

REPORT
NEW ORLEANS OPERA ASSOCIATION
JUNE 30, 2017 AND 2016

NEW ORLEANS OPERA ASSOCIATION

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December 13, 2017

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

We have audited the accompanying financial statements of the New Orleans Opera Association (the "Association"), (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As more fully described in Note 2 to the financial statements, we were unable to satisfy ourselves concerning the basis at which certain real estate is recorded in the financial statements. Accounting principles generally accepted in the United States of America require real estate to be recorded at its fair value at the date of receipt. The effects on the accompanying financial statements have not been determined.

Qualified Opinion

In our opinion, except for the effects, if any, of the matter as discussed in the preceding paragraph and in Note 2, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As discussed in Note 14 to the financial statements, certain errors resulting in overstatement of deferred revenue and contributions from individuals, were discovered in previously reported amounts. The prior period net assets have been restated to reflect this correction. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Association. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2017 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

NEW ORLEANS OPERA ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u> (Restated)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 783,775	\$ 649,001
Accounts receivable	1,191,045	1,416,727
Inventory	2,455	-
Prepaid expenses	71,751	80,922
Total Current Assets	2,049,026	2,146,650
PROPERTY AND EQUIPMENT:		
Property and equipment, net of accumulated depreciation of \$1,950,729 and \$1,918,960	392,743	402,171
Net Property and Equipment	392,743	402,171
TOTAL ASSETS	\$ 2,441,769	\$ 2,548,821

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 64,641	\$ 99,619
Deposits	6,350	900
Deferred income	324,251	469,263
Total Current Liabilities	395,242	569,782
NET ASSETS:		
Unrestricted	1,836,739	1,770,369
Temporarily restricted	209,788	208,670
Total Net Assets	2,046,527	1,979,039
TOTAL LIABILITIES AND NET ASSETS	\$ 2,441,769	\$ 2,548,821

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

NEW ORLEANS OPERA ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT:			
Revenues:			
Ticket sales	\$ 779,941	\$ -	\$ 779,941
Education	3,568	-	3,568
Scenery rental and outside jobs revenue	195,673	-	195,673
Guild Home	86,875	-	86,875
Investment income	3,626	-	3,626
BP claim settlement	437,028	-	437,028
Other income	35,953	-	35,953
Total Revenues	<u>1,542,664</u>	<u>-</u>	<u>1,542,664</u>
Support:			
Contributions	1,004,380	191,286	1,195,666
Grants	47,000	-	47,000
Special event revenue, net of direct costs	72,977	-	72,977
Net assets released from restrictions	190,168	(190,168)	-
Total Support	<u>1,314,525</u>	<u>1,118</u>	<u>1,315,643</u>
Total Revenues and Support	<u>2,857,189</u>	<u>1,118</u>	<u>2,858,307</u>
Expenses:			
Program services:			
Production	2,061,551	-	2,061,551
LED tax credits applied (net of related expenses)	(543,703)	-	(543,703)
Education	55,781	-	55,781
Scenic and studio	186,951	-	186,951
Scenery rental and outside jobs costs	101,861	-	101,861
Guild Home expenses	82,669	-	82,669
Management and general:			
General and administrative	345,066	-	345,066
Marketing and advertising	343,304	-	343,304
Fundraising	30,686	-	30,686
Development	126,653	-	126,653
Total Expenses	<u>2,790,819</u>	<u>-</u>	<u>2,790,819</u>
Increase in net assets	<u>66,370</u>	<u>1,118</u>	<u>67,488</u>
Net Assets at beginning of year	<u>1,770,369</u>	<u>208,670</u>	<u>1,979,039</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,836,739</u>	<u>\$ 209,788</u>	<u>\$ 2,046,527</u>

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

NEW ORLEANS OPERA ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
(RESTATED)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT:			
Revenues:			
Ticket sales	\$ 792,607	\$ -	\$ 792,607
Education	6,939	-	6,939
Scenery rental and outside jobs revenue	128,087	-	128,087
Guild Home	128,759	-	128,759
Investment income	8,869	-	8,869
Other income	6,270	-	6,270
Total Revenues	1,071,531	-	1,071,531
Support:			
Contributions	1,092,219	225,003	1,317,222
Grants	43,000	-	43,000
Special event revenue, net of direct costs	94,280	-	94,280
Net assets released from restriction	189,043	(189,043)	-
Total Support	1,418,542	35,960	1,454,502
Total Revenues and Support	2,490,073	35,960	2,526,033
Expenses:			
Program services:			
Production	1,927,491	-	1,927,491
LED tax credits applied (net of related expenses)	(636,446)	-	(636,446)
Education	66,934	-	66,934
Scenic and studio	170,645	-	170,645
Scenery rental and outside jobs costs	69,488	-	69,488
Guild Home expense	102,217	-	102,217
Management and general:			
General and administrative	297,483	-	297,483
Marketing and advertising	276,592	-	276,592
Fundraising	42,643	-	42,643
Development	111,921	-	111,921
Total Expenses	2,428,968	-	2,428,968
Increase in net assets	61,105	35,960	97,065
Net assets at beginning of year, before restatement	1,709,264	1,835	1,711,099
Prior period adjustment	-	170,875	170,875
Net assets at beginning of year, as restated	1,709,264	172,710	1,881,974
NET ASSETS AT END OF YEAR	\$ 1,770,369	\$ 208,670	\$ 1,979,039

