LOUISIANA SYMPHONY ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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Audited Financial Statements:

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Independent Auditor's Report

To the Board of Directors
Louisiana Symphony Association, Inc.
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Symphony Association Inc. (the "Association"), (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses 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.

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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2020 and 2019, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, 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, and 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.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
December 22, 2020

LOUISIANA SYMPHONY ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
Current Assets:		
Cash and Cash Equivalents	$ 117,183	$ 148,973
Restricted Cash	88,641	92,497
Investments - Restricted	153,927	157,410
Unconditional Promises to Give - Without Donor Restrictions	4,555	13,082
Receivables - With Donor Restrictions	12,300	9,359
Inventory	904	-
Prepaid Expenses and Other Assets	1,500	1,500
Total Current Assets	379,010	422,821
Endowment Assets	456,502	380,000
Beneficial Interest in BR Symphony League	82,011	53,289
Long-Term Portion of Unconditional Promises to Give -		
Without Donor Restrictions	57,450	109,980
Property and Equipment, Net	38,590	45,555
Total Assets	$ 1,013,563	$ 1,011,645

LIABILITIES AND NET ASSETS

	2020	2019
Current Liabilities:		
Accounts Payable	$ 26,768	$ 20,801
Outstanding Checks in Excess of Bank Balance	8,153	7,042
Lines of Credit	87,695	138,088
Current Portion of Note Payable - Payment Protection Program	38,504	-
Accrued Expenses	5,136	7,220
Deferred Revenues	36	110,578
Total Liabilities	166,292	283,729
Long-Term Portion of Note Payable - Payment Protection Program	49,496	-
Net Assets:		
Without Donor Restrictions:		
Undesignated (Deficit)	(84,232)	(140,630)
With Donor Restrictions:		
Perpetual in Nature	456,502	380,000
Purpose Restrictions	363,500	365,484
Time-Restricted for Future Periods	62,005	123,062
	882,007	868,546
Total Net Assets	797,775	727,916
Total Liabilities and Net Assets	$ 1,013,563	$ 1,011,645

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

LOUISIANA SYMPHONY ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions:						
Endowment - Investment Income, Net	$ -	$ 17,503	$ 17,503	$ -	$ 29,521	$ 29,521
Individual	187,924	110,768	298,692	122,128	143,860	265,988
Corporate	79,600	26,000	105,600	59,100	33,500	92,600
Foundations	4,821	175,000	179,821	1,570	125,000	126,570
Board Members	3,972	36,869	40,841	16,318	24,250	40,568
League	-	42,000	42,000	35,100	-	35,100
Special Events	29,240	-	29,240	19,534	-	19,534
Government Grants	115,368	-	115,368	109,064	-	109,064
Program Service Fees						
Admission Sales	16,692	-	16,692	25,970	-	25,970
Subscriptions	73,142	-	73,142	125,818	-	125,818
Single Ticket Sales	261,672	-	261,672	276,961	-	276,961
Custom Hire/Fees for Service	50,489	-	50,489	65,580	-	65,580
Merchandise	606	-	606	167	-	167
Tuition and Dues	33,672	-	33,672	37,849	-	37,849
Investment Income	755	143	898	-	127	127
Other Income	1,431	-	1,431	5,071	-	5,071
In Kind	110,198	-	110,198	478,352	-	478,352
Supper Club	-	-	-	-	20,000	20,000
Tax Credit Refund	-	-	-	203,342	-	203,342
Change in Beneficial Interest in League	28,722	-	28,722	19,041	-	19,041
Total Support and Revenue	998,304	408,283	1,406,587	1,600,965	376,258	1,977,223
Net Assets Released From Restriction	394,822	(394,822)	-	339,596	(339,596)	-
Total Revenues and Other Support	1,393,126	13,461	1,406,587	1,940,561	36,662	1,977,223
Expenses:						
Program Expenses	878,784	-	878,784	999,148	-	999,148
Supporting Services:						
Marketing	188,559	-	188,559	387,607	-	387,607
Development	50,670	-	50,670	60,618	-	60,618
General and Administrative Expenses	218,715	-	218,715	380,765	-	380,765
Total Expenses	1,336,728	-	1,336,728	1,828,138	-	1,828,138
Change in Net Assets	56,398	13,461	69,859	112,423	36,662	149,085
Net Assets (Deficit) - Beginning of Year	(140,630)	868,546	727,916	(253,053)	831,884	578,831
Net Assets (Deficit) - End of Year	$ (84,232)	$ 882,007	$ 797,775	$ (140,630)	$ 868,546	$ 727,916

