



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

Financial Statements

**For the Year Ended June 30, 1997
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 ~~JAN 21 1998~~
JAN 21 1998

Shreveport Symphony, Inc.
Shreveport, Louisiana

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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, 1997, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Shreveport Symphony, Inc., as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 1997 on our consideration of the Shreveport Symphony, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the basic 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 13-16, are presented for purposes of additional analysis and are not a required part of the financial statements. The information in those schedules has been subjected to the auditing 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.



Cook & Morehart
Certified Public Accountants
September 2, 1997

Shreveport Symphony, Inc.
 Shreveport, Louisiana
 Statement of Financial Position
 June 30, 1997

Assets

Current assets:	
Cash	\$ 159,269
Accounts receivable	23,508
Promises to give	30,316
Due from other funds	269,092
Prepaid expenses	<u>27,022</u>
Total current assets	<u>509,207</u>
Investments held for endowment purposes	1,414,893
Long-term promises to give	40,261
Property and equipment	372,938
Accumulated depreciation	<u>(177,614)</u>
Net property and equipment	<u>195,324</u>
Total assets	<u>\$ 2,159,685</u>

Liabilities and Net Assets

Current liabilities:	
Current installments of long-term debt	\$ 827
Accounts payable and accrued expenses	97,523
Due to other funds	269,092
Deferred revenue	<u>224,201</u>
Total current liabilities	591,643
Long-term debt, less current portion	12,215
Total liabilities	<u>603,858</u>
Net Assets (deficit):	
Unrestricted:	
Operating	(473,691)
Fixed assets	195,324
Designated for endowment	<u>1,023,084</u>
Total unrestricted	744,717
Temporarily restricted	144,315
Permanently restricted	<u>666,795</u>
Total net assets	<u>1,555,827</u>
Total liabilities and net assets	<u>\$ 2,159,685</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, 1997

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains, and support:				
Ticket sales	\$ 263,688	\$ 33,751	\$ —	\$ 297,439
Performance fees	100,930	—	—	100,930
Performance grants	125,826	—	—	125,826
Operating grants	56,500	—	—	56,500
Annual fund drive	253,018	51,505	—	304,523
Special events revenue	175,163	—	—	175,163
Less: Costs of direct benefits to donors	(59,172)	—	—	(59,172)
Other fund-raising	84,047	58,373	—	142,420
Sponsorships	107,421	—	—	107,421
Encore sales	179,354	—	—	179,354
Advertising	71,660	—	—	71,660
Non-recurring donations	30,461	—	141,542	172,003
Investment income	96,655	686	—	97,341
Unrealized gains on investments	12,157	—	—	12,157
Other	26,316	—	—	26,316
Net assets released from restrictions:				
Restrictions satisfied by performances	11,050	(11,050)	—	—
Total revenues, gains, and support	<u>1,535,074</u>	<u>133,265</u>	<u>141,542</u>	<u>1,809,881</u>
Expenses:				
Program services				
Concert production	365,039	—	—	365,039
Music administration	562,315	—	—	562,315
Marketing and public relations	169,031	—	—	169,031
Youth symphony orchestra	7,907	—	—	7,907
Piano competition	24,508	—	—	24,508
Total program services	<u>1,128,800</u>	<u>—</u>	<u>—</u>	<u>1,128,800</u>
Support services				
General and administrative	202,698	—	—	202,698
Development and fund-raising	213,770	—	—	213,770
Total support services	<u>416,468</u>	<u>—</u>	<u>—</u>	<u>416,468</u>
Total expenses	<u>1,545,268</u>	<u>—</u>	<u>—</u>	<u>1,545,268</u>
Change in net assets	(10,194)	133,265	141,542	264,613
Net assets, beginning of year	754,911	11,050	525,253	1,291,214
Net assets, end of year	<u>\$ 744,717</u>	<u>\$ 144,315</u>	<u>\$ 666,795</u>	<u>\$ 1,555,827</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, 1997