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

NEW ORLEANS OPERA ASSOCIATION
 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u> (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 67,488	\$ 97,065
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,770	37,535
Changes in operating assets and liabilities:		
Accounts receivable	225,681	(776,730)
Inventory	(2,456)	-
Prepaid expenses	9,171	(40,104)
Accounts payables and accrued expenses	(34,978)	73,930
Deposits	5,450	-
Deferred income	(145,012)	(18,739)
Net cash provided (used) by operating activities	<u>157,114</u>	<u>(627,043)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(22,340)</u>	<u>(36,723)</u>
Net cash (used) provided by investing activities	<u>(22,340)</u>	<u>(36,723)</u>
Net increase (decrease) in cash and cash equivalents	134,774	(663,766)
Cash and cash equivalents, beginning of year	<u>649,001</u>	<u>1,312,767</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 783,775</u></u>	<u><u>\$ 649,001</u></u>

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

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NATURE OF ACTIVITIES:

The mission of the New Orleans Opera Association (the Association) is to enrich the lives of all people by producing opera of the highest artistic quality and providing education opportunities through traditional and innovative approaches. The activities of the organization are to plan, produce, and present opera of the highest musical and artistic caliber; to educate the public on the value and joy of opera; to encourage and facilitate the participation in the art form by young people; to maintain the H. Lloyd Hawkins Scenic Studio as a resource for local, national, and international opera companies and performing arts groups; to continue its history of contributing to the community's cultural heritage; and to have a positive impact on civic life.

The Association presents fully staged opera performances in the Mahalia Jackson Theater for the Performing Arts throughout the year and presents smaller scale operas in alternative venues. The Association's performances are conceived and produced locally, with artists engaged individually by the General Director, production design executed by the Association's H. Lloyd Hawkins Scenic Studio, the chorus of local singers led by the Association's Chorus Director, and music provided by the Louisiana Philharmonic Orchestra.

As part of its mission to introduce opera to younger audiences, students throughout the metropolitan area are invited to dress rehearsal performances and the Association's education staff, along with board members and volunteers, visit schools and welcome students to introduce them to the opera through various educational offerings such as small scale performances and lectures. In 2015, the Association inaugurated the Donald Wood Youth Vocal Competition, an annual competition for trained high school singers providing the winners both performance opportunities and cash prizes.

Other educational and outreach activities are conducted throughout the year, including a lecture series, social events, and "Opera On Tap" performances – casual events in small scale venues generally aimed at non-traditional audiences. The Association continuously assesses how it can best engage the community and positively impact civic life through the art form of opera.

Support Committees:

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

Basis of Presentation:

The Association prepares its financial statements in accordance with generally accepted accounting principles and in accordance with the provisions of FASB ASC 958-205-05,

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation: (Continued)

Financial Statements of Not-for-Profit Organizations, which involves the application of the accrual basis of accounting. Under FASC ASC 958-205-05, the Association 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. Revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Accounts Receivable:

Uncollectible receivables are charged off and recorded as administrative expense when the Association deems them to be uncollectible. All receivables at June 30, 2017 are considered collectible by management; accordingly, an allowance for doubtful accounts is not presented. As of June 30, 2017 and 2016, the Association had \$604,381 and \$585,796 receivables over 90 days old, respectively.

Income Taxes:

The Association is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and from state income taxes under Section 121 (5) of Title 47 of the Louisiana Revised Statutes of 1950. Accordingly, no provision for income taxes is included in the financial statements. The Association reports its revenues and expenses annually on Internal Revenue Service (IRS) Form 990, Return of Organization Exempt From Income Tax. The Association is not required to file state or local income tax returns.

Revenue Recognition:

Ticket sales are recorded as operating revenues on a specific performance basis. Advance ticket sales, representing the receipt of ticket sale payments for future opera performances, are initially deferred in the statement of financial position and are subsequently recognized as revenue when the related productions take place. Contributions as well as unconditional promises to give, are recognized in the period received. Contributions are classified as unrestricted or restricted support based on donor-imposed restrictions. When a donor restriction expires, when a stipulated time restriction ends or a purpose restriction is met, the Association reclassifies the temporarily restricted net assets to unrestricted net assets and reports these assets as released from restriction.

Contributed Services:

During the years ended June 30, 2017 and 2016, the value of contributed services meeting the requirements for recognition in the financial statements was not material and was not recorded.

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Donated Services:

Donated services have not been reflected in the financial statements since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donate significant amounts of their time in the Association's program and supporting services.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Property and Equipment:

Property and equipment are stated at cost less accumulated depreciation. Donations of property and equipment are recorded at fair value at the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose or for a future date. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. The Association capitalized property and equipment with a cost greater than \$1,000. Expenditures for maintenance, repairs and minor renewals are charged against earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Estimated useful lives of property and equipment are as follows:

Automobiles	3 - 10 years
Furniture and fixtures	5 - 20 years
Machinery and equipment	3 - 20 years
Buildings and improvements	7 - 39 years

Non-Depreciable Assets:

Donations of non-depreciable assets are recorded as support at their estimated fair value at the time of donation. The Women's Guild of the New Orleans Opera Association has received non-cash contributions in the forms of antique furniture, antique rugs, and other works of art. These items do not meet the criteria to be classified as part of a collection. The fair value of the assets was determined by a certified antique appraiser. These items are reported as part of unrestricted net assets in the statement of financial position.

