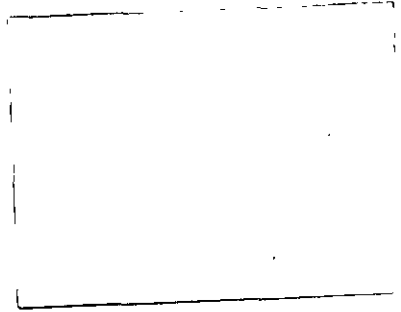


5773

RECEIVED
LEGISLATIVE AUDITOR
97 JUN 12 AM 9:25



**Shreveport Symphony, Inc.
Shreveport, Louisiana**

Financial Statements With Auditors' Report

**For the Year Ended June 30, 1996
With Supplemental Information Schedules**

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 JUN 25 1997

Shreveport Symphony, Inc.
Shreveport, Louisiana

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 15
Supplemental Information Schedules:	
Combining Schedule of Financial Position	16
Combining Schedule of Activities	17
Combining Schedule of Changes in Endowment Fund Balances	18
Schedule of Expenses For the Shreveport Symphony Operating Fund (Excluding Guild/Encore, Capital Campaign, Piano Competition, Youth Symphony and Endowment)	19
Federal Awards	
Report on Schedule of Federal Awards	20
Schedule of Federal Awards	21

(Continued)

Table of Contents
(Continued)

	<u>Page No.</u>
Reports in Accordance With Government Auditing Standards	
Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	23 - 24
Compliance Report Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	25
Reports in Accordance With OMB Circular A-133	
Single Audit Report on the Internal Control Structure Used in Administering Federal Awards	27 - 29
Single Audit Report on Compliance With the General Requirements Applicable to Federal Programs	30
Single Audit Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Program Transactions	31
Schedule of Findings and Questioned Costs	32

COOK & MOREHART

Certified Public Accountants

1215 ILAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TELEPHONE (318) 222-5415

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

RAYEBURN G. COOK, CPA
TRAVIS H. MOREHART, CPA

KAREN D. TYRA, CPA
VICKIE D. NOBLE, CPA
A. EDWARD BALL, CPA
CHERYL H. MANGRUM, CPA

Independent Auditors' Report

To the Board of Directors
Shreveport Symphony, Inc.
Shreveport, Louisiana

We have audited the accompanying statement of financial position of the Shreveport Symphony, Inc. as of June 30, 1996, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Shreveport Symphony, Inc.'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; Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations. 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 in the first paragraph present fairly, in all material respects, the financial position of the Shreveport Symphony, Inc., as of June 30, 1996, 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 April 24, 1997 and shown on pages 23 - 24 on our consideration of the Shreveport Symphony, Inc.'s internal control structure and a report dated April 24, 1997 and shown on page 25 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements of the Shreveport Symphony, Inc. taken as a whole. The accompanying supplemental information schedules listed in the table of contents, and shown on pages 16-19, are presented for the purpose of additional analysis and are not a required part of the financial statements. The information in those schedules has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Cook & Morehart", with a long horizontal line extending from the end of the signature.

Cook & Morehart
Certified Public Accountants
April 24, 1997

Shreveport Symphony, Inc.
 Shreveport, Louisiana
 Statement of Financial Position
 June 30, 1996

Assets

Current assets:	
Cash	\$ 70,820
Grants receivable	16,035
Accounts receivable	29,300
Unconditional promises to give	49,054
Due from other funds	316,564
Prepaid expenses	<u>4,178</u>
Total current assets	<u>485,951</u>
Investments held for endowment purposes	1,254,744
Long-term unconditional promises to give	24,712
Property and equipment	375,233
Accumulated depreciation	<u>(174,137)</u>
Net property and equipment	<u>201,096</u>
Total assets	<u>\$ 1,966,503</u>

Liabilities and Net Assets

Current liabilities:	
Notes payable	\$ 63,475
Current installments of long-term debt	749
Accounts payable and accrued expenses	76,988
Due to other funds	316,564
Deferred revenue	<u>203,242</u>
Total current liabilities	661,018
Long-term debt, less current portion	14,271
Total liabilities	<u>675,289</u>
Net Assets (deficit):	
Unrestricted:	
Operating	(453,249)
Fixed assets	186,076
Designated for endowment	<u>1,022,084</u>
Total unrestricted	<u>754,911</u>
Temporarily restricted	11,050
Permanently restricted	<u>525,253</u>
Total net assets	<u>1,291,214</u>
Total liabilities and fund balances	<u>\$ 1,966,503</u>

The accompanying notes are an integral part of these financial statements.

Shreveport Symphony, Inc.
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 1996