Operating Activities	
Change in net assets	\$ 264,613
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,095
Unrealized gains on investments	(12,156)
(Increase) decrease in operating assets:	
Accounts receivable	21,857
Promises to give	3,189
Prepaid expenses	(22,844)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	20,535
Deferred revenue	<u>20,959</u>
Net cash used in operating activities	306,248
 Investing Activities	
Proceeds from sale of investments	60,475
Purchase of investments	(208,468)
Purchase of property and equipment	<u>(4,323)</u>
Net cash provided from investing activities	(152,316)
 Financing Activities	
Reduction of debt	<u>(65,453)</u>
Net cash used in financing activities	<u>(65,453)</u>
Net (decrease) in cash	88,479
Cash, beginning of year	70,820
Cash, end of year	<u>\$ 159,299</u>

Total interest paid during the year ended June 30, 1997 was \$3,273, all of which was charged to operations.

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

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1997

(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 program and support activities:

Concert Production – Includes the expenses necessary to produce the concerts that the Symphony performs.

Music Administration – Includes the expenses required to maintain the core musician staff and the music library.

Marketing and Public Relations – Encompasses the identification, cultivation, and expansion of the Symphony's audience as the primary effort to promote the enjoyment of classical music and to increase public involvement in the Symphony's activities.

Youth Symphony Orchestra – Provides youth with instruction and an opportunity to perform by conducting an orchestra for youth.

Piano Competition – Encourages excellence in piano performance by conducting the preliminaries and finals for the Nena Plant Wideman Piano Competition.

General and Administrative – Includes the functions necessary to provide coordination and articulation of the Symphony's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Symphony.

Development and Fund-Raising – Provides the structure necessary to encourage and secure private financial support from individuals, foundation, and corporations, as well as efforts to obtain state and local government funding. This includes the activities of the Guild, which operates various fund raising projects, and the Encore, which operates three thrift shops that collect and sell merchandise on consignment for a commission.

B. Basis of Accounting

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

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1997
(Continued)

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.

D. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

E. Income Tax Status

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

F. Retirement Obligations

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

G. 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.

H. Promises to Give

Unconditional promises to give are recognized as revenues or gains 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.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1997
(Continued)

I. **Property and Equipment**

Property and equipment are carried at cost, or if donated at the approximate fair value at the date of the donation. Depreciation is computed using primarily the straight-line method

J. **Investments and Investment Income and Gains**

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 income and gains are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

K. **Deferred Revenue**

Revenues from season ticket sales and concert sponsorships which have been received for the next symphony season are recorded as deferred revenue.

L. **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.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

M. **Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1997
(Continued)

N. 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) Concentrations of Credit Risk

Financial instruments that potentially subject the Symphony to concentrations of credit risk consist principally of temporary cash investments, endowment investments, and promises to give receivable.

The Symphony maintains its temporary 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, 1997, there were no uninsured cash balances.

The Symphony maintains its endowment investments with various investment companies. As of June 30, 1997, the total balance of these investments at cost was \$1,418,678. Of this amount, \$124,234 was insured by FDIC insurance and the remaining \$1,294,444 was not insured.

Concentrations of credit risk with respect to promises receivable are limited due to the large number of contributors comprising the Symphony's contributor base and their dispersion across different industries.

(3) Accounts Receivable

Accounts receivable consists of the following:

Grants receivable	\$ 8,148
Other revenues receivable	5,263
Accrued interest	6,185
Employee's receivable	3,044
Miscellaneous receivables	870
	<u>\$ 23,508</u>

Grants receivable represents amounts due from funding agencies for reimbursement of allowable costs under contracts at June 30, 1997, but not received until after that date.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1997
(Continued)

(4) Promises to Give

Unconditional promises to give at June 30, 1997, are as follows:

Deficit reduction	\$	31,046
Annual fund drive		1,345
Make The Difference		<u>44,960</u>
	\$	<u>77,351</u>
Receivable in less than one year	\$	30,316
Receivable in one to five years		<u>47,035</u>
Total unconditional promises to give		77,351
Less discounts to net present value	(<u>6,774)</u>
Net unconditional promises to give at June 30, 1997	\$	<u>70,577</u>

Promises to give receivable in more than one year are discounted at 6.5%. Uncollectible promises are expected to be insignificant.