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Temporarily and Permanently Restricted Net Assets:

Temporarily restricted net assets are those whose use, by the Association, have been limited by donors to a specific time period or purpose. Permanently restricted net assets are restricted by donors to be maintained by the Association, or on behalf of the Association, in perpetuity.

Cash Equivalents:

The Association considers all unrestricted and temporarily restricted liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2017 and 2016, cash equivalents consisted of a money market and a certificate of deposit.

In-kind Donations:

In addition to receiving cash donations, the Association received in-kind donations in the form of rental space from a donor. It is the policy of the Association to record the estimated fair value of in-kind donations as an expense in its statement of activities and similarly increase contribution revenue by a like amount.

Advertising:

The Association follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$343,304 and \$276,592 for the years ended June 30, 2017 and 2016, respectively.

Deferred Income:

Deferred income consists primarily of the ticket sales for the upcoming opera season. Those ticket sales are recorded as deferred income and recognized as revenue when earned.

2. DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES:

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

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

3. PREPAID EXPENSES:

Prepaid expenses consist of the following for the years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Prepaid opera ball costs	\$ 5,666	\$ 3,000
Prepaid opera costs	-	3,711
Prepaid payroll	-	13,784
Prepaid other	66,085	60,427
Total prepaid expenses	<u>\$ 71,751</u>	<u>\$ 80,922</u>

4. PROPERTY AND EQUIPMENT:

A summary of property and equipment at June 30, 2017 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 166,690	\$ -	\$ 166,690
Non-depreciable works of art	42,183	-	42,183
Building	641,950	641,113	837
Furniture and fixtures	483,324	343,493	139,831
Production equipment	94,035	69,764	24,271
Scenery	811,639	800,836	10,803
Studio equipment	49,296	49,296	-
Trucks	48,850	43,398	5,452
Leasehold improvements	5,505	2,829	2,676
Total	<u>\$ 2,343,472</u>	<u>\$ 1,950,729</u>	<u>\$ 392,743</u>

A summary of property and equipment at June 30, 2016 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 166,690	\$ -	\$ 166,690
Non-depreciable works of art	42,183	-	42,183
Building	641,950	640,656	1,294
Furniture and fixtures	460,982	328,414	132,568
Production equipment	94,035	64,995	29,040
Scenery	811,640	793,607	18,033
Studio equipment	49,296	49,296	-
Trucks	48,850	39,304	9,546
Leasehold improvements	5,505	2,688	2,817
Total	<u>\$ 2,321,131</u>	<u>\$ 1,918,960</u>	<u>\$ 402,171</u>

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

4. PROPERTY AND EQUIPMENT: (Continued)

Depreciation expense for the years ended June 30, 2017 and 2016 was \$31,770 and \$37,535, respectively.

5. CASH AND CASH EQUIVALENTS:

At June 30, 2017 and 2016, the Association's cash and cash equivalents consisted of the following:

	<u>2017</u>	<u>2016</u>	
Cash	\$ 429,713	\$ 399,001	
Money market	293,128	250,000	
Certificate of deposit	60,934	-	
	<u>\$ 783,775</u>	<u>\$ 649,001</u>	

6. IN-KIND DONATION:

During fiscal year ended June 30, 2016, a donor provided the Association use of the second floor of his building located at 616 Girod Street without a rental fee. The Association estimated the value of the yearly lease to be \$38,000 and recorded the donations and corresponding rent expense. This rental arrangement ended on June 30, 2016.

7. OPERATING LEASE:

On June 1, 2016, the Association entered into a non-cancellable operating lease for office space at the building located at 935 Gravier Street effective from July 1, 2016 through December 31, 2018, with a monthly rent of \$4,583. The agreement was subsequently extended through December 31, 2019, with a monthly rent of \$4,166. Rental expense is included in general and administrative expenses and amounted to \$54,996 for the year ended June 30, 2017.

Minimum lease rental commitments under leasing agreements for the year ended June 30, 2017 are as follows:

<u>Fiscal year ending June 30:</u>	
2018	\$ 52,494
2019	<u>24,996</u>
Total	<u>\$ 77,490</u>

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

8. CONTINGENCIES:

Grants and bequests require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill these conditions could result in the return of the funds to grantors. Although this is a possibility, the Board deems the contingency remote, since, by accepting the gifts and their terms, it has accommodated the objectives of the organization to the provisions of the gifts. As discussed in Note 1 above, in order to support the services provided, the Association seeks contributions from the community as well as from ticket sales of opera performances. Contributions are from both the public and private sectors. Changes in the level of such support could adversely affect the ability of the Association to continue providing services.

9. SPECIAL EVENT FUNDRAISERS:

The Association had the following revenues and expenses from special events held during the year:

	2017	Direct	2017	2016	Direct	2016
	<u>Revenues</u>	<u>Costs</u>	<u>Net</u>	<u>Revenues</u>	<u>Costs</u>	<u>Net</u>
Opera ball	\$ 64,386	\$ 39,566	\$ 24,820	\$ 125,543	\$ 49,602	\$ 75,941
Mad hatter lunch	92,281	41,522	50,759	65,555	39,438	26,117
Other	23,818	26,420	(2,602)	41,686	49,464	(7,778)
Total	<u>\$ 180,485</u>	<u>\$ 107,508</u>	<u>\$ 72,977</u>	<u>\$ 232,784</u>	<u>\$ 138,504</u>	<u>\$ 94,280</u>

10. CONCENTRATIONS OF CREDIT RISK:

Cash deposits:

The Association maintains its cash in secured deposit accounts at various banks located in New Orleans, Louisiana. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were \$313,211 and \$147,955 in uninsured cash balances at June 30, 2017 and 2016, respectively.

