:

Inspection of the documentation supporting the six selected disbursements indicated that none of the invoices were approved for payment by the Board.

Management's Corrective Action Plan:

Management will submit all invoices to either the President or the Board of Directors for their approval. The Treasurer will make sure the person approving the invoice has signed it, before its is paid.

**MONROE SYMPHONY LEAGUE
SUMMARY STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2002**

There were no prior year findings.

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by *Louisiana Governmental Audit Guide*.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

August 14, 2002 (Date Transmitted)

Luffey, Huffman, & Monroe, APAC

P. O. Box 4745

Monroe, Louisiana 71211-4745

(Auditors)

In connection with your compilation of our financial statements as of June 30, 2002 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No *WA*

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

<u>Kathryn J. Hutchinson</u>	Secretary	<u>Aug. 15, 2002</u>	Date
<u>Ann D. White</u>	Treasurer	<u>Aug. 15, 2002</u>	Date
<u>Norma J. Hillman</u>	President	<u>Aug. 15, 2002</u>	Date