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

LOUISIANA SYMPHONY ASSOCIATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	Program Expenses	Supporting Services: Marketing	Supporting Services: Development	Supporting Services: General and Administrative	Total Expenses 2020
Salaries and Wages	$ 378,912	$ -	$ -	$ 80,952	$ 459,864
Payroll Taxes	24,904	-	-	6,236	31,140
Employee Benefits	4,721	-	-	3,162	7,883
Professional Services	182,862	-	-	58,314	241,176
Office Expense	-	-	-	1,796	1,796
Interest Expense	-	-	-	8,369	8,369
Depreciation	6,929	-	-	36	6,965
Insurance	-	-	-	23,176	23,176
Public Relations	6,099	105,809	-	-	111,908
Guest Artists	124,256	-	-	-	124,256
Concerts	129,498	-	-	-	129,498
Patron Services	20,603	-	-	-	20,603
In-Kind Donations	-	82,750	9,356	18,092	110,198
Other Expenses	-	-	41,314	18,582	59,896
Total Expenses	$ 878,784	$ 188,559	$ 50,670	$ 218,715	$ 1,336,728

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

LOUISIANA SYMPHONY ASSOCIATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

		Supporting Services			Total
	Program Expenses	Marketing	Development	General and Administrative	Expenses 2019
Salaries and Wages	$ 477,650	$ -	$ 345	$ 26,926	$ 504,921
Payroll Taxes	35,191	-	-	1,918	37,109
Employee Benefits	11,507	-	-	5,397	16,904
Professional Services	180,696	-	-	61,474	242,170
Office Expense	-	-	-	3,043	3,043
Occupancy	-	-	-	3,895	3,895
Interest Expense	-	-	-	14,584	14,584
Depreciation	6,965	-	-	373	7,338
Insurance	-	-	-	5,227	5,227
Public Relations	16,290	134,961	-	-	151,251
Guest Artists	83,407	-	-	-	83,407
Concerts	155,160	-	-	-	155,160
Patron Services	31,682	-	-	-	31,682
In-Kind Donations	600	252,646	13,189	211,917	478,352
Other Expenses	-	-	47,084	46,011	93,095
Total Expenses	$ 999,148	$ 387,607	$ 60,618	$ 380,765	$ 1,828,138

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

LOUISIANA SYMPHONY ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities:		
Increase in Net Assets	$ 69,859	$ 149,085
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Bad Debt Expense	14,680	24,960
Depreciation	6,965	7,338
Loss on Disposal of Property and Equipment	-	109
Unrealized Loss (Gain) on Investments	3,483	(9,003)
Change in Beneficial Interest in BR Symphony League	(28,722)	(19,041)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(17,621)	219,477
Prepaid Expenses	-	7,344
Unrestricted Unconditional Promises to Give	61,057	(37,237)
Inventory	(904)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	5,967	(92,360)
Accrued Expenses	(2,084)	(9,478)
Deferred Revenues	(110,542)	110,578
Net Cash Provided by Operating Activities	2,138	351,772
Cash Flows from Investing Activities:		
Purchase of Investments	(76,502)	(5,000)
Net Cash Used in Investing Activities	(76,502)	(5,000)
Cash Flows from Financing Activities:		
Principal Draws (Repayments) on Line of Credit, Net	(50,393)	(229,769)
Increase (Decrease) in Outstanding Checks in Excess of Bank Balance	1,111	(17,078)
Proceeds from Issuance of Debt	88,000	-
Net Cash Provided by (Used in) Financing Activities	38,718	(246,847)
Net Increase (Decrease) in Cash and Cash Equivalents	(35,646)	99,925
Cash and Cash Equivalents at Beginning of Year	241,470	141,545
Cash and Cash Equivalents at End of Year	$ 205,824	$ 241,470
Cash	$ 117,183	$ 148,973
Cash - Restricted	88,641	92,497
	$ 205,824	$ 241,470
Supplemental Disclosures:		
Cash Paid During the Year for Interest	$ 8,369	$ 14,584