Louisiana Department of Economic Development Tax Credits:

Approximately 99% and 85% of the Association's accounts receivable at June 30, 2017 and 2016, respectively, are refundable tax credits due from the Louisiana Department of Revenue (LED). The Association receives precertification from the LED based on the budget for each production. Estimated refundable tax credits are calculated and accrued based on the criteria established by the LED in the precertification letter and applied to the actual costs for the productions. The credits are recorded net of the direct expenses incurred by the Association to

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

10. CONCENTRATIONS OF CREDIT RISK: (Continued)

Louisiana Department of Economic Development Tax Credits: (Continued)

obtain the final certification. Adjustments to the estimated credits will be made in the following year when the final certification is issued and recorded as an addition or deduction to the current year credits. Below is a summary of the accrued estimated credits as well as the final certification amounts:

<u>Credit Year</u>	<u>Estimated LED Credit Accrued</u>	<u>Final Certified LED Credit</u>	<u>Final Certification Over (Under) Accrued Amount</u>	<u>Year Recorded as Adjustment to LED Credit</u>
2014-2015	\$577,474	\$627,517	\$50,043	2015-2016
2015-2016	\$600,581	\$671,132	\$70,551	2016-2017
2016-2017	\$496,540	Unavailable	Unavailable	2017-2018

A reconciliation of LED credits applied to productions on the supplementary information on pages 19 and 20, to LED Credits applied to related expenses on the Statement of Activities on pages 5 and 6 is as follows:

	<u>Reported for period ending June 30, 2017</u>	<u>Reported for period ending June 30, 2016</u>
Current year accrual on supplementary schedule	\$ 496,540	\$ 600,581
Plus or (minus) prior year difference	70,551	50,043
Less current year filing and audit expense	<u>(23,388)</u>	<u>(14,178)</u>
LED credits net of related expenses	<u>\$ 543,703</u>	<u>\$ 636,446</u>

Geographic concentration of customers:

The Association depends on the general public, businesses, and other public and private organizations principally within the New Orleans area to purchase tickets to the productions and for other contributions to enable the Association to continue its activities.

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

11. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Contributions with purpose restrictions	\$ 209,788	\$ 208,670

Net assets totaling \$190,168 were released from donor restrictions due to the satisfaction of purpose restrictions during the year ended June 30, 2017.

12. COMMITMENTS:

The Association entered into an employment contract on July 1, 2015, with the General and Artistic Director that will end on June 30, 2018. Under the terms of this contract, the Association is to pay the General and Artistic Director an annual salary of \$100,000 plus conducting fees of \$5,000 per production with a guarantee of at least two productions each opera season.

The Association also entered into an employment contract on July 1, 2015, with the Executive Director that will end on June 30, 2018. Under the terms of this contract the Association is to pay the Executive Director an annual salary of \$80,000.

13. RETIREMENT BENEFITS:

The Company maintains a SIMPLE IRA Plan which covers all eligible employees. Participation in the plan is voluntary. Participants may contribute the maximum pre-tax amount allowed under federal tax law. The Association matches up to a maximum of 3% of the participating employee's contributions. Employer contributions to the plan were \$18,139 and \$10,758 for the years ended June 30, 2017 and 2016, respectively.

Additionally, the Association agreed to pay retirement benefits to one previous employee of the Association. There was no formal contract or agreement in effect. Payments for the years ended June 30, 2017 and 2016, were \$-0- and \$500, respectively, and were included in salary expense in general and administrative expenses in the Statement of Activities. This arrangement ended as of June 30, 2016.

14. RESTATEMENT:

During 2017, it was determined that individual donations for the upcoming opera season must be recognized as donation revenue during the current year to comply with FASB ASC 958-605, *Not-for Profit Entities – Revenue Recognition*.

NEW ORLEANS OPERA ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

14. RESTATEMENT: (Continued)

Since inception in 1943, the Association had deferred the individual donations on the basis that the productions for the upcoming opera season would take place during the following year. Therefore, the revenue was deferred until the year the productions took place.

It was determined in 2017 that the individual donations were not specifically conditioned on the productions taking place. Therefore, the donations for the upcoming season are required to be recognized when received.

The effect of the restatement was to increase net assets by \$170,875 to correct deferred revenue as of June 30, 2015. For the year ended June 30, 2016 the correction increased contributions by \$24,256 and decreased deferred revenue by \$195,131.

\$ 1,282,966	Donation income, as originally stated at June 30, 2016
(170,875)	Donations originally recognized as revenue for the year ended June 30, 2016
195,131	Restated donations recognized as revenue for the year ended June 30, 2016
<u>\$ 1,307,222</u>	Donation income, as restated at June 30, 2016
<u>\$ 24,256</u>	Increase in donation income for the year ended June 30, 2016

15. RECLASSIFICATIONS:

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

16. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through December 13, 2017, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

NEW ORLEANS OPERA ASSOCIATION
SUPPLEMENTARY INFORMATION
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016

	<u>2017</u>	<u>2016</u> (Restated)
Bank and credit card charges	\$ 24,670	\$ 30,923
Computer expense	7,641	11,848
Depreciation	2,025	598
Dues and subscriptions	10,013	9,936
Insurance	26,600	32,593
Miscellaneous	10,182	10,345
Office expense	55,056	33,340
Parking	2,287	1,605
Postage	3,254	6,043
Printing and stationery	4,558	2,536
Professional fees	36,486	26,091
Rent	55,201	38,000
Salaries	84,135	72,011
Taxes – payroll	7,568	3,774
Telephone	10,837	8,977
Travel	<u>4,553</u>	<u>8,863</u>
 Total	 <u>\$ 345,066</u>	 <u>\$ 297,483</u>