(5) Due To and Due From Other Funds

The following schedule represents amounts due to and due from other funds at June 30, 1997:

Fund	Due From Other Funds	Due To Other Funds
Symphony Operating Fund	\$ -	\$ 269,092
Piano Competition	291	-
Board Designated Endowment Fund	<u>268,801</u>	<u>-</u>
	<u>\$ 269,092</u>	<u>\$ 269,092</u>

The \$268,801 interfund payable from the Operating Fund to the Board Designated Endowment Fund represents the amount of unrestricted endowment funds, including deferred unrestricted funds, that have been borrowed to meet current operating expenses.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1997
(Continued)

(6) Investments Held for Endowment Purposes

Investments are stated at fair value and consist primarily of mutual funds, corporate stocks, and interest-bearing cash deposits, as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Interest-bearing cash deposits	\$ 124,234	\$ 124,234	\$ -
U.S. Treasury Note	25,000	25,680	680
Corporate stocks	203,568	197,187	(6,381)
Mutual Funds	<u>1,065,876</u>	<u>1,067,792</u>	<u>1,916</u>
Endowment investments	<u>\$ 1,418,678</u>	<u>\$ 1,414,893</u>	<u>\$ (3,785)</u>

Investment return is summarized as follows:

Interest income on investments	\$ 95,564
Net unrealized gains	<u>12,157</u>
Total unrestricted investment income	<u>\$ 107,721</u>

(7) Property and Equipment

Property and equipment consist of the following:

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	41,246
	<u>\$ 372,938</u>

Depreciation expense for the year ended June 30, 1997 was \$10,095. Musical instruments are not depreciated.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1997
(Continued)

(8) Long-term Debt

At June 30, 1997 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	\$ 13,042
Less current installments	<u>(827)</u>
Long-term debt, excluding current installments	<u>\$ 12,215</u>

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

<u>Year ended June 30</u>	
1998	\$ 827
1999	915
2000	1,011
2001	1,115
2002	1,232
Thereafter	7,942
	<u>\$ 13,042</u>

(9) 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.

Also included in unrestricted net assets designated for endowment is \$263,212 that was contributed to the Symphony during the Capital Campaign fund-raising event.

(Continued)

Shreveport Symphony, Inc.
Notes to Financial Statements
June 30, 1997
(Continued)

(10) Temporarily Restricted Net Assets

Temporarily restricted net assets are available the following purposes:

Make The Difference	\$ 92,810
Annual Fund Drive 97-98 Season	<u>51,505</u>
	<u>\$ 144,315</u>

(11) Permanently Restricted Net Assets

Permanently restricted net assets are comprised of eight endowments in which the principal is to be held indefinitely. The income from the assets can be used to support the Symphony's general operations.

(12) Special Events

The following details are provided for the gross revenues and related expenses for the special event activities:

	Gross Revenue	Total Expenses	Net Revenue
Gala Event	\$ 12,040	\$ (8,478)	\$ 3,562
Mardi Gras Party	18,285	(5,420)	12,865
St. Pat's Party	67,710	(7,197)	60,513
Lithograph Sales	31,492	(14,929)	16,563
Dinner Dance	38,244	(21,283)	16,961
Other Miscellaneous	<u>7,392</u>	<u>(1,865)</u>	<u>5,527</u>
Totals	<u>\$ 175,163</u>	<u>\$ (59,172)</u>	<u>\$ 115,991</u>