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and support:				
Ticket sales	\$ 256,164	\$ -	\$ -	\$ 256,164
Performance fees	116,220	-	-	116,220
Performance grants	140,800	-	-	140,800
Operating grants	62,000	-	-	62,000
Annual fund drive	222,973	-	-	222,973
Pit Krewe donation	6,000	-	-	6,000
Special events, net	146,709	-	-	146,709
Sponsorships	126,200	-	-	126,200
Encore sales, net of cost of sales	84,417	-	-	84,417
Advertising	60,263	-	-	60,263
Non-recurring donations	136,787	11,050	1,000	148,837
Investment income	86,198	-	-	86,198
Other	<u>30,867</u>	<u>-</u>	<u>-</u>	<u>30,867</u>
Total revenue and support	<u>1,475,598</u>	<u>11,050</u>	<u>1,000</u>	<u>1,487,648</u>
Expenses and losses:				
Concert production	354,855	-	-	354,855
Music administration	613,337	-	-	613,337
General and administrative	192,327	-	-	192,327
Marketing and public relations	144,502	-	-	144,502
Development and fund-raising	135,152	-	-	135,152
Youth symphony orchestra	6,912	-	-	6,912
Piano competition	29,190	-	-	29,190
Depreciation expense	<u>10,295</u>	<u>-</u>	<u>-</u>	<u>10,295</u>
Total expenses	1,486,570	-	-	1,486,570
Realized and unrealized losses on investments	<u>15,071</u>	<u>-</u>	<u>-</u>	<u>15,071</u>
Total expenses and losses	<u>1,501,641</u>	<u>-</u>	<u>-</u>	<u>1,501,641</u>
Change in net assets, before cumulative effect of a change in accounting principle	(26,043)	11,050	1,000	(13,993)
Cumulative effect of adopting new accounting principle	<u>(5,884)</u>	<u>-</u>	<u>-</u>	<u>(5,884)</u>
Change in net assets	(31,927)	11,050	1,000	(19,877)
Net assets, beginning of year	786,838	-	524,253	1,311,091
Net assets, end of year	<u>\$ 754,911</u>	<u>\$ 11,050</u>	<u>\$ 525,253</u>	<u>\$ 1,291,214</u>

The accompanying notes are an integral part of these financial statements.

Shreveport Symphony, Inc.
 Shreveport, Louisiana
 Statement of Cash Flows
 For the Year Ended June 30, 1996

Operating Activities	
Change in net assets	\$ (19,877)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,295
Net realized and unrealized losses on investments	20,955
(Increase) decrease in operating assets:	
Grant receivables	15,274
Accounts receivable	(16,005)
Unconditional promises to give	(73,766)
Prepaid expenses	11,557
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(65,517)
Deferred revenue	<u>17,819</u>
Net cash used in operating activities	(99,265)
 Investing Activities	
Proceeds from sale of investments	102,747
Purchase of investments	(91,590)
Retirement of property and equipment	<u>3,365</u>
Net cash provided from investing activities	14,522
 Financing Activities	
Debt borrowings	31,000
Reduction of debt	<u>(4,262)</u>
Net cash used in financing activities	26,738
 Net (decrease) in cash	<u>(58,005)</u>
 Cash, beginning of year	128,825
 Cash, end of year	<u><u>\$ 70,820</u></u>

The accompanying notes are an integral part of the financial statements.

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Shreveport Symphony, Inc. is a nonprofit organization and began operations in 1948. Its major sources of revenues are ticket sales, grants, and individual and corporate contributions. The Symphony's musicians are organized under a collective bargaining agreement between the Symphony and Local 116, American Federation of Musicians. The Symphony's stage hands are organized under a collective bargaining agreement between the Symphony and Local 298, International Alliance of Theatrical Stage Employees. The Symphony includes the following activities:

Symphony Operating Fund – Represents the portion of expendable funds that is available for support of operations.

Piano Competition – Represents the revenue and expenses for conducting the preliminaries and finals for the Nena Plant Wideman Piano Competition.

Guild/Encore – Represents the revenue and expenses from a combination of sources. The Guild operates fund raising projects and collects membership dues. The Encore operates three thrift shops that collect and sell merchandise on consignment for a commission.

Youth Symphony Orchestra – Represents the activities for conducting an orchestra for youth.

Capital Campaign – Represents a five year fund raising campaign that ended with the 95/96 season.

Endowment Fund – Represents funds that are subject to restrictions of gift instruments or the Board of Directors and require that principal be invested and income only be used.

B. Basis of Accounting

The financial statements of the Symphony have been prepared on the accrual basis of accounting.

C. Basis of 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.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

D. Use of 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 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.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Symphony considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Symphony had no cash equivalents during this audit period.

F. Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Property and Equipment

Property and equipment are recorded at cost. Donated assets are recorded at their fair market value at the date of the gift. Depreciation is recorded using the straight-line basis over the estimated useful lives of the fixed assets.

H. Investments

The Symphony carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment return is included as an increase in unrestricted net assets in the accompanying statement of activities since its use is unrestricted.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

I. Income Tax Status

The Symphony is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code.

J. Retirement Obligations

The employees of the Symphony are members of the Social Security System. There are no other retirement plans available through the Symphony.

K. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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.

L. Compensated Absences

Employees of the Symphony earn one week of vacation after one year of service and two weeks of vacation after two years of service. They are required to use the vacation time each year, or they lose it. Vacation time does not carry forward from one year to the next. There is no formal policy regarding sick leave, but no sick leave is allowed to be carried forward from one year to the next, and no sick leave is paid upon termination of employment.

(2) Change in Accounting Principles

The Symphony elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made, in 1996. 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. This adoption had no effect on the change in net assets for 1996.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

In 1996, the Symphony elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Symphony is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Symphony is required to present a Statement of Cash Flows. The Symphony has, accordingly reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1996.

The Symphony changed its policy of accounting for investments from cost to fair value in accordance with (SFAS) No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations. As permitted by (SFAS) No. 124, the Symphony has recognized the cumulative effect of the provisions of this new Statement in its 1996 Statement of Activities. The adjustment of \$5,884 represents the unrealized gains on investments that were not recognized previously. The effect of Statement No. 124 on the Symphony's change in net assets for 1996 was a decrease of \$15,071. That effect is included in changes in unrestricted net assets because the gains and losses are unrestricted.