NEW ORLEANS OPERA ASSOCIATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF TICKET SALES AND COST OF OPERAS
FOR THE YEAR ENDED JUNE 30, 2017

	Total	Don Giovanni	Macbeth	Sweeney Todd	Faust	As One
TICKET SALES, SURCHARGES, AND SUBSCRIPTIONS:						
Season subscriptions	\$ 498,948	\$ 124,737	\$ 124,737	\$ 124,737	\$ 124,737	\$ -
Box office sales	280,993	53,979	45,250	103,618	69,151	8,995
TOTAL	<u>779,941</u>	<u>178,716</u>	<u>169,987</u>	<u>228,355</u>	<u>193,888</u>	<u>8,995</u>
COST OF OPERAS:						
Artists	242,640	60,000	49,000	70,600	51,040	12,000
Artists' housing and travel	47,173	17,042	11,321	10,220	5,800	2,790
Auditions	84	84	-	-	-	-
Choreographer	1,700	600	300	-	800	-
Chorus	133,186	16,284	44,312	37,133	35,307	150
Conductor	20,000	5,000	5,000	5,000	5,000	-
Costumes	49,963	14,758	14,185	7,534	13,234	252
Costumer	19,892	4,000	7,200	4,000	4,000	692
Director - housing and travel	14,759	3,700	3,700	3,885	3,474	-
Drayage	354	354	-	-	-	-
Insurance	13,448	3,362	3,362	3,362	3,362	-
Lighting - design and equipment	26,328	2,410	15,901	4,958	2,934	125
Lighting - housing and travel	5,776	1,578	1,517	905	1,776	-
Lighting - designer	36,330	8,000	12,067	8,000	8,263	-
Miscellaneous expenses	21,227	1,071	3,544	3,129	11,014	2,469
Music	7,928	1,234	1,642	3,213	931	908
Orchestra	297,225	76,336	72,227	73,632	75,030	-
Parking	8,070	1,800	2,040	2,220	2,010	-
Payroll taxes	39,482	8,044	8,626	12,466	10,293	53
Production costs	956	429	115	174	219	19
Production royalty	41,025	-	-	40,000	-	1,025
Props	8,292	2,505	603	3,766	1,344	74
Propmaster	14,872	2,886	2,561	5,616	3,809	-
Rehearsal - accompanist	20,607	4,090	5,527	4,090	5,900	1,000
Rent - theater	112,950	30,810	27,380	27,380	27,380	-
Rent - rehearsal space	3,840	-	2,040	-	1,800	-
Salaried production staff	317,144	78,975	79,975	78,975	78,975	244
Scenic designer	21,369	5,655	3,000	6,334	6,380	-
Scenery and scenery construction	105,593	23,911	13,156	46,197	21,722	607
Security	23,448	4,752	5,252	5,241	7,083	1,120
Stage directors	43,200	9,000	13,000	9,000	11,000	1,200
Stage managers and assistants	42,120	8,380	8,380	8,380	8,380	8,600
Stagehands	168,920	38,858	38,440	46,409	45,213	-
Supers	850	-	600	250	-	-
Supertitle coordinator	3,500	700	700	700	700	700
Supertitles	1,780	660	400	360	360	-
Union benefits	53,189	12,499	10,780	16,387	13,523	-
Wardrobe - salaries	65,784	14,687	15,850	22,374	12,873	-
Wig and make up	26,547	7,108	5,767	6,885	6,787	-
COST OF OPERAS	<u>2,061,551</u>	<u>471,562</u>	<u>489,470</u>	<u>578,775</u>	<u>487,716</u>	<u>34,028</u>
COST OF OPERAS IN EXCESS OF TICKET SALES	(1,281,610)	(292,846)	(319,483)	(350,420)	(293,828)	(25,033)
GENERAL AND ADMINISTRATIVE EXPENSES	<u>(345,066)</u>	<u>(86,267)</u>	<u>(86,267)</u>	<u>(86,266)</u>	<u>(86,266)</u>	<u>-</u>
COST OF OPERAS AND ADMINISTRATIVE IN EXCESS OF TICKET SALES	(1,626,676)	(379,113)	(405,750)	(436,686)	(380,094)	(25,033)
ESTIMATED LED TAX CREDITS	<u>496,540</u>	<u>116,658</u>	<u>121,291</u>	<u>137,987</u>	<u>120,604</u>	<u>-</u>
TOTAL COST OF OPERAS TO ASSOCIATION	<u>\$ (1,130,136)</u>	<u>\$ (262,455)</u>	<u>\$ (284,459)</u>	<u>\$ (298,699)</u>	<u>\$ (259,490)</u>	<u>\$ (25,033)</u>