(13) 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, 1997 were \$100.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 1997, are:

<u>Year Ending June 30</u>	
1998	\$ 100
1999	100
2000	<u>100</u>
	<u>\$ 300</u>

Shreveport Symphony, Inc.
Shreveport, Louisiana
Combining Schedule of Financial Position
June 30, 1997

	Symphony Operating Fund	Piano Competition	Guild/Encore Operating Fund	Youth Symphony Orchestra	Pit Krewe	Make The Difference	Designated Endowment Fund	Total
Assets								
Current assets:								
Cash	\$ 13,539	\$ 1,800	\$ 84,853	\$ 6,490	\$ 660	\$ 51,927	\$ -	\$ 159,269
Accounts receivable	17,293	-	30	-	-	-	6,185	23,508
Promises to give	13,391	-	-	-	-	16,925	-	30,316
Due from other funds	-	291	-	-	-	-	268,801	269,092
Prepaid expenses	27,022	-	-	-	-	-	-	27,022
Total current assets	<u>71,245</u>	<u>2,091</u>	<u>84,883</u>	<u>6,490</u>	<u>660</u>	<u>68,852</u>	<u>274,986</u>	<u>509,207</u>
Endowment investments	-	-	-	-	-	-	1,414,893	1,414,893
Long-term promises to give	16,303	-	-	-	-	23,958	-	40,261
Property and equipment	231,138	-	141,800	-	-	-	-	372,938
Accumulated depreciation	(80,278)	-	(97,336)	-	-	-	-	(177,614)
Net property & equipment	<u>150,860</u>	<u>-</u>	<u>44,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,324</u>
Total assets	\$ <u>238,408</u>	\$ <u>2,091</u>	\$ <u>129,347</u>	\$ <u>6,490</u>	\$ <u>660</u>	\$ <u>92,810</u>	\$ <u>1,689,879</u>	\$ <u>2,159,685</u>
Liabilities and Net Assets								
Current liabilities:								
Current long-term debt	\$ -	\$ -	\$ 827	\$ -	\$ -	\$ -	\$ -	\$ 827
Accounts payable and accrued expenses	97,185	-	338	-	-	-	-	97,523
Due to other funds	269,092	-	-	-	-	-	-	269,092
Deferred revenue	224,201	-	-	-	-	-	-	224,201
Total current liabilities	<u>590,478</u>	<u>-</u>	<u>1,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,643</u>
Long-term debt, less current	-	-	12,215	-	-	-	-	12,215
Net assets (deficit):								
Unrestricted:								
Operating	(554,435)	2,091	71,503	6,490	660	-	-	(473,691)
Fixed assets	150,860	-	44,464	-	-	-	-	195,324
Designated for endowment	-	-	-	-	-	-	1,023,084	1,023,084
Total unrestricted	<u>(403,575)</u>	<u>2,091</u>	<u>115,967</u>	<u>6,490</u>	<u>660</u>	<u>-</u>	<u>1,023,084</u>	<u>744,717</u>
Temporarily restricted	51,505	-	-	-	-	92,810	-	144,315
Permanently restricted	-	-	-	-	-	-	666,795	666,795
Total net assets	<u>(352,070)</u>	<u>2,091</u>	<u>115,967</u>	<u>6,490</u>	<u>660</u>	<u>92,810</u>	<u>1,689,879</u>	<u>1,555,827</u>
Total liabilities & net assets	\$ <u>238,408</u>	\$ <u>2,091</u>	\$ <u>129,347</u>	\$ <u>6,490</u>	\$ <u>660</u>	\$ <u>92,810</u>	\$ <u>1,689,879</u>	\$ <u>2,159,685</u>

Shreveport Symphony, Inc.
Shreveport, Louisiana
Combining Schedule of Activities — Unrestricted Funds Only
For the Year Ended June 30, 1997