(3) Concentrations of Credit Risk

Promises to give are substantially comprised of large amounts due from certain board members of the Symphony. Concentrations of credit risk with respect to these are limited due to the past history of these individuals' financial support of the Symphony and their board obligations.

Concentrations of credit risk with respect to grants receivable are limited due to these amounts being due from various agencies under contractual terms.

Accounts receivable are substantially comprised of small amounts due from numerous individuals for the purchase of commemorative artwork. Therefore, concentrations of credit risk with respect to these amounts are limited.

The Symphony maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 1996 total cash balances held at financial institutions was \$145,412. This entire amount was secured by FDIC.

The Symphony maintains its endowment investments with various investment companies. As of June 30, 1996, the total balance of these investments at cost was \$1,270,686. Of this amount, \$43,180 was insured by FDIC insurance and the remaining \$1,227,506 was not insured.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(4) Grants Receivable

This balance represents amounts due from funding agencies for reimbursement of allowable costs under contracts at June 30, 1996, but not received until after that date.

(5) Promises to Give

The Symphony received unconditional promises to give from certain board members. These funds are to be used to offset operational expenditures in excess of revenues. The Symphony also conducts an annual fund drive where promises to give are received. Uncollectible promises are expected to be insignificant.

Unconditional promises to give at June 30, 1996, are as follows:

Receivable in less than one year	\$	49,054
Receivable in one to five years		<u>29,666</u>
Total unconditional promises to give		78,720
Less discounts to net present value		<u>(4,954)</u>
Net unconditional promises to give at June 30, 1996	\$	<u><u>73,766</u></u>

(6) Due To and Due From Other Funds

The following schedule represents amounts due to and due from other funds at June 30, 1996:

Fund	Due From Other Funds	Due To Other Funds
Symphony Operating Fund	\$ -	\$ 316,564
Piano Competition	291	-
Capital Campaign Fund	23,680	-
Endowment Fund	<u>292,593</u>	<u>-</u>
	<u>\$ 316,564</u>	<u>\$ 316,564</u>

The \$292,593 interfund payable from the Operating Fund to the Endowment Fund represents the amount of unrestricted endowment funds, including deferred unrestricted funds, that have been borrowed to meet current operating expenses, plus the unrealized losses on endowment investments.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(7) Investments Held for Endowment Purposes

Investments are stated at fair value and consist primarily of mutual funds, U.S. Treasury Notes and interest-bearing cash deposits, as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Interest-bearing cash deposits	\$ 74,662	\$ 74,662	\$ -
U.S. Treasury Note	25,000	26,258	1,258
Mutual Funds	<u>1,171,024</u>	<u>1,153,824</u>	<u>(17,200)</u>
Endowment investments	<u>\$ 1,270,686</u>	<u>\$ 1,254,744</u>	<u>\$ (15,942)</u>

Investment return is summarized as follows:

Interest income	\$ 85,029
Net realized and unrealized losses	<u>(20,955)</u>
Total unrestricted investment income	<u>\$ 64,074</u>

(8) Property and Equipment

Land	\$ 8,850
Buildings and improvements	132,950
Leasehold improvements	122,040
Musical instruments	42,050
Concert production equipment	25,802
Office furniture and equipment	43,541
	<u>\$ 375,233</u>

Depreciation expense for the year ended June 30, 1996 was \$10,295.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(9) Notes Payable

At June 30, 1996 the Symphony had the following notes payable:

Note payable to a local bank, with interest at 7.1%; interest payable in monthly, with the principle due October 9, 1996, secured by a certificate of deposit	\$ 32,475
Note payable to an individual, non-interest bearing, unsecured; repaid July 10, 1996	<u>31,000</u> \$ <u>63,475</u>

(10) Long-term Debt

At June 30, 1996 long-term debt consisted of a mortgage loan secured by land, buildings and improvements used by the Guild/Encore.

10% note payable due in monthly installments of principal and interest through September 2009	\$ 15,020
Less current installments	<u>(749)</u>
Long-term debt, excluding current installments	<u>\$ 14,271</u>

Maturity of long-term debt as of June 30 is as follows:

<u>Year ended June 30</u>	
1997	\$ 749
1998	827
1999	915
2000	1,011
2001	1,115
Thereafter	10,403
	<u>\$ 15,020</u>

(11) Deferred Revenue

Revenues from season ticket sales, fund drive sponsorships and grant funds which have been received for the next symphony season are recorded as deferred revenue.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(12) Designated For Endowment

Included in unrestricted net assets designated for endowment is \$759,872 that was originally received from the Ford Foundation. The restrictions placed on these funds by the donor were met and on November 9, 1967, the Board of Directors of the Symphony created an irrevocable trust known as the Shreveport Symphony Society, Ford Foundation, Matching Funds Trust. The principal balance of the Ford Foundation Endowment was transferred into this Trust, which terminates ninety-nine (99) years from that date. At said termination, all property in the Trust will be delivered by the Trustee to the Treasurer of the Symphony.

(13) Restrictions on Net Assets

Temporarily restricted net assets are comprised of the following:

The City of Shreveport passed a resolution authorizing the waiver of outstanding building rental fees due from the Symphony in exchange for six free performances in conjunction with the Weed and Seed Program at the Highland Center. As of June 30, 1996, the Symphony had completed three of these performances. The total amount of outstanding fees waived was \$22,100. Therefore, \$11,050, which is half of the total amount waived, will be restricted until the three remaining required performances have been completed.