NEW ORLEANS OPERA ASSOCIATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF TICKET SALES AND COST OF OPERAS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Total</u>	<u>La Traviata</u>	<u>Die Fledermaus</u>	<u>Dead Man Walking</u>	<u>Tosca</u>	<u>Brundibar</u>
TICKET SALES, SURCHARGES, AND SUBSCRIPTIONS:						
Season subscriptions	\$ 535,544	\$ 133,886	\$ 133,886	\$ 133,886	\$ 133,886	\$ -
Box office sales	<u>257,063</u>	<u>63,185</u>	<u>44,328</u>	<u>54,130</u>	<u>75,419</u>	<u>20,001</u>
TOTAL	<u>792,607</u>	<u>197,071</u>	<u>178,214</u>	<u>188,016</u>	<u>209,305</u>	<u>20,001</u>
COST OF OPERAS:						
Artists	211,400	44,200	61,000	57,600	48,600	-
Artists' housing and travel	52,727	12,807	20,082	11,745	8,093	-
Auditions	1,231	(438)	498	498	498	175
Choreographer	9,556	-	9,306	250	-	-
Chorus	126,434	30,468	33,001	32,977	29,988	-
Conductor	20,000	5,000	5,000	5,000	5,000	-
Costumes	48,922	13,950	13,717	6,647	13,011	1,597
Costumer	16,000	3,500	3,500	4,500	3,500	1,000
Director - housing and travel	16,500	3,429	2,834	3,607	2,623	4,007
Drayage	1,680	567	-	-	-	1,113
Insurance	12,063	3,063	3,000	3,000	3,000	-
Lighting - design and equipment	9,189	1,578	2,420	3,109	1,806	276
Lighting - housing and travel	5,141	960	1,161	1,890	1,130	-
Lighting - designer	29,299	6,700	6,699	8,200	6,700	1,000
Miscellaneous expenses	6,512	1,324	893	762	2,449	1,084
Music	14,199	1,898	1,699	6,341	2,203	2,058
Orchestra	298,436	70,809	70,719	79,265	70,443	7,200
Parking	8,955	2,445	2,160	2,310	2,040	-
Payroll taxes	37,869	8,715	9,433	10,639	7,853	1,229
Production costs	2,099	885	201	717	273	23
Production royalty	23,000	-	-	23,000	-	-
Props	8,092	1,964	1,637	3,186	1,305	-
Propmaster	13,085	2,714	2,915	2,743	2,366	2,347
Rehearsal - accompanist	18,017	3,500	3,500	7,517	3,500	-
Rent - theater	107,330	28,080	24,970	28,080	26,200	-
Rent - rehearsal space	13,440	1,810	6,380	2,600	1,540	1,110
Salaried production staff	275,584	68,896	68,896	68,896	68,896	-
Scenic designer	15,338	-	6,671	6,167	1,000	1,500
Scenery and scenery construction	121,886	20,821	27,134	54,943	16,941	2,047
Security	22,225	5,463	4,957	5,178	5,089	1,538
Stage directors	43,000	9,000	10,000	10,000	8,000	6,000
Stage managers and assistants	31,564	7,516	7,516	7,516	7,516	1,500
Stagehands	172,269	39,797	38,581	48,042	35,702	10,147
Supers	1,050	-	300	200	550	-
Supertitle coordinator	2,650	600	600	600	600	250
Supertitles	1,623	510	393	360	360	-
Union benefits	52,162	11,875	12,210	15,336	10,385	2,356
Wardrobe - salaries	50,361	13,446	13,742	11,242	11,931	-
Wig and make up	<u>26,603</u>	<u>6,897</u>	<u>6,848</u>	<u>6,156</u>	<u>6,702</u>	<u>-</u>
COST OF OPERAS	<u>1,927,491</u>	<u>434,749</u>	<u>484,573</u>	<u>540,819</u>	<u>417,793</u>	<u>49,557</u>
COST OF OPERAS IN EXCESS OF TICKET SALES	(1,134,884)	(237,678)	(306,359)	(352,803)	(208,488)	(29,556)
GENERAL AND ADMINISTRATIVE EXPENSES	<u>(297,483)</u>	<u>(74,371)</u>	<u>(74,371)</u>	<u>(74,371)</u>	<u>(74,370)</u>	<u>-</u>
COST OF OPERAS AND ADMINISTRATIVE IN EXCESS OF TICKET SALES	(1,432,367)	(312,049)	(380,730)	(427,174)	(282,858)	(29,556)
ESTIMATED LED TAX CREDITS	<u>600,581</u>	<u>141,199</u>	<u>154,381</u>	<u>169,366</u>	<u>135,635</u>	<u>-</u>
TOTAL COST OF OPERAS TO ASSOCIATION	<u>\$ (831,786)</u>	<u>\$ (170,850)</u>	<u>\$ (226,349)</u>	<u>\$ (257,808)</u>	<u>\$ (147,223)</u>	<u>\$ (29,556)</u>