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

LOUISIANA SYMPHONY ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

1. Nature of Activities

The Louisiana Symphony Association, Inc. (the Association) was founded in 1947. The mission of the Association is to enhance the quality of life in our community through music.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Association have been prepared on the accrual basis of accounting. The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Association is required to report information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

Net Assets Without Donor Restrictions - not subject to donor-imposed restrictions. Net assets may be designated for specific purposes by action of the Board of Directors. Board designations include designation for reserves and other designations and are presented on the face of these financials statements.

Net Assets With Donor Restrictions - subject to donor-imposed restrictions. Some donor imposed restrictions are temporary in nature for future periods, such as those that will be met by the passage of time or other events specified by the donor, and some donor restrictions are restricted for purpose. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resource be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Net assets restricted in perpetuity include endowment funds on these financials.

Contributions and Promises to Give

Contributions received are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Association has an endowment trust funded by contributions. Donor contributions without donor restrictions can be used at the Association's discretion. The principal for donor contributions with donor restrictions that are perpetual in nature must remain intact. Funds donated with restrictions on principal have been classified as perpetual in nature net assets with donor restrictions.

Unconditional promises to give cash and other assets donated to the Association are reported at fair value on the date the promise is received. Due to the relatively short term nature of the promises to give, fair value equals the amount of the promise at June 30, 2020 and 2019.

Grant Revenue Recognition

Grants which represent exchange transactions are recorded as a receivable when the grant is formally committed. Grants committed at year end which are applicable to the subsequent fiscal period are included in grants receivable. Grants which represent contributed support are recognized in the same manner as promises to give.

Tax Credit Income

Tax credit income is recognized as a receivable when the application has been accepted and approved for payment by the governing body.

Accounts Receivable and Deferred Revenue

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end and are determined to be past due based on contractual terms. Based on management's assessment of credit history with clients having outstanding balances and current relationships with them, the Association has concluded that realization of losses on balances outstanding at year end, if any, will not be significant.

Deferred revenue represents tickets for concerts that have been sold or sponsorships received prior to the date of the concert. After the concert is performed, the revenue from the concert will be realized and recorded as revenue. In the event any of the productions are not presented, the advance ticket collections and sponsorships for that concert will be available for refund to the ticket holders.

Contributed and Volunteer Services

The Association recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation. Services donated include advertising, rehearsal space and professional services. The value of contributed services meeting the requirements for recognition in the financial statements was $110,198 and $478,352 for the years ended June 30, 2020 and 2019, respectively.

A substantial number of unpaid volunteers have made a significant contribution of service to develop the Association's programs, principally in fund raising activities, operations, and board participation. The value of this service is not reflected in these statements since it does not meet the criteria for recognition, as described above.

Property and Equipment

Property and equipment are stated at cost. The Association capitalizes all assets with an initial cost that is greater than $500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Association has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. Accordingly, no provision for income taxes on related income has been included in the financial statements.

The Association files an income tax return in the U.S. federal jurisdiction. With few exceptions, the Association is no longer subject to federal tax examinations by tax authorities for years before 2016. Any interest and penalties assessed by income taxing authorities are not significant and are included in general and administrative expenses in these financial statements, if applicable.

The Association adopted the accounting guidance related to accounting for uncertain tax positions. In management's judgment, the Association does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

Cash and Cash Equivalents

The Association considers all highly liquid investments with maturities of three months or less at the date of acquisition to be "cash equivalents." Cash and cash equivalents for purposes of the statements of cash flows excludes cash and cash equivalents and amounts held in brokerage accounts that are perpetual in nature with donor restricted net assets.

The Association maintains cash balances at several financial institutions and brokerage houses. At various times during the year, the balances on deposit may exceed the limits insured by the Federal Deposit Insurance Corporation.