Permanently restricted net assets are comprised of eight endowments in which the principal is permanently restricted by the donors. These endowment agreements provide that only the income earned on these funds may be expended. The combined principal balance of these endowments at June 30, 1996 was \$525,253.

(14) Special Events

Included in the special events revenues are certain special events that are reported on the statement of activities net of related expenses. The following details are provided for the gross revenues and related expenses for these activities:

	Gross Revenue	Total Expenses	Net Revenue
Gala Event	\$ 11,498	\$ (6,354)	\$ 5,144
Mardi Gras Party	23,985	(8,597)	15,388
Peter Farewell Party	33,177	(13,764)	19,413
Lithograph Sales	66,449	(22,358)	44,091
Other Miscellaneous	3,624	(2,050)	1,574
Totals	<u>\$ 138,733</u>	<u>\$ (53,123)</u>	<u>\$ 85,610</u>

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(15) **Encore Sales**

The amount shown as Encore sales on the Statement of Activities is shown net of selling costs of \$96,859 for the year ended June 30, 1996.

(16) **Leases**

On January 23, 1992, the Symphony finalized a lease with the Strand Partners for the lease of office space in the Strand Theatre Office tower for a term of ten (10) years, effective August 1, 1990 through July 31, 2000, for \$100 per year for the term of the lease, with an option to renew for one year. Total lease payments made for the year ended June 30, 1996 were \$100.

The annual minimum lease payments under this lease as of June 30, 1996 are:

1997	\$	100
1998		100
1999		100
2000		<u>100</u>
		<u>\$ 400</u>

(17) **Subsequent Events**

The musicians employed by the Symphony went on strike on January 11, 1997. This strike was resolved on March 11, 1997. The result was a new master agreement for a term of four years retroactive to September 1, 1996 through August 31, 2000. A Memorandum of Agreement signed by both parties incorporates increases in several benefits for the musicians. Part of these increases will be paid by the Symphony's Operating Fund, and the remaining amounts will be paid by the proceeds of a "Make The Difference" (MTD) benefit concert produced while the musicians were on strike. A separate bank account was established to hold the proceeds from this concert. Per the Memorandum of Agreement, the only responsibility of the Symphony's Operating Fund for the increases in benefits is defined below:

- 1) The new agreement calls for wages to increase 4% for each of the four years of the contract of which the Symphony Operating Fund pays 3%.
- 2) The new agreement provides a contribution for health insurance for each core player of \$500 for the 1996-1997 and 1997-1998 seasons and \$600 for the 1998-1999 and 1999-2000 seasons. The Symphony Operating Fund pays \$200 per year for all years.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(18) Interest Paid

For the year ended June 30, 1996, total interest expense paid was \$4,174, all of which was charged to operations.

(19) Financial Instruments

The following methods and assumptions were used by the Symphony in estimating its fair value disclosures for financial instruments:

Cash: The fair value approximates carrying value.

Unconditional promises to give: The fair values are based on the present value of estimated future cash flows discounted at a risk-free rate of return based on the period of time it will take to collect the promises to give.

Investments: The fair values of investments are based on quoted market prices for those investments.

Notes Payable: The fair values approximate carrying values due to the short period until maturity.

Long-Term Debt: The fair value approximates carrying value since stated rates are similar to rates currently available to the Symphony for debt with similar terms and remaining maturities.

The estimated fair values of the Symphony's financial instruments at June 30, 1996 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash	\$ 70,820	\$ 70,820
Investment securities	1,254,744	1,254,744
Financial liabilities:		
Notes payable	63,475	63,475
Long-term debt	15,020	15,020

Shreveport Symphony, Inc.
Shreveport, Louisiana
Combining Schedule of Financial Position
June 30, 1996

	Symphony Operating Fund	Piano Competition	Guild/Encore Operating Fund	Youth Symphony Orchestra	Capital Campaign Fund	Endowment Fund	Total
Assets							
Current assets:							
Cash	\$ 3,956	\$ 651	\$ 59,328	\$ 6,885	\$ -	\$ -	\$ 70,820
Grants receivable	16,035	-	-	-	-	-	16,035
Accounts receivable	29,300	-	-	-	-	-	29,300
Promises to give	47,734	-	-	-	1,320	-	49,054
Due from other funds	-	291	-	-	23,680	292,593	316,564
Prepaid expenses	4,178	-	-	-	-	-	4,178
Total current assets	<u>101,203</u>	<u>942</u>	<u>59,328</u>	<u>6,885</u>	<u>25,000</u>	<u>292,593</u>	<u>485,951</u>
Endowment investments	-	-	-	-	-	1,254,744	1,254,744
Long-term promises to give	24,712	-	-	-	-	-	24,712
Property and equipment	233,433	-	141,800	-	-	-	375,233
Accumulated depreciation	<u>(80,441)</u>	<u>-</u>	<u>(93,696)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,137)</u>
Net property & equipment	<u>152,992</u>	<u>-</u>	<u>48,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,096</u>
Total assets	<u>\$ 278,907</u>	<u>\$ 942</u>	<u>\$ 107,432</u>	<u>\$ 6,885</u>	<u>\$ 25,000</u>	<u>\$ 1,547,337</u>	<u>\$ 1,966,503</u>
Liabilities and Net Assets							
Current liabilities:							
Note payable	\$ 63,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,475
Current long-term debt	-	-	749	-	-	-	749
Accounts payable and accrued expenses	76,988	-	-	-	-	-	76,988
Due to other funds	316,564	-	-	-	-	-	316,564
Deferred revenue	<u>178,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>203,242</u>
Total current liabilities	635,269	-	749	-	25,000	-	661,018
Long-term debt, less current	-	-	14,271	-	-	-	14,271
Net assets (deficit):							
Unrestricted:							
Operating	(520,404)	942	59,328	6,885	-	-	(453,249)
Fixed assets	152,992	-	33,084	-	-	-	186,076
Designated for endowment	-	-	-	-	-	1,022,084	1,022,084
Total unrestricted	<u>(367,412)</u>	<u>942</u>	<u>92,412</u>	<u>6,885</u>	<u>-</u>	<u>1,022,084</u>	<u>754,911</u>
Temporarily restricted	11,050	-	-	-	-	-	11,050
Permanently restricted	-	-	-	-	-	525,253	525,253
Total net assets	<u>(356,362)</u>	<u>942</u>	<u>92,412</u>	<u>6,885</u>	<u>-</u>	<u>1,547,337</u>	<u>1,291,214</u>
Total liabilities & net assets	<u>\$ 278,907</u>	<u>\$ 942</u>	<u>\$ 107,432</u>	<u>\$ 6,885</u>	<u>\$ 25,000</u>	<u>\$ 1,547,337</u>	<u>\$ 1,966,503</u>

