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**THE LOUISIANA
PHILHARMONIC ORCHESTRA**
REPORT ON AUDITS OF FINANCIAL STATEMENTS FOR
THE YEARS ENDED JUNE 30, 2002 AND 2001
OTHER INFORMATION
(Pursuant to Louisiana Revised Statute 34:813)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor for 800, where appropriate, at the office of the parish clerk of court.

Release Date 1/2/05

THE LOUISIANA PHILHARMONIC ORCHESTRA

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Report of Independent Accountants

To the Board of Directors and Members of
The Louisiana Philharmonic Orchestra

In our opinion, the accompanying statements of financial position and the related statements of activities and cash flows after the restatement described in Note 2 presents fairly, in all material respects, the financial position of The Louisiana Philharmonic Orchestra (the "Orchestra") at June 30, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Orchestra's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform an 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

September 19, 2002

THE LOUISIANA PHILHARMONIC ORCHESTRA

Statements of Financial Position

June 30, 2002 and 2001

ASSETS	2002	2001 Restated
Current assets:		
Cash and cash equivalents	\$ 353,817	\$ 513,171
Contributions receivable	688,828	395,349
Other current assets	13,819	15,880
Deferred marketing costs	18,747	21,611
Interest receivable	939	32,474
Total current assets	<u>1,085,250</u>	<u>988,485</u>
Investments	8,397	8,091
Property and equipment, net	43,888	53,019
Interest in endowment trust	118,298	123,882
Total assets	<u>\$ 1,353,831</u>	<u>\$ 1,353,469</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Trade accounts payable and accrued liabilities	\$ 183,644	\$ 134,389
Deferred revenue - ticket sales	495,853	493,211
Total current liabilities	<u>679,497</u>	<u>627,600</u>
Commitments and contingencies		
Net assets:		
Unrestricted	(661,152)	(679,810)
Temporarily restricted	1,313,658	1,881,677
Permanently restricted	108,796	123,992
Total net assets	<u>761,302</u>	<u>725,859</u>
Total liabilities and net assets	<u>\$ 1,353,831</u>	<u>\$ 1,353,469</u>

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

THE LOUISIANA PHILHARMONIC ORCHESTRA

Statements of Activities

for the years ended June 30, 2020 and 2019

	2020		2019		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
Revenues and other support					
Ticket revenue	\$ 1,256,274	\$ -	\$ 1,256,274	\$ 1,256,274	\$ 1,197,754
Contributions	1,450,000	640,499	2,090,500	1,781,000	2,014,271
Other income	160,000	-	160,000	94,871	84,073
Budget fund	-	-	-	-	10,000
for items related from previous years - Settlement of program liabilities for previous programs	-	-	-	-	-
Total revenues and other support	\$ 2,866,274	\$ 640,499	\$ 2,446,774	\$ 5,953,547	\$ 3,316,100
Expenses					
Orchestra programs	2,714,340	-	2,714,340	2,813,341	3,011,287
Management and general	490,000	-	490,000	403,000	453,000
Maintenance	441,250	-	441,250	448,011	460,000
Marketing and development	174,275	-	174,275	174,200	177,500
Total expenses	\$ 4,820,865	\$ -	\$ 4,820,865	\$ 3,838,551	\$ 4,101,787
Endowment returns (net) in excess of amounts designated for normal operations	-	-	(1,256)	(1,256)	5,460
Change in net assets	(104,591)	261,363	(1,486)	15,206	(104,591)
Net assets at beginning of year as reported	675,818	(1,081,677)	(81,793)	(487,652)	694,278
Adjustment of prior year (See Note 5)	-	-	-	-	18,011
Net assets at end of year	\$ 571,227	\$ (820,314)	\$ (81,793)	\$ (330,880)	\$ 595,700

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

THE LOUISIANA PHILHARMONIC ORCHESTRA

Statements of Cash Flows

for the years ended June 30, 2007 and 2007

	2007	2006
Cash flow from operating activities:		
Change in net assets	\$ 71,445	\$ (195,829)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	24,296	28,899
Appreciation in investments	(308)	-
Contributions replaced by bonds	-	(3,091)
Endowment returns	(2,718)	(8,192)
Cash received from endowment	8,334	2,931
Changes in assets and liabilities:		
Contributions receivable	(284,609)	(211,798)
Interest receivable	20,525	(22,494)
Other current assets	(3,879)	1,736
Deferred marketing costs	2,884	5,178
Trade accounts payable and accrued liabilities	11,245	65,872
Deferred revenue - ticket sales	17,632	38,852
Net cash used in operating activities	<u>(132,351)</u>	<u>(241,286)</u>
Cash flow from investing activities:		
Purchase of property and equipment	<u>(17,665)</u>	<u>(11,272)</u>
Net cash used in investing activities	<u>(17,665)</u>	<u>(11,272)</u>
Net decrease in cash and cash equivalents	(149,556)	(252,558)
Cash and cash equivalents, beginning of year	<u>513,125</u>	<u>865,728</u>
Cash and cash equivalents, end of year	<u>\$ 363,569</u>	<u>\$ 613,170</u>

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

THE LOUISIANA PHILHARMONIC ORCHESTRA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002 AND 2001

I. Organization and Summary of Significant Accounting Policies

Organization

The Louisiana Philharmonic Orchestra (the "Orchestra") is a nonprofit entity formed to establish a symphony to perform classical and other music, to present programs, and to undertake other activities to further the enjoyment of classical and other music by the public.