NEW ORLEANS OPERA ASSOCIATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	<u>Association</u>	Opera <u>Ball</u>	Women's <u>Guild</u>	Junior <u>Committee</u>	Opera <u>Club</u>	Adjustments / <u>Eliminations</u>	Combined <u>Total</u>
<u>ASSETS:</u>							
Cash and cash equivalents	\$ 529,381	\$ 26,808	\$ 207,522	\$ 12,995	\$ 7,069	\$ -	\$ 783,775
Accounts receivable	1,409,141	-	10,325	-	-	(228,421)	1,191,045
Inventory	-	-	2,455	-	-	-	2,455
Prepaid expenses	65,157	5,666	928	-	-	-	71,751
Property and equipment, net of accumulated depreciation	183,607	-	209,136	-	-	-	392,743
TOTAL ASSETS	<u>\$ 2,187,286</u>	<u>\$ 32,474</u>	<u>\$ 430,366</u>	<u>\$ 12,995</u>	<u>\$ 7,069</u>	<u>\$ (228,421)</u>	<u>\$ 2,441,769</u>
<u>LIABILITIES AND NET ASSETS</u>							
<u>CURRENT LIABILITIES:</u>							
Accounts payable and accrued expenses	\$ 62,560	\$ -	\$ 211,907	\$ 12,995	\$ 5,600	\$ (228,421)	\$ 64,641
Deposits	-	-	6,350	-	-	-	6,350
Deferred income	312,901	-	11,350	-	-	-	324,251
TOTAL CURRENT LIABILITIES	<u>375,461</u>	<u>-</u>	<u>229,607</u>	<u>12,995</u>	<u>5,600</u>	<u>(228,421)</u>	<u>395,242</u>
<u>NET ASSETS:</u>							
Unrestricted	1,602,037	32,474	200,759	-	1,469	-	1,836,739
Temporarily restricted	209,788	-	-	-	-	-	209,788
TOTAL NET ASSETS	<u>1,811,825</u>	<u>32,474</u>	<u>200,759</u>	<u>-</u>	<u>1,469</u>	<u>-</u>	<u>2,046,527</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,187,286</u>	<u>\$ 32,474</u>	<u>\$ 430,366</u>	<u>\$ 12,995</u>	<u>\$ 7,069</u>	<u>\$ (228,421)</u>	<u>\$ 2,441,769</u>

NEW ORLEANS OPERA ASSOCIATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

	<u>Association</u>	Opera <u>Ball</u>	Women's <u>Guild</u>	Junior <u>Committee</u>	Opera <u>Club</u>	Adjustments / <u>Eliminations</u>	Combined <u>Total</u>
<u>ASSETS:</u>							
Cash and cash equivalents	\$ 491,108	\$ 15,936	\$ 125,787	\$ 6,244	\$ 9,926	\$ -	\$ 649,001
Accounts receivable	1,483,027	-	19,500	-	-	(85,800)	1,416,727
Prepaid expenses	77,922	3,000	-	-	-	-	80,922
Property and equipment, net of accumulated depreciation	202,321	-	199,850	-	-	-	402,171
TOTAL ASSETS	<u>\$ 2,254,378</u>	<u>\$ 18,936</u>	<u>\$ 345,137</u>	<u>\$ 6,244</u>	<u>\$ 9,926</u>	<u>\$ (85,800)</u>	<u>\$ 2,548,821</u>
<u>LIABILITIES AND NET ASSETS</u>							
CURRENT LIABILITIES:							
Accounts payable and accrued expenses	\$ 56,458	\$ -	\$ 120,461	\$ -	\$ 8,500	\$ (85,800)	\$ 99,619
Deposits	-	-	900	-	-	-	900
Deferred income	447,567	6,063	15,273	360	-	-	469,263
TOTAL CURRENT LIABILITIES	<u>504,025</u>	<u>6,063</u>	<u>136,634</u>	<u>360</u>	<u>8,500</u>	<u>(85,800)</u>	<u>569,782</u>
NET ASSETS:							
Unrestricted	1,555,222	12,873	194,964	5,884	1,426	-	1,770,369
Temporarily restricted	195,131	-	13,539	-	-	-	208,670
TOTAL NET ASSETS	<u>1,750,353</u>	<u>12,873</u>	<u>208,503</u>	<u>5,884</u>	<u>1,426</u>	<u>-</u>	<u>1,979,039</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,254,378</u>	<u>\$ 18,936</u>	<u>\$ 345,137</u>	<u>\$ 6,244</u>	<u>\$ 9,926</u>	<u>\$ (85,800)</u>	<u>\$ 2,548,821</u>

NEW ORLEANS OPERA ASSOCIATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Association</u>	<u>Opera Ball</u>	<u>Women's Guild</u>	<u>Junior Committee</u>	<u>Opera Club</u>	<u>Adjustments / Eliminations</u>	<u>Combined Total</u>
REVENUES AND SUPPORT:							
Revenues:							
Ticket sales	\$ 779,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779,941
Education	3,568	-	-	-	-	-	3,568
Scenery rental and outside jobs	195,673	-	-	-	-	-	195,673
Guild home	-	-	86,875	-	-	-	86,875
Investment income	3,021	-	605	-	-	-	3,626
BP claim settlement	437,028	-	-	-	-	-	437,028
Other income	14,662	-	19,008	65	2,218	-	35,953
TOTAL REVENUES	<u>1,433,893</u>	<u>-</u>	<u>106,488</u>	<u>65</u>	<u>2,218</u>	<u>-</u>	<u>1,542,664</u>
Support:							
Contributions	1,252,471	-	31,133	1,907	28,750	(118,595)	1,195,666
Grants	47,000	-	-	-	-	-	47,000
Special event fundraising revenue, net of direct costs of benefits provided	(9,323)	24,820	51,540	5,940	-	-	72,977
TOTAL SUPPORT	<u>1,290,148</u>	<u>24,820</u>	<u>82,673</u>	<u>7,847</u>	<u>28,750</u>	<u>(118,595)</u>	<u>1,315,643</u>
TOTAL REVENUES AND SUPPORT	<u>2,724,041</u>	<u>24,820</u>	<u>189,161</u>	<u>7,912</u>	<u>30,968</u>	<u>(118,595)</u>	<u>2,858,307</u>
EXPENSES:							
Program services:							
Production	2,061,551	-	-	-	-	-	2,061,551
Less LED tax credits applied (net of expense)	(543,703)	-	-	-	-	-	(543,703)
Education	55,781	-	-	-	-	-	55,781
Scenic and studio	186,951	-	-	-	-	-	186,951
Scenery rental and outside jobs costs	101,861	-	-	-	-	-	101,861
Guild Home expenses	-	-	82,669	-	-	-	82,669
Management and general:							
General and administrative	330,171	-	12,642	801	1,452	-	345,066
Marketing and advertising	343,304	-	-	-	-	-	343,304
Fundraising	-	5,219	1,594	-	23,873	-	30,686
Development	126,653	-	-	-	-	-	126,653
Contributions to New Orleans Opera Association	-	-	100,000	12,995	5,600	(118,595)	-
TOTAL EXPENSES	<u>2,662,569</u>	<u>5,219</u>	<u>196,905</u>	<u>13,796</u>	<u>30,925</u>	<u>(118,595)</u>	<u>2,790,819</u>
Increase (decrease) in net assets	61,472	19,601	(7,744)	(5,884)	43	-	67,488
Net assets at beginning of year	<u>1,750,353</u>	<u>12,873</u>	<u>208,503</u>	<u>5,884</u>	<u>1,426</u>	<u>-</u>	<u>1,979,039</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,811,825</u>	<u>\$ 32,474</u>	<u>\$ 200,759</u>	<u>\$ -</u>	<u>\$ 1,469</u>	<u>\$ -</u>	<u>\$ 2,046,527</u>