Shreveport Symphony, Inc.
Shreveport, Louisiana
Combining Schedule of Activities
For the Year Ended June 30, 1996

	Symphony Operating Fund	Piano Competition	Guild/Encore Operating Fund	Youth Symphony Orchestra	Capital Campaign Fund	Endowment Fund	Total
Revenue and support							
Ticket sales	\$ 256,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,164
Performance fees	116,220	-	-	-	-	-	116,220
Performance grants	110,800	-	-	-	30,000	-	140,800
Operating grants	62,000	-	-	-	-	-	62,000
Annual fund drive	206,962	-	-	-	16,011	-	222,973
Pit Krewe donation	6,000	-	-	-	-	-	6,000
Special events, net	85,610	26,012	35,087	-	-	-	146,709
Sponsorships	106,200	-	-	-	20,000	-	126,200
Encore sales, net of cogs	-	-	84,417	-	-	-	84,417
Advertising	60,263	-	-	-	-	-	60,263
Non-recurring donations	111,148	-	-	-	-	37,689	148,837
Investment income	-	-	1,012	157	-	85,029	86,198
Other	6,441	-	19,116	5,310	-	-	30,867
Total revenue and support	<u>1,127,808</u>	<u>26,012</u>	<u>139,632</u>	<u>5,467</u>	<u>66,011</u>	<u>122,718</u>	<u>1,487,648</u>
Expenses							
Concert production	354,855	-	-	-	-	-	354,855
Music administration	613,337	-	-	-	-	-	613,337
General and administrative	170,987	-	21,340	-	-	-	192,327
Marketing & public relations	144,502	-	-	-	-	-	144,502
Development and fund raising	51,434	-	83,718	-	-	-	135,152
Youth symphony orchestra	-	-	-	6,912	-	-	6,912
Piano competition	-	29,190	-	-	-	-	29,190
Depreciation	6,655	-	3,640	-	-	-	10,295
Total expenses	<u>1,341,770</u>	<u>29,190</u>	<u>108,698</u>	<u>6,912</u>	<u>-</u>	<u>-</u>	<u>1,486,570</u>
Realized and unrealized losses							
on investments	-	-	-	-	-	15,071	15,071
Total expenses & losses	<u>1,341,770</u>	<u>29,190</u>	<u>108,698</u>	<u>6,912</u>	<u>-</u>	<u>15,071</u>	<u>1,501,641</u>
Change in net assets, before cumulative effect of a change in accounting principle							
	(213,962)	(3,178)	30,934	(1,445)	66,011	107,647	(13,993)
Cumulative effect of adopting new accounting principle							
	-	-	-	-	-	(5,884)	(5,884)
Change in net assets	<u>(213,962)</u>	<u>(3,178)</u>	<u>30,934</u>	<u>(1,445)</u>	<u>66,011</u>	<u>101,763</u>	<u>(19,877)</u>
Interfund transfers in (out):							
Operating	-	-	(40,000)	-	(66,011)	(69,089)	(175,100)
Endowments	69,089	-	-	-	-	-	69,089
Capital campaign	66,011	-	-	-	-	-	66,011
Guild/Encore	40,000	-	-	-	-	-	40,000
Total transfers	<u>175,100</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>(66,011)</u>	<u>(69,089)</u>	<u>-</u>
Chg in net assets, after trnfrs	<u>(38,862)</u>	<u>(3,178)</u>	<u>(9,066)</u>	<u>(1,445)</u>	<u>-</u>	<u>32,674</u>	<u>(19,877)</u>
Net assets - July 1, 1995	<u>(317,500)</u>	<u>4,120</u>	<u>101,478</u>	<u>8,330</u>	<u>-</u>	<u>1,514,663</u>	<u>1,311,091</u>
Net assets - June 30, 1996	<u>\$ (356,362)</u>	<u>\$ 942</u>	<u>\$ 92,412</u>	<u>\$ 6,885</u>	<u>\$ -</u>	<u>\$ 1,547,337</u>	<u>\$ 1,291,214</u>