Each of accounting

The Orchestra's financial statements are presented using the accrual method of accounting. Under this method, revenues are recognized in the period earned, and expenses are recognized in the period in which the benefit is realized. Revenues from ticket sales are recognized when the performances are given. The Orchestra reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets unless that restriction expires in the fiscal year the gifts were received. When a donor 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. The Orchestra reports gifts of assets as permanently restricted support if they are received with donor stipulations that permanently restrict the assets from use.

Permanently restricted net assets

Permanently restricted net assets for June 30, 2002 and 2001 of \$118,296 and \$123,891, respectively, consist of an interest in an endowment. Distributions from the endowment can be made twice a year at the discretion of the trustee in the amount of 2.5% of the average endowment balance for the past twelve quarters, not exceeding the expected long-term investment return of the endowment. Distributions are classified as unrestricted other income on the statement of activities.

Temporarily restricted net assets

Temporarily restricted net assets for June 30, 2002 and 2001 of \$1,343,060 and \$1,881,671, respectively, are available for the Orchestra program for future seasons.

Contributions receivable

Contributions receivable consist of unconditional promises to give to the Orchestra. Contributions receivable are recorded at net realizable value.

Deferred marketing costs

Costs incurred for the production and distribution of the Orchestra's upcoming season brochures, including direct response (pledge and purchase inserts, are capitalized and expensed in the following fiscal year.

Property, equipment and depreciation

Property and equipment, including the music library, are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, primarily 5 years.

THE LOUISIANA PHILHARMONIC ORCHESTRA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002 AND 2001

1. Organization and Summary of Significant Accounting Policies (continued)

Tax status

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

Investments

Investments are stated at fair market value. The Orchestra's investments at June 30, 2002 and 2001 consist of interest bearing bonds.

Donated services and materials

Donated services and materials, if significant in amount, are recorded as contributions at their fair market value provided the donor has a clearly measurable and objective basis for determining their value. No value is assigned to other donated items if there is no ascertainable basis for assigning the value. During fiscal 2002 and 2001, the Orchestra has recorded both revenues and expenses approximating \$113,800 and \$115,000, respectively, relating primarily to management and general expenses for donated professional services, materials, and occupancy of its management office.

Endowments

The Orchestra accounts for endowments under Statement of Financial Accounting Standards ("SFAS") No. 136: "Transfer of Assets to a Not-for-Profit Organization or Charitable Trust that Rates or Holds Contributions for Others." SFAS No. 136 requires the beneficiary to recognize its rights to assets held by a recipient organization as an asset unless the recipient organization has variance power over the assets. The Orchestra has one endowment, which is recorded as an asset on its Statement of Financial Position (see Note 6).

Cash and cash equivalents

The Orchestra considers all money-market investment instruments and certificates of deposit with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents for 2002 and 2001 include approximately \$41,000 and \$61,315, respectively, of money market funds.

The Orchestra has \$254,080 in certificates of deposit designated for specific Orchestra programs.

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 net assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from these estimates.

THE LOUISIANA PHILHARMONIC ORCHESTRA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002 AND 2001

1. Revision of Prior Period Financial Statements

During the fiscal year ended June 30, 2001, the Orchestra determined that its net assets were understated as of June 30, 2001 and 2000 by \$123,892 and \$118,432, respectively, as a result of a misinterpretation of the provisions of one of the Orchestra's endowments. One of the Orchestra's endowments was previously disclosed as being held by the Greater New Orleans Foundation (GNOF) for the benefit of the Orchestra with the understanding that GNOF held *variance power* over the endowment. It was determined that the endowment should have been recorded as an asset on the Orchestra's statement of financial position as of June 30, 2000. Permanently Restricted Net Assets in the Statement of Activities as of June 30, 2000 has been adjusted to reflect the Orchestra's interest in the endowment. Following is reconciliation of net assets and changes in net assets as reported and restated as of June 30, 2001 and 2000:

	2001	2000
Net asset as reported	\$ 482,967	\$ 688,256
Adjustment of prior period	<u>123,892</u>	<u>118,432</u>
Restated net assets	<u>\$ 606,859</u>	<u>\$ 806,688</u>
Change in net assets as reported	\$ (295,289)	\$ 581,042
Adjustment of prior period	<u>5,440</u>	<u>118,432</u>
Restated change in net assets	<u>\$ (289,849)</u>	<u>\$ 699,474</u>

3. Property and Equipment

Property and equipment, net is summarized as follows for June 30, 2002 and 2001:

	2002	2001
Office furniture and equipment	\$ 171,232	\$ 116,664
Music library	<u>58,328</u>	<u>48,712</u>
	189,562	165,377
Less: Accumulated Depreciation	<u>(124,852)</u>	<u>(118,252)</u>
	<u>\$ 64,710</u>	<u>\$ 47,125</u>

4. Operating Leases

The Orchestra leases office space for which rent is being waived as a contribution to the Orchestra. Management estimates that the annual fair market value of this rental is approximately \$41,808. This amount is included in the amounts disclosed in Note 1 related to donated services and materials for fiscal 2002 and 2001.

THE LOUISIANA PHILHARMONIC ORCHESTRA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002 AND 2001

5. Concentration of Financial Risk

During the year ended June 30, 2002, the Orchestra maintained cash account balances greater than the amount insured by the Federal Deposit Insurance Corporation at one of the three financial institutions used by the Orchestra.

6. Endowments

Several endowments have been established at the Greater New Orleans Foundation ("GNOF") for the benefit of the Orchestra which GNOF has trustee power over the endowments. As of June 30, 2002 and 2001, these endowments were valued at approximately \$1,262,432 and \$1,487,188, respectively. Distributions from these endowments, which are at the discretion of the GNOF, were approximately \$71,134 and \$71,521 during the years ended June 30, 2002 and 2001, respectively.

The Orchestra has on the statements of financial position an interest in an endowment trust in the amount of \$118,206 and \$112,882 at June 30, 2002 and 2001, respectively. GNOF serves as the trustee of the trust. Distributions from the endowment trust were \$8,334 and \$2,852 for the periods ending June 30, 2002 and 2001, respectively.

7. Grants

During the year ended June 30, 2002, the Orchestra received a grant from The Life Wallace Bender's Digest Fund in the amount of \$458,000. The grant is to be used for audience development over four years beginning in fiscal year 2003. As of June 30, 2002, \$458,000 of this grant is classified as temporarily restricted on the statements of financial position.

The Orchestra received a grant from the Mellon Foundation in the amount of \$808,000 during the year ended June 30, 2001. The terms of this grant stipulate that the funds be used for specific orchestra programs over three years beginning fiscal year 2001. As of June 30, 2002, \$258,646 of this grant is classified as temporarily restricted on the statements of financial position.

8. Line of Credit

The Orchestra has a \$500,000 unsecured bank credit facility. At June 30, 2002, the Orchestra had no outstanding borrowings under this credit facility.

THE LOUISIANA PHILHARMONIC ORCHESTRA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002 AND 2001

9. Functional Expenses

The Orchestra's expenses classified by functional category for the years ended June 30, 2002 and 2001 are as follows:

	2002				
	Total	Orchestra Programs	Management & General	Marketing	Fundraising & Development
Salaries and wages	\$ 2,660,888	\$ 2,313,362	\$ 346,222	\$ 140,079	\$ 18,219
Supplies and travel	82,358	57,803	44,755	-	-
Services and professional fees	610,063	73,627	123,175	298,221	115,040
Office and occupancy	441,184	289,589	91,914	-	-
Depreciation	34,290	-	34,290	-	-
	<u>\$ 3,819,883</u>	<u>\$ 2,734,381</u>	<u>\$ 609,961</u>	<u>\$ 441,291</u>	<u>\$ 113,251</u>

	2001				
	Total	Orchestra Programs	Management & General	Marketing	Fundraising & Development
Salaries and wages	\$ 2,714,182	\$ 2,386,597	\$ 224,064	\$ 107,902	\$ 81,589
Supplies and travel	130,539	41,099	64,563	8,800	1,623
Services and professional fees	320,944	104,480	76,767	147,121	89,576
Office and occupancy	418,526	312,811	29,702	76,013	-
Depreciation	28,890	-	28,890	-	-
	<u>\$ 3,603,081</u>	<u>\$ 3,847,387</u>	<u>\$ 415,915</u>	<u>\$ 448,011</u>	<u>\$ 167,690</u>

OTHER INFORMATION

Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors and Members of
The Louisiana Philharmonic Orchestra and
The Office of Legislative Auditor, State of Louisiana

We have performed the procedures enumerated below, which were agreed to by The Louisiana Philharmonic Orchestra (the "Orchestra") and the Office of Legislative Auditor, State of Louisiana (the "Legislative Auditor") solely to assist you in complying with the reporting requirements of the Legislative Auditor in determining whether the Orchestra has complied with representations made by the Orchestra in the Louisiana *Discussion Questionnaire*, included as Appendix C, for the year ended June 30, 2012. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Orchestra and the Legislative Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and associated findings are as follows:

Federal, State and Local Awards

1. We obtained a list of federal, state and local government award expenditures for the fiscal year, by grant and grant year, from the Orchestra as attached at Appendix A.
2. We selected all federal, state, and local governmental grants for testing purposes. For each award selected, we performed the following procedures, as applicable:
 - Selected, by use of non-systematic sample selection criteria, up to 6 disbursements from each award administered during the period under examination, as described in Appendix B.
 - Compared the selected disbursements to supporting invoices or other documentation, noting agreement of disbursement amount and payee.
 - Determined through inquiry of Orchestra personnel and inspection of the grant document that the selected disbursements were properly recorded in the correct fund and general ledger account noting no exception.
 - Obtained from the Orchestra a list of persons authorized to approve disbursements and determined that the selected disbursements were approved by an authorized person.

- For disbursements charged to a federal award, determined that the disbursements complied with the applicable specific program requirements by comparing the description of the disbursement purpose contained on the disbursement's supporting documentation with the program specifics summarized in the Compliance Supplement or contained in the grant agreement, if the program is not included in the Compliance Supplement noting no exception.
 - For state and local awards, determined that the disbursements complied with the grant agreement by comparing the description of the disbursement purpose contained on the disbursement's supporting documentation with grant specifics as contained in the grant agreement noting no exception.
3. For programs selected for testing in item (2) that had been completed during the period under review, we compared the amount of disbursements per the close-out report, when required, with the Orchestra's general ledger and determined that the amounts were in agreement.

Meetings

4. We inquired of Orchestra management whether agendas for meetings recorded in the minutes book were posted at open meetings as required by LSA-RS-42:1 through 42:12, and were informed that so such meetings occurred in the year ended June 30, 2002.

Comprehensive Budget

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

Prior Comments and Recommendations

6. No prior-year comments or recommendations were issued as of December 31, 2001. The Orchestra was not in compliance with RS-24:113 as December 31, 2002. The Orchestra did not file its audited financial statements for the period June 30, 2002 within 180 days of fiscal year end. The delay in filing is due to a late audit issue with regard to accounting for an endowment, which required a restatement of prior year's financial statements (see Note 2 of the financial statements).

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Orchestra and the Legislative Auditor and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

September 16, 2002

Appendix A

Grant Listing for the year ended June 30, 2002

	Award Amount
Federal:	
National Endowment for the Arts - Challenge America	\$ 10,000
State:	
Louisiana Division of the Arts	\$ 50,542
Louisiana Department of Culture, Recreation and Tourism	\$ 50,000
Local:	
Arts Council of New Orleans	\$ 15,000
Worcey Fund	\$ 180,000

Appendix B

Disbursement Selection

	Check Number	Payee
Louisiana Division of the Arts (General Operating Support)	2432	Margaret Shields
	2542	Brian Owen
	3126	Kami Young
	3615	Keri Jensen
	3619	Michael Bourde
	3996	Susan Anderson
Louisiana Department of Culture, Recreation & Tourism (L.A. Purchase Commissioning Project)	14419	IT Services
	17123	Phillip Collier Design
	14257	Robert Kaplow
	14188	Robert Kaplow
	14501	Robert Kaplow
Arts Council of New Orleans (General Operating Support)	11583	Robert Kaplow
	1937	Cheryl Frank
	1987	Richard Warble
	4832	Vance Woolf
	1583	Paul Adams
	1451	Alisa Robby
National Endowment for the Arts - Challenge America (Music Program for Coast Shepherd School)	1348	Ann Cohen
	2585	Reynold Becke
	2586	Michael Escoto
	2588	David Carbons
	2536	Cheryl Frank
	2024	Ivan Hodge
Wasser Trust Fund (General Operating Support)	2345	Howard Pink
	10011	Printing Co. of America
	10287	Office Depot Credit Plan
	10409	Insurance Underwriters
	10467	Bell South
	10149	Bernard Productions
	10652	LWCC



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

Appendix C

LOUISIANA PUBLISHERS COMPANY
Attestation Central, Suite 2000

December 14, 2002

PriceWaterhouseCoopers LLP
639 Loyola Avenue
New Orleans, LA 70113

In connection with your completion of our financial statements as of June 30, 2002 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations. These representations are based on the information available to us as of December 13, 2002.

Federal, State, and Local Awards

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:13 (the open meetings law).

Yes No

Budget

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

Yes No

Prior Year Comments

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

Yes No

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

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

Susan Andrews Secretary 12-18-02 Date
Susan Andrews

James Arnold Treasurer 12-19-02 Date
James Arnold

Ann Colton President 12-19-02 Date
Ann Colton