Functional Allocation of Expenses

The costs of providing for the various programs and other activities of the Association have been summarized on their functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses are recorded directly in the program service or supporting service classification in which they were incurred except for professional services which are allocated based on employee function.

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.

Investments and Investment Revenues

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value. Unrealized gains and losses and other investment income are recorded in current year operations as increases or decreases in net assets with donor restrictions until the gains and losses receive appropriation for expenditure.

Donated investments are recorded at market value at the date of receipt, which is then treated as cost. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost bases of the securities sold, using the specific identification method. These realized gains and losses flow through the Association's current operations.

Beneficial Interest in Baton Rouge Symphony League

In accordance with the *Transfers of Assets to a Not-for-Profit Organization that Raises or Holds Contributions for Others topic of FASB ASC*, the net assets of the League are treated as a beneficial interest asset on the Association's financial statements. The effect of this guidance is for the Association to recognize an asset equal to the net assets of the League, similar to the equity method of accounting.

Recent Accounting Pronouncements

During the year ended June 30, 2020, the Association implemented ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for contributions received and contributions made to assist entities in (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The adoption of ASU 2018-08 did not result in a change to the accounting for contributions received and contributions made.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*, which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and liability for the corresponding lease obligation for leases with terms of more than twelve months. In November 2019, the FASB issued ASU 2019-10 delaying the effective date for non-public companies to fiscal years beginning after December 15, 2020. In response to the COVID-19 pandemic, ASU 2020-05 was issued in June 2020 delaying the effective date for Topic 842 to fiscal years beginning after December 15, 2021. The Association is evaluating the impact the pronouncement may have on the financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Topic 606: Deferral of Effective Date*. This standard delayed the effective date for non-public entities to fiscal years beginning after December 15, 2018, with early adoption permitted. In response to the COVID-19 pandemic, ASU 2020-05 was issued in June 2020 delaying the effective date for Topic 606 to annual reporting periods beginning after December 15, 2019. The Association is evaluating the impact the pronouncement may have on the financial statements.

3. Liquidity and Availability

The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial Assets at Year-end:	
Cash and Cash Equivalents	$ 117,183
Restricted Cash	88,641
Investments	153,927
Unconditional Promises to Give	62,005
Receivables	12,300
Endowment Assets	456,502
	890,558
Less amounts not available for general expenditures within one year, due to:	
Net Assets:	
Perpetual in Nature	(456,502)
Purpose Restrictions	(363,500)
Time-Restricted for Future Periods	(62,005)
	(882,007)
Financial assets available to meet cash needs for general expenditures within one year	$ 8,551

The Louisiana Symphony Association, Inc. manages liquidity through a variety of methods. One method is the organization deploys structured ask windows and sequence drops with its development committee. Another is the introduction of additional funds on an as needed basis through $250,000 in available working capital lines of credit. A third is management of its own box office, which provides stronger cash flow than not managing internally. A fourth method of liquidity management is through dedicated reserves. The organization's board actively set aside the entire proceeds from the disbursement of LED tax credit proceeds for the sole purpose of debt extinguishment. Furthermore, the board engaged a local CPA for an enhanced management agreement that further strengthens the cash flow predictability of numerous cost lines within the organization's budget, which provides much more consistent expectations of cash flow and allowed for simpler administrative execution.

Despite all these active constructive measures, the Louisiana Symphony Association, Inc. remains structurally dependent on the fundraising efforts of the Irene W. & C. B. Pennington Great Performers (PGP) in Concert Series annual event. The net proceeds from this event for the 2019-2020 fiscal period were 17% of the organization's top line revenue. The Board is aware of the concentration risk this represents and is actively working to strengthen the core operations' financial performance to mitigate or dilute the concentration risks this event represents. In response and recognition of that concentration, the fiscal year 2021 budget, will include $25,000 of allocated monies from that event to mitigate that concentration dependency.

As of June 30, 2019, the Association had $42,755 of financial assets available to meet cash needs for general expenditures within one year.