NEW ORLEANS OPERA ASSOCIATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Association</u>	<u>Opera Ball</u>	<u>Women's Guild</u>	<u>Junior Committee</u>	<u>Opera Club</u>	<u>Adjustments / Eliminations</u>	<u>Combined Total</u>
REVENUES AND SUPPORT:							
Revenues:							
Ticket sales	\$ 792,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 792,607
Education	6,939	-	-	-	-	-	6,939
Scenery rental and outside jobs	128,087	-	-	-	-	-	128,087
Guild home	-	-	128,759	-	-	-	128,759
Investment income	8,610	-	259	-	-	-	8,869
Other income	3,989	-	1,878	403	-	-	6,270
TOTAL REVENUES	940,232	-	130,896	403	-	-	1,071,531
Support:							
Contributions	1,436,372	-	12,810	2,315	39,225	(173,500)	1,317,222
Grants	43,000	-	-	-	-	-	43,000
Special event fundraising revenue, net of direct costs of benefits provided	(12,162)	75,940	22,690	7,812	-	-	94,280
TOTAL SUPPORT	1,467,210	75,940	35,500	10,127	39,225	(173,500)	1,454,502
TOTAL REVENUES AND SUPPORT	2,407,442	75,940	166,396	10,530	39,225	(173,500)	2,526,033
EXPENSES:							
Program services:							
Production	1,927,491	-	-	-	-	-	1,927,491
Less LED tax credits applied (net of expense)	(636,446)	-	-	-	-	-	(636,446)
Education	66,934	-	-	-	-	-	66,934
Scenic and studio	170,645	-	-	-	-	-	170,645
Scenery rental and outside jobs costs	69,488	-	-	-	-	-	69,488
Guild Home expenses	-	-	102,217	-	-	-	102,217
Management and general:							
General and administrative	284,518	2,717	7,477	1,394	1,377	-	297,483
Marketing and advertising	276,592	-	-	-	-	-	276,592
Fundraising	-	9,231	3,982	-	29,430	-	42,643
Development	111,921	-	-	-	-	-	111,921
Contributions to New Orleans Opera Association	-	70,000	85,000	10,000	8,500	(173,500)	-
TOTAL EXPENSES	2,271,143	81,948	198,676	11,394	39,307	(173,500)	2,428,968
Increase (decrease) in net assets	136,299	(6,008)	(32,280)	(864)	(82)	-	97,065
Net assets at beginning of year, before restatement	1,443,179	18,881	240,783	6,748	1,508	-	1,711,099
Prior period adjustment	170,875	-	-	-	-	-	170,875
Net assets at beginning of year, as restated	1,614,054	18,881	240,783	6,748	1,508	-	1,881,974
NET ASSETS AT END OF YEAR	\$ 1,750,353	\$ 12,873	\$ 208,503	\$ 5,884	\$ 1,426	\$ -	\$ 1,979,039

NEW ORLEANS OPERA ASSOCIATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2017

Agency Head Name: Timothy Todd Simmons, Executive Director

Purpose	Amount
Salary	
Benefits - insurance	
Benefits - retirement	
Benefits - <list any other here>	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses	
Special meals	

No salaries or benefits were provided with public funds.



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

December 13, 2017

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Orleans Opera Association (the "Association"), (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

NEW ORLEANS OPERA ASSOCIATION
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

A. SUMMARY OF AUDITOR'S RESULTS

We have audited the financial statements of the New Orleans Opera Association as of and for the year ended June 30, 2017, and have issued our report thereon dated December 13, 2017.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Our audit of the financial statements as of June 30, 2017 resulted in a qualified opinion.

1. Financial statements
Type of auditor's report issued: qualified

2. Internal control over financial reporting
Material weaknesses identified Yes No
Control deficiencies identified that are not
Considered to be material weaknesses Yes No

3. Noncompliance material to financial statements Yes No

B. SUMMARY OF PRIOR YEAR FINDINGS

None