	Symphony Operating Fund	Piano Competition	Guild/Encore Operating Fund	Youth Symphony Orchestra	Pit Krewe	Make The Difference	Designated Endowment Fund	Total
Revenue and support								
Ticket sales	\$ 263,688	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 263,688
Performance fees	100,930	—	—	—	—	—	—	100,930
Performance grants	125,826	—	—	—	—	—	—	125,826
Operating grants	56,500	—	—	—	—	—	—	56,500
Annual fund drive	253,018	—	—	—	—	—	—	253,018
Special events, net	115,991	—	—	—	—	—	—	115,991
Other fund-raising	—	25,657	30,453	—	7,145	20,792	—	84,047
Sponsorships	107,421	—	—	—	—	—	—	107,421
Encore sales	—	—	179,354	—	—	—	—	179,354
Advertising	71,660	—	—	—	—	—	—	71,660
Non-recurring donations	24,157	—	—	—	—	—	6,304	30,461
Investment income	—	—	946	—	—	—	—	946
Other	12,619	—	17,380	145	—	—	—	108,812
	—	—	—	7,367	—	—	—	37,366
Total revenue and support	1,131,810	25,657	228,133	7,512	7,145	20,792	114,025	1,535,074
Expenses								
Concert production	365,039	—	—	—	—	—	—	365,039
Music administration	562,315	—	—	—	—	—	—	562,315
General and administrative	176,721	—	25,961	—	—	16	—	202,698
Marketing & public relations	169,031	—	—	—	—	—	—	169,031
Development and fund raising	54,268	—	156,317	—	3,185	—	—	213,770
Youth symphony orchestra	—	—	—	7,907	—	—	—	7,907
Piano competition	—	24,508	—	—	—	—	—	24,508
Total expenses	1,327,374	24,508	182,278	7,907	3,185	16	—	1,545,268
Change in net assets	(195,564)	1,149	45,855	(395)	3,960	20,776	114,025	(10,194)
Interfund transfers in (out):								
Operating	—	—	(22,300)	—	(3,300)	(20,776)	(113,025)	(159,401)
Endowments	113,025	—	—	—	—	—	—	113,025
Make The Difference	20,776	—	—	—	—	—	—	20,776
Guild/Encore	22,300	—	—	—	—	—	—	22,300
Pit Krewe	3,300	—	—	—	—	—	—	3,300
Total transfers	159,401	—	(22,300)	—	(3,300)	(20,776)	(113,025)	—
Chg in net assets, after tmfrs	(36,163)	1,149	23,555	(395)	660	—	1,000	(10,194)
Net assets - July 1, 1996	(367,412)	942	92,412	6,885	—	—	1,022,084	754,911
Net assets - June 30, 1997	\$(403,575)	\$ 2,091	\$ 115,967	\$ 6,490	\$ 660	\$ —	\$ 1,023,084	\$ 744,717

Shreveport Symphony, Inc.
Shreveport, Louisiana
Combining Schedule of Changes in Endowment Balances
For the Year Ended June 30, 1997

	Unrestricted		Permanently Restricted										Total
	1998 Fund	Endowment Fund	Ford Foundation	Frost Foundation	Mary McCord Symphony Endowment Fund	Raymond Morris Endowment Fund	William P. Shehee Endowment Fund	Nena Plant		Grace Patterson Endowment Fund	Luci Bond Scholarship Endowment Fund	Feld Endowment Fund	
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	
Contributions / other changes	5,305	1,000	-	-	140,042	1,000	-	-	-	-	500	147,847	
Investment income, net	367	18,196	43,059	5,185	35,000	784	1,387	1,964	735	317	726	107,720	
Transfers (to) from other funds	(5,672)	(18,196)	(43,059)	(5,185)	(35,000)	(784)	(1,387)	(1,964)	(735)	(317)	(726)	(113,025)	
Balances, June 30, 1997	\$ -	\$ 263,212	759,872	\$ 75,000	\$ 506,271	\$ 11,346	\$ 20,062	\$ 28,405	\$ 10,637	\$ 4,574	\$ 10,500	\$ 1,689,879	

Shreveport Symphony, Inc.
Shreveport, Louisiana
Schedule of Expenses For the Shreveport Symphony Operating Fund
(Excluding Guild/Encore, Make The Difference, Piano Competition, Youth Symphony, Pit Krewe, and Endowment)
For the Year Ended June 30, 1997, 1996 and 1995

	<u>1997</u>	<u>1996</u>	<u>1995</u>
Concert Production			
Per service musicians and fringes	\$ 192,995	\$ 181,012	\$ 157,998
Guest artist	20,258	28,738	99,687
Music rental and purchase	21,754	15,664	8,722
Hall rental	11,787	5,985	12,115
Production personnel	42,875	40,978	41,024
Stage hands salary and fringe	50,024	53,555	44,731
Security services	8,953	10,161	10,677
Production expenses	13,993	18,762	22,800
Depreciation expense	2,400	—	—
Total concert production	<u>365,039</u>	<u>354,855</u>	<u>397,754</u>
Music Administration			
Salaries and fringes	501,738	543,746	566,059
Workers compensation insurance	10,945	6,701	12,769
General liability insurance	6,426	4,851	6,386
Pension	12,000	12,000	12,000
Music, royalties and library	12,696	7,146	8,011
Music director's search	—	28,784	—
General	18,510	10,109	7,365
Total music administration	<u>562,315</u>	<u>613,337</u>	<u>612,590</u>
General and Administrative			
Salaries and fringes	103,543	102,641	109,397
Facilities	9,192	8,131	8,131
General office expense	11,784	11,084	5,995
Office telephone	12,245	9,589	8,495
Office general postage	6,259	10,118	6,867
Executive director and board meetings expenses	1,978	2,300	2,930
Staff expense and development	—	263	3,980
General liability insurance	300	292	323
Professional fees	7,785	5,705	5,745
Dues and subscriptions	6,416	4,190	1,579
Rent, repair, and maintenance	6,578	10,443	8,311
Interest, credit card, service charges	6,586	6,231	5,352
Depreciation Expense	4,055	—	—
Total general and administrative	<u>176,721</u>	<u>170,987</u>	<u>167,105</u>
Marketing and Public Relations			
Salaries and fringes	25,330	43,480	43,731
General marketing	68,277	55,687	58,493
Telemarketing	48,682	31,525	—
Subscriptions campaigns	26,742	13,810	15,015
Total marketing and public relations	<u>169,031</u>	<u>144,502</u>	<u>117,239</u>
Development and Fund Raising			
Salaries and fringes	34,609	32,277	32,256
General fund raising expense	19,659	19,157	13,100
Total development and fund raising	<u>54,268</u>	<u>51,434</u>	<u>45,356</u>
	<u>\$ 1,327,374</u>	<u>\$ 1,335,115</u>	<u>\$ 1,340,044</u>

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Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
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, 1997, and have issued our report thereon dated September 2, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Shreveport Symphony, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Shreveport Symphony, Inc.'s internal control over financial planning 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.

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 September 2, 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
September 2, 1997

Shreveport Symphony, Inc.
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
June 30, 1997

PRIOR FINDINGS

There were no findings or questioned costs for the prior year audit period ending June 30, 1996.

CURRENT FINDINGS

There are no findings or questioned costs for this audit period ending June 30, 1997.

COOK & MOREHART

Certified Public Accountants

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Management Letter

September 2, 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, 1997, 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.

Operating Fund Deficit

As detailed in the audit report for the year ending June 30, 1997, the Symphony Operating Fund had an unrestricted operating deficit of \$ (473,691). Also, the Symphony Operating Fund has borrowed \$268,801 from the unrestricted Board Designated Endowment Funds. This amount 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.

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.



Cook & Morehart
Certified Public Accountants

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