Shreveport Symphony, Inc.
Shreveport, Louisiana
Combining Schedule of Changes in Endowment Fund Balances
For the Year Ended June 30, 1996

	Unrestricted		Permanently Restricted										Total
	Fund	Endowment	Ford Foundation	Frost Foundation	Mary McCord Symphony Fund	Raymond Morris Endowment Fund	William P. Shehee Endowment Fund	Nena Plant Wideman Piano Competition Endowment Fund	Grace Patterson Endowment Fund	Luci Bond Scholarship Endowment Fund	Feld Endowment Fund		
Balances, June 30, 1995	\$ -	\$ 230,538	759,872	\$ 75,000	\$ 366,229	\$ 10,346	\$ 20,062	\$ 27,405	\$ 10,637	\$ 4,574	\$ 10,000	\$ 1,514,663	
Contributions / other changes	5,015	31,674	-	-	-	-	-	1,000	-	-	-	37,689	
Investment income, net	973	11,019	44,453	3,366	16,435	464	900	1,275	477	205	449	80,016	
Transfers (to) from other funds	(5,988)	(11,019)	(44,453)	(3,366)	(16,435)	(464)	(900)	(1,275)	(477)	(205)	(449)	(85,031)	
Balances, June 30, 1996	\$ -	\$ 262,212	759,872	\$ 75,000	\$ 366,229	\$ 10,346	\$ 20,062	\$ 28,405	\$ 10,637	\$ 4,574	\$ 10,000	\$ 1,547,337	

Shreveport Symphony, Inc.
Shreveport, Louisiana
Schedule of Expenses
For the Shreveport Symphony Operating Fund
(Excluding Guild/Encore, Capital Campaign, Piano Competition, Youth Symphony and Endowment)
For the Year Ended June 30, 1996, 1995 and 1994

	<u>1996</u>	<u>1995</u>	<u>1994</u>
Concert Production			
Per service musicians and fringes	\$ 181,012	\$ 157,998	\$ 126,954
Guest artist	28,738	99,687	62,390
Music rental and purchase	15,664	8,722	8,083
Hall rental	5,985	12,115	12,402
Production personnel	40,978	41,024	41,852
Stage hands salary and fringe	53,555	44,731	44,298
Security services	10,161	10,677	9,474
Production expenses	<u>18,762</u>	<u>22,800</u>	<u>19,480</u>
Total concert production	<u>354,855</u>	<u>397,754</u>	<u>324,933</u>
Music Administration			
Salaries and fringes	543,746	566,059	561,565
Workers compensation insurance	6,701	12,769	12,800
General liability insurance	4,851	6,386	7,859
Pension	12,000	12,000	12,000
Music, royalties and library	7,146	8,011	7,321
Music director's search	28,784	-	-
General	<u>10,109</u>	<u>7,365</u>	<u>5,995</u>
Total music administration	<u>613,337</u>	<u>612,590</u>	<u>607,540</u>
General and Administrative			
Salaries and fringes	102,641	109,397	103,525
Facilities	8,131	8,131	8,042
General office expense	11,084	5,995	7,534
Office telephone	9,589	8,495	7,841
Office general postage	10,118	6,867	8,417
Executive director and board meetings expenses	2,300	2,930	983
Staff expense and development	263	3,980	1,507
General liability insurance	292	323	304
Professional fees	5,705	5,745	6,985
Dues and subscriptions	4,190	1,579	641
Rent, repair, and maintenance	10,443	8,311	11,732
Interest, credit card, service charges	<u>6,231</u>	<u>5,352</u>	<u>6,241</u>
Total general and administrative	<u>170,987</u>	<u>167,105</u>	<u>163,752</u>
Marketing and Public Relations			
Salaries and fringes	43,480	43,731	45,533
General marketing	55,687	58,493	49,296
Telemarketing	31,525	-	-
Subscriptions campaigns	<u>13,810</u>	<u>15,015</u>	<u>22,617</u>
Total marketing and public relations	<u>144,502</u>	<u>117,239</u>	<u>117,446</u>
Development and Fund Raising			
Salaries and fringes	32,277	32,256	34,406
General fund raising expense	<u>19,157</u>	<u>13,100</u>	<u>15,500</u>
Total development and fund raising	<u>51,434</u>	<u>45,356</u>	<u>49,906</u>
	<u>\$ 1,335,115</u>	<u>\$ 1,340,044</u>	<u>\$ 1,263,577</u>

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TELEPHONE (318) 222-5415

RAYEBURN G. COOK, CPA
TRAVIS H. MOREHART, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

KAREN D. TYRA, CPA
VICKIE D. NOBLE, CPA
A. EDWARD BALL, CPA
CHERYL H. MANGRUM, CPA

Report on Schedule of Federal Awards

To the Board of Directors
Shreveport Symphony, Inc.
Shreveport, Louisiana

We have audited the financial statements of the Shreveport Symphony, Inc. for the year ended June 30, 1996, and have issued our report thereon dated April 24, 1997. These financial statements are the responsibility of the Shreveport Symphony, Inc.'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; Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations. 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.