4. Property and Equipment

A summary of property and equipment, accumulated depreciation, and related service lives at June 30, is as follows:

	Estimated Service Lives	2020	2019
Furniture and fixtures	5 - 7 years	$ 30,121	$ 30,121
Piano	20 years	92,750	92,750
		122,871	122,871
Less accumulated depreciation		(84,281)	(77,316)
		$ 38,590	$ 45,555

5. Fair Value Measurements

The *Fair Value Measurements and Disclosure* topic of FASB ASC establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 - inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of assets or liabilities.
- Level 3 - inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019:

Mutual funds: Valued at the daily closing price as reported by the mutual fund. Mutual funds held by the Association are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Association are deemed to be actively traded.

Fixed Income: Certificates of Deposits - Valued at fair value based on the price the Association would expect to receive if the assets were sold at year end.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value on a recurring basis as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 14,963	$ -	$ -	$ 14,963
Fixed Income	116,432	-`	-	116,432
Mutual Funds	479,034	-	-	479,034
Total Assets at Fair Value	$ 610,429	$ -	$ -	$ 610,429

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value on a recurring basis as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 22,635	$ -	$ -	$ 22,635
Equities	3,773	-	-	3,773
Mutual Funds	511,002	-	-	511,002
Total Assets at Fair Value	$ 537,410	$ -	$ -	$ 537,410

6. Lines of Credit

The Association has available lines of credit totaling $250,000 and $300,000 at June 30, 2020 and 2019, respectively, from a financial institution. The lines of credit are secured with the Association's deposit accounts. The line of credit that expired August 14, 2019 was not renewed. The lines of credit, related balances, maturities, and interest rates as of June 30, 2020 and 2019, respectively, are as follows:

2020

Financial Institution	Rate	Balance	Maturity
Iberia Bank	6.00% (variable)	$ 87,695	July 25, 2021
Iberia Bank	6.75% (variable)	$ -	August 14, 2019

2019

Financial Institution	Rate	Balance	Maturity
Iberia Bank	6.00% (variable)	$ 98,088	July 25, 2020
Iberia Bank	6.75% (variable)	$ 40,000	August 14, 2019

7. Long Term Debt

At June 30, 2020, the long-term debt of the Association is comprised of the following:

*Note payable under the PPP program of the CARES Act in the amount of $88,000 dated April 13, 2020, bearing interest at 1.00% payable in full on April 13, 2022 with 18 monthly principal and interest payments beginning November 13, 2020, unless loan is forgiven as discussed further below.	$	88,000
Less: Current Portion		(38,504)
Long-Term Portion	$	49,496

The maturities on the long-term portion of debt as of June 30, 2020 is as follows:

2022	$	49,496

* In response to the COVID-19 outbreak, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) on March 27, 2020. Among other provisions, the CARES Act allows small businesses to apply for loans through the Paycheck Protection Program (PPP). On June 3, 2020, Congress passed the Paycheck Protection Program Flexibility Act which enhances several of the provisions of the PPP enacted as part of the CARES Act. The PPP provides 100% federally guaranteed loans to qualifying small businesses who maintain their payrolls during this emergency. These loans are eligible for loan forgiveness equal to the amount the borrowers spend on qualified business expenses during a 24-week period beginning on the date of the origination of the loan, including payroll costs, mortgage interest, rent and utility payments and certain other expenses as outlined in the legislation and application guidelines. Any portion of the loan that does not qualify for forgiveness will accrue interest at 1% and be due in installments two years from its origination. As noted above, the Association received $88,000 of loan proceeds under the PPP during the current year. Due to the uncertainty at this time, no determination has been made as to whether the loan or any portion thereof will be forgiven. Therefore, the proceeds of this loan are recorded as a liability until either the loan is paid or wholly forgiven and the Association has been legally released or the Association pays off the loan. Once the loan is, in part or wholly, forgiven and legal release is received, the Association will reduce the liability by the amount forgiven and record a gain on extinguishment of the note payable.

The Association had no long-term debt as of June 30, 2019.