Our audit was made for the purpose of forming an opinion on the financial statements of the Shreveport Symphony, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
April 24, 1997

Shreveport Symphony, Inc.
 Shreveport, Louisiana
 Schedule of Federal Awards
 For the Year Ended June 30, 1996

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
National Foundation of the Arts and the Humanities			
Passed through the State of Louisiana Division of the Arts: Major Arts Institution Grant	45.007	FY 96271	\$ 50,000
Direct Program: National Endowment for the Arts Grant	45.005	95-3125-0355	13,300
Total Federal Expenditures			<u>\$ 63,300</u>

* There were no major programs

Reports in Accordance With Government Auditing Standards

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TELEPHONE (318) 222-5415

RAYEBURN G. COOK, CPA
TRAVIS H. MOREHART, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

KAREN D. TYRA, CPA
VICKIE D. NOBLE, CPA
A. EDWARD BALL, CPA
CHERYL H. MANGRUM, CPA

Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Directors
Shreveport Symphony, Inc.
Shreveport, Louisiana

We have audited the financial statements of the Shreveport Symphony, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated April 24, 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.

In planning and performing our audit of the financial statements of the Shreveport Symphony, Inc. for the year ended June 30, 1996, we considered its internal control structure 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 structure.

The management of the Shreveport Symphony, Inc. 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 managements' 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cash
- Revenue, receivables and receipts
- Expenditures for goods and services and accounts payable
- Payroll and related liabilities
- Property, equipment and capital expenditures
- Debt and other liabilities
- Governmental financial assistance programs

For all of the internal control structure categories listed above, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have communicated to the management of the Shreveport Symphony, Inc. in a separate management letter dated April 24, 1997.

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



Cook & Morehart
Certified Public Accountants
April 24, 1997

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TELEPHONE (318) 222-5415

RAYEBURN G. COOK, CPA
TRAVIS H. MOREHART, CPA

KAREN D. TYRA, CPA
VICKIE D. NOBLE, CPA
A. EDWARD BALL, CPA
CHERYL H. MANGRUM, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Compliance Report Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Directors
Shreveport Symphony, Inc.
Shreveport, Louisiana

We have audited the financial statements of the Shreveport Symphony, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated April 24, 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 Shreveport Symphony, Inc. is the responsibility of the Shreveport Symphony, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Shreveport Symphony, Inc.'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 indicate that, with respect to the items tested, the Shreveport Symphony, Inc. complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Shreveport Symphony, Inc. had not complied, in all material respects, with those provisions.

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



Cook & Morehart
Certified Public Accountants
April 24, 1997

Reports in Accordance With OMB Circular A-133

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TELEPHONE (318) 222-5415

RAYEBURN G. COOK, CPA
TRAVIS H. MOREHART, CPA

KAREN D. TYRA, CPA
VICKIE D. NOBLE, CPA
A. EDWARD BALL, CPA
CHERYL H. MANGRUM, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Single Audit Report on the Internal Control Structure Used in Administering Federal Awards

To the Board of Directors
Shreveport Symphony, Inc.
Shreveport, Louisiana

We have audited the financial statements of the Shreveport Symphony, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated April 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Shreveport Symphony, Inc. complied with laws and regulations, noncompliance with which would be material to a federal program.

In planning and performing our audit for the year ended June 30, 1996, we considered the Agency's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Shreveport Symphony, Inc.'s financial statements and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated April 24, 1997.

The management of the Shreveport Symphony, Inc. 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, 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, and that federal awards programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the systems 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Accounting controls

- Cash
- Revenue, receivables and receipts
- Expenditures for goods and services and accounts payable
- Payroll and related liabilities
- Property, equipment and capital expenditures
- Debt and other liabilities
- Governmental financial assistance programs

Controls used in administering individual federal financial assistance programs

General requirements

- Political activity
- Civil Rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific requirements

- Types of services
- Matching level of effort
- Reporting
- Special requirements if any

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, The Shreveport Symphony, Inc. had no major programs and expended 100% of its total federal awards under the following nonmajor programs:

1. Major Arts Institution Grant: CFDA # 45.007
2. National Endowment for the Arts Grant – CFDA # 45.005

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal awards program 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 structure and its operations that we consider to be a material weakness as defined above.

However, we noted other matters involving the internal control structure and its operation that we have communicated to the management of the Shreveport Symphony, Inc. in a separate management letter dated April 24, 1997.

This report is intended for the information of management, the Board of Directors and the various funding sources of the Agency. However, this report is also a matter of public record and its distribution is not limited.



Cook & Morehart
Certified Public Accountants
April 24, 1997

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TELEPHONE (318) 222-5415

RAYEBURN G. COOK, CPA
TRAVIS H. MOREHART, CPA

KAREN D. TYRA, CPA
VICKIE D. NOBLE, CPA
A. EDWARD BALL, CPA
CHERYL H. MANGRUM, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Single Audit Report on Compliance With the General Requirements Applicable to Federal Programs

To the Board of Directors
Shreveport Symphony, Inc.
Shreveport, Louisiana

We have audited the financial statements of the Shreveport Symphony, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated April 24, 1997.


We have applied procedures to test the Shreveport Symphony, Inc.'s compliance with the following requirements applicable to its federal programs, which are identified in the accompanying schedule of federal awards, for the year ended June 30, 1996:

Political activity	Allowable costs/cost principles
Civil Rights	Drug-free workplace act
Cash management	Administrative requirements
Federal financial reports	

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on The Shreveport Symphony, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed above. With respect to items not tested, nothing came to our attention that caused us to believe that the Shreveport Symphony, Inc. has not complied, in all material respects, with those requirements.