8. Net Assets With Donor Restrictions for Purpose or Time-Restricted for Future Periods

Net assets with donor restrictions were available for the following purposes at June 30, 2020 and 2019:

	2020	2019
88 Keys	$ 103,074	$ 103,274
Endowment income - education	167,417	169,714
PGP Funds	-	50,000
Guest Artist Fund	38,640	42,496
Multi-year promises to give	62,005	123,062
Artistic Excellence	30,000	-
ML Restricted Cash	24,369	-
	$ 425,505	$ 488,546

9. Net Assets With Donor Restrictions for Purpose or Time-Restricted for Future Periods Released From Restrictions

Net assets released from donor restrictions for incurring program related expenses satisfying the restricted purposes were as follows for the years ended June 30, 2020 and 2019:

	2020	2019
Endowment income - education	$ 18,400	$ 18,400
88 Keys	1,600	1,600
Corporate - time restricted	-	10,000
Multi-year promises to give	109,822	110,873
PGP	261,000	186,304
Guest artist fund	4,000	12,419
Total	$ 394,822	$ 339,596

10. Lease Agreement

The Association signed a lease agreement in March 2015. The lease term was for thirty-six months beginning June 1, 2015, with an option to renew for an additional twelve-month period. The lease agreement was not renewed. For the years ended June 30, 2020 and June 30, 2019, rent expense was $-0- and $3,895, respectively. See Note 13.

11. Promises to give

Unconditional promises to give at June 30, 2020 and 2019 are as follows:

	2020	2019
Receivable in less than one year	$ 4,555	$ 13,082
Receivable in one to five years	57,450	109,980
Total unconditional promises to give	$ 62,005	$ 123,062

The scheduled payments on promises to give are as follows:

2021	$ 4,555
2022	56,195
2023	1,255
	$ 62,005

12. Endowed Net Assets

Effective July 1, 2010, the Louisiana legislature enacted Act No. 168 ("Act") to implement the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as the standard for the management and investment of institutional funds in Louisiana. The Act permits an organization to appropriate for expenditure or accumulate so much of an endowment fund as the organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. As of June 30, 2020 and 2019, the Association holds net assets with donor restrictions that are perpetual in nature within an endowment account at Merrill Lynch. The principal amounts of $456,502 and $380,000 as a result of the donations received shall not be expended for any purpose whatsoever as of June 30, 2020 and 2019, respectively. The earnings of these funds are deposited in net assets without donor restrictions. The funds are under the direction and control of the Executive Director of the Association and he only acts with Finance Committee or Board approval, as appropriate. During the life of the donor for each endowment, an annual report of the expenditure of endowment income shall be made to the Donor(s) or his/her designee(s). There was a $76,502 increase and $5,000 increase in the principal amount of the endowed account during the years ended June 30, 2020 and 2019, respectively.

13. Commitments

The Association entered into a professional services agreement on July 1, 2018. The agreement outlines the responsibilities of the third party to include accounting, finance, human resources, payroll, IT, development, management, patron services, office space, and tax related services. Future payments in accordance with this agreement are as follows:

2021	$ 237,713
2022	247,221
2023	257,110
	$ 742,044

14. Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer

Chief Executive Officer:

Purpose:		Eric Marshall 2020
Salary	$	80,000
Benefits - insurance		1,183
Benefits - retirement		-
Deferred compensation		-
Car allowance		-
Cell phone		-
Dues		-
Vehicle rental		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Housing		-
Special meals		-
Other		-
Total	$	81,183

15. Subsequent Events

The COVID-19 outbreak in the United States and globally which occurred during the year has caused business disruption through mandated and voluntary closings or schools and businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the continued duration and its impacts on the Association's donors, employees and vendors. Therefore, the extent to which COVID-19 may impact the Association's financial condition or results of operations cannot be reasonably estimated at this time.

The management of the Association evaluated subsequent events and transactions for possible recognition or disclosure in the financial statements through December 22, 2020, the date which the financial statements were available to be issued.

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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*

To the Board of Directors
Louisiana Symphony Association, Inc.
Baton Rouge, 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 Louisiana Symphony Association, Inc. (the "Association"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2020.

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 (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

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 from 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. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the legislative auditor as a public document and its distribution is not limited.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
December 22, 2020