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



Cook & Morehart
Certified Public Accountants
April 24, 1997

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TELEPHONE (318) 222-5415

RAYEBURN G. COOK, CPA
TRAVIS H. MOREHART, CPA

KAREN D. TYRA, CPA
VICKIE D. NOBLE, CPA
A. EDWARD BALL, CPA
CHERYL H. MANGRUM, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Single Audit Report on Compliance With Specific
Requirements Applicable to Nonmajor Federal Program Transactions

To the Board of Directors
Shreveport Symphony, Inc.
Shreveport, Louisiana

We have audited the financial statements of the Shreveport Symphony, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated April 24, 1997.

In connection with our audit of the financial statements of the Shreveport Symphony, Inc., and with our consideration of the Shreveport Symphony, Inc.'s internal control structure used to administer federal programs, as required by Office of Management and Budget Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations, we selected certain transactions applicable to certain nonmajor federal programs for the year ended June 30, 1996.

As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Shreveport Symphony, Inc.'s compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Shreveport Symphony, Inc. had not complied, in all material respects, with those requirements.

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



Cook & Morehart
Certified Public Accountants
April 24, 1997

Shreveport Symphony, Inc.
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
June 30, 1996

There were no findings or questioned costs for the prior year audit period ending June 30, 1995.

There are no findings or questioned costs for this audit period ending June 30, 1996.

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TELEPHONE (318) 222-5415

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

RAYEBURN G. COOK, CPA
TRAVIS H. MOREHART, CPA

KAREN D. TYRA, CPA
VICKIE D. NOBLE, CPA
A. EDWARD BALL, CPA
CHERYL H. MANGRUM, CPA

April 24, 1997

The Board of Directors
Shreveport Symphony, Inc.

In planning and performing our audit of the financial statements of Shreveport Symphony, Inc. for the year ended June 30, 1996, we considered its internal control structure 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 structure. However, we noted certain matters involving the internal control structure and its operation that are presented for your consideration. These comments and recommendations have been discussed with the appropriate members of management.

Organizational Structure – Decentralized Activities

There are four activities that are being conducted by the Symphony and other associated groups. These groups are the Guild/Encore, Wideman Piano Competition, Pit Krewe and the Youth Symphony Orchestra. These groups perform a wide range of activities associated with the Symphony's name. They are also utilizing the tax exempt status of the Symphony. These activities are "decentralized activities" and maintain their own internal control structure, while still being considered a part of the Symphony. In order to maintain an adequate control structure for the Symphony, a proper monitoring system over these "decentralized activities" should be maintained by the management of the Symphony. It was determined during our audit that a proper monitoring system was in place for all of these activities except the Wideman Piano Competition.

There is now some communication between the Wideman Piano Competition and the Symphony. However, there are no apparent controls in approving expenditures or overseeing financial activities. We recommend that current financial reports be presented to the Symphony board on a monthly or quarterly basis and that supporting invoices and cancelled checks for all expenditures be reviewed by the Symphony's administrative office. This year there was a budget prepared and submitted to the Symphony board for approval. We recommend that this procedure be continued.

Reconciliation of Payroll Tax Reports

We determined that a reconciliation between the amounts reported on the Symphony's quarterly Payroll Tax Reports Form 941 and the amounts per the general ledger is not done.

We suggest that a reconciliation be done quarterly, when these reports are prepared.

Operating Fund Deficit

As detailed in the audit report for the year ending June 30, 1996, the Symphony Operating Fund had an unrestricted operating deficit of \$ (447,625). Also, the Symphony Operating Fund has borrowed \$275,919 from the unrestricted Endowment Funds. This amount plus the capital campaign deferred revenue has been utilized for operations due to the operating deficit. We are aware that Management and the Board have been making very concentrated efforts to address the financial situation of the Symphony. We strongly urge Management and the Board of the Symphony to continue to strategically plan a reversal of the deficit spending.

Bank Reconciliations

The reconciled balance per the bank reconciliation was not reconciled to the general ledger cash balance for the Symphony's operating cash account. This reconciliation had to be performed by the auditors during the audit process which took a significant amount of time and substantially delayed the audit completion. Once we determined the correct cash balance, we made audit entries to correct it.

Recommendation

We suggest that as the bank reconciliations are prepared each month, the preparer ensures that the reconciled balances are in agreement with the balances in the general ledger cash accounts, and that any necessary journal entries be posted at that time.

Accounts Payable Accruals

The Agency utilizes an accounting system that automatically interfaces invoices entered for payment into the general ledger accounts payable account. There was no analysis done of the amounts that were automatically interfaced into the accounts payable account on the general ledger. As a result, this balance had to be analyzed by the auditors during the audit process and this substantially delayed the audit completion. Once we determined what the correct accounts payable balance was, we made audit entries to correct it.

Recommendation

We suggest that the accounts payable balance be analyzed monthly to determine that the proper amounts are accrued. Also, at year end, an analysis needs to be done of what is contained in the balance and also a search for invoices that have not been entered needs to be done to ensure that a proper cutoff of expenditures is obtained.

Submission of Audit Report

The audit report for the year ended June 30, 1996 was not submitted to the Legislative Auditor's Office within six months after the audit year end. The Symphony and Cook & Morehart are aware of the policy of the Legislative Auditor's Office concerning submission of audit reports as it relates to Louisiana Revised Statute 24:513(A)(5)(a).

We express sincere thanks to Symphony personnel for the cooperation and assistance provided us during our audit. We are available to provide you assistance and consultation in the implementation of the above mentioned items. This letter is furnished solely for the use of management and the Board of Directors and is not intended to be used for any other purpose.

A handwritten signature in cursive script that reads "Cook & Morehart". The signature is written in black ink and includes a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants