

**Shreveport Symphony, Inc.**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2018**



**CRI** CARR  
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**June 30, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Shreveport Symphony, Inc. (a nonprofit corporation) which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Shreveport Symphony, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities on pages 19 through 21 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and activities of the individual organizations, and it is not a required part of the consolidated financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented in accordance with Act 706 of the Louisiana Revised Statutes ("LRS") 24:513(A)(3) on page 22 for purposes of additional analysis and is not a required part of the consolidated financial statements.

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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana  
December 31, 2018

**Shreveport Symphony, Inc.**  
**Consolidated Statement of Financial Position**

June 30,

2018

**Assets**

Current assets

Cash	\$	276,616
Investments		4,089
Accounts receivable, net of allowance for doubtful accounts of \$0		17,157
Prepaid expenses		1,918

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Total current assets		299,780
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Property and equipment, net		71,421
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Restricted assets

Cash		5,530
Investments		396,975
Beneficial interest in assets of foundation		227,828

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Total restricted assets		630,333
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Total assets	\$	1,001,534
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**Liabilities**

Current liabilities

Accounts payable	\$	1,162
Accrued payroll and taxes		5,428
Deferred income		225,193
Lines of credit payable		11,961

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Total current liabilities		243,744
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**Net assets**

Unrestricted		313,420
Temporarily restricted		24,864
Permanently restricted		419,506

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Total net assets		757,790
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Total liabilities and net assets	\$	1,001,534
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*The accompanying notes are an integral part of these consolidated financial statements.*

**Shreveport Symphony, Inc.**  
**Consolidated Statement of Activities**

<i>For the Year Ended June 30, 2018</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
<b>Revenue, Gains, and Other Support</b>				
Support and contributions				
Contributions and sponsorships	\$ 675,653	\$ -	\$ -	\$ 675,653
Grant income	91,279	-	-	91,279
In-kind contributions	17,286	-	-	17,286
Other revenue				
Performance fees	438,911	-	-	438,911
Contract fees	61,522	-	-	61,522
Advertising fees	25,175	-	-	25,175
Other	1,803	-	-	1,803
Investment income	15,951	3,479	-	19,430
Net realized and unrealized gain (loss) on investments	(6,017)	13,536	-	7,519
<b>Total</b>	<b>1,321,563</b>	<b>17,015</b>	<b>-</b>	<b>1,338,578</b>
Net assets released from restrictions	11,884	(11,884)	-	-
<b>Total revenue, gains, and other support</b>	<b>1,333,447</b>	<b>5,131</b>	<b>-</b>	<b>1,338,578</b>
<b>Expenses</b>				
General and administrative expenses	77,005	-	-	77,005
Salaries and wages	188,285	-	-	188,285
Other operating expenses	6,307	-	-	6,307
Artistic personnel expense	635,616	-	-	635,616
Concert production	211,662	-	-	211,662
Marketing	152,216	-	-	152,216
Education and outreach	16,384	-	-	16,384
Development	47,091	-	-	47,091
Interest expense	3,616	-	-	3,616
Depreciation expense	5,136	-	-	5,136
<b>Total expenses</b>	<b>1,343,318</b>	<b>-</b>	<b>-</b>	<b>1,343,318</b>
Change in net assets	(9,871)	5,131	-	(4,740)
Net assets, beginning of year	323,291	19,733	419,506	762,530
<b>Net assets, end of year</b>	<b>\$ 313,420</b>	<b>\$ 24,864</b>	<b>\$ 419,506</b>	<b>\$ 757,790</b>

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

**Shreveport Symphony, Inc.**  
**Consolidated Statement of Cash Flows**

<i>For the Year Ended June 30,</i>	<b>2018</b>
<b>Cash flows from operating activities</b>	
Change in net assets	\$ (4,740)
Adjustments to reconcile change in net assets to cash used in operating activities	
Depreciation	5,136
Net realized and unrealized gains and losses on investments	6,015
Noncash contributions of stock	(26,483)
Changes in operating assets and liabilities	
Decrease (increase) in	
Decrease in accounts receivable, net	18,099
Increase in prepaid expenses	(896)
Increase (decrease) in	
Decrease in accounts payable	(12,091)
Increase in accrued payroll and taxes	228
Increase in deferred income	7,097
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Net cash used in operating activities	(7,635)
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<b>Cash flows from investing activities</b>	
Net change in restricted cash	3,395
Change in beneficial interest in assets of foundation	(15,131)
Purchase of investments	(158,593)
Proceeds from sale of investments	217,771
Purchase of property and equipment	(1,072)
Net payments on lines of credit	(39,988)
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Net cash provided by investing activities	6,382
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Net decrease in cash	(1,253)
Cash - beginning	277,869
<hr/>	
Cash - ending	\$ 276,616
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<b>Supplemental disclosure of cash flow information</b>	
Cash paid during the year for interest	\$ 3,616
Noncash contributions of stock	\$ 26,483
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*The accompanying notes are an integral part of these consolidated financial statements.*

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 1: NATURE OF ORGANIZATION**

***Organization***

Shreveport Symphony, Inc. (the “Symphony”) is a nonprofit corporation formed under the laws of the State of Louisiana in 1948. The Symphony is an organization dedicated to promoting, supporting, and providing musical events and programming of the highest possible quality in the Shreveport – Bossier area. The Symphony encourages the development and growth of other arts organizations and individuals in order to enhance the quality of life and to develop a cultural identity for the area.

These financial statements include the Shreveport Symphony Orchestra Foundation (the “Foundation”), a 501(c)(3) corporation that is a supporting organization to the Symphony and therefore is consolidated in these statements with the Symphony. The Foundation was formed March 14, 1990, and is governed by a Board of Directors. The Board is made up of the Symphony’s executive committee and two (2) additional directors that may or may not be members of the Symphony board. The Board will serve terms in office consistent with their terms in office with the Symphony with the exception of the two additional Board members not part of the Symphony’s Executive Committee who will serve two (2) year terms and may be re-elected without term limits.

***Nature of Activities***

The Symphony’s major sources of revenue are ticket sales and membership fees, sponsorships, and individual and corporate contributions.

The Symphony's musicians are organized under a collective bargaining agreement between the Symphony and Local 116, American Federation of Musicians.

The Symphony includes the following program and support activities:

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

*Educational Activities* - Includes the musician and staff expenses to present educational activities related to classical music and composers to over 20,000 school children per year.

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

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



**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 1: NATURE OF ORGANIZATION (Continued)**

*Development and Fundraising* - Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations, as well as efforts to obtain state and local government funding.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Principles of Consolidation***

These consolidated financial statements include the financial position and the results of activities for the Symphony and the Foundation. All significant intercompany transactions have been eliminated in these consolidated financial statements.

***Basis of Accounting***

The accounting policies of the Symphony conform to accounting principles generally accepted in the United States of America, and reflect practices appropriate to the industry in which it operates. The Symphony prepares its consolidated financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. The more significant accounting policies of the Symphony are described below.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. A policy footnote follows on the Symphony's method of reporting temporarily restricted net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period the contribution or the promise is received. Conditional promises to give are not recognized until the promises become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income;
- as increases in unrestricted net assets in all other cases.

***Financial Statement Presentation***

The Symphony presents its consolidated financial statements in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Section 958 and subsections, which establishes standards of basic accounting and reporting for not-for-profit organizations. Under this standard, the Symphony is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the governing board of the Symphony for specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Symphony and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Symphony. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

***Cash and Cash Equivalents***

The Symphony considers all highly liquid investments with a remaining maturity at date of purchase of three months or less to be cash equivalents. The Symphony had no cash equivalents.

***Concentrations of Credit Risk***

Financial instruments that potentially subject the Symphony to concentrations of credit risk consist principally of temporary cash investments, endowment investments, and accounts receivable. The Symphony maintains its temporary cash balances at several financial institutions located in Shreveport, Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of June 30, 2018, the Symphony had \$67,042 in uninsured cash deposits.



**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Symphony maintains its endowment investments with various investment companies. Accounts at these investment companies are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 (including cash claims up to \$250,000). As of June 30, 2018, the Symphony's basis in endowment investments was within the insured range. Concentrations of credit risk with respect to accounts receivable are limited due to the number of contributors comprising the Symphony's contributor base and their dispersion across different industries.

***Accounts Receivable***

The Symphony has extended credit to its donors, advertisers and patrons on an unsecured basis.

***Allowance for Doubtful Accounts***

The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of collectability in light of historical experience, the nature and type of account, adverse situations that may affect the payor's ability to repay and economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Receivables deemed uncollectible are charged off against the allowance when management believes the uncollectibility is confirmed.

***Restricted and Unrestricted Revenue and Support***

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities as net assets released from restrictions.

***Funds Functioning as Endowment***

The Symphony and Foundation have designated funds for which the income earned on these funds is designated for specific uses. Because there is no donor-imposed restriction, these funds are classified as unrestricted net assets; however, the Foundation restricts the use of the funds in the same manner as a donor would by creating an endowment.



**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property and Equipment***

Assets purchased are recorded at cost and depreciated using the straight-line method over the estimated useful life. The Symphony generally capitalizes expenditures for buildings, furniture, fixtures and equipment in excess of \$250. Donated assets are recorded at their estimated fair value at the date of donation and are depreciated using the same method as assets purchased.

***Public Support***

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor.

***Donated Services***

Donated property and non-cash donations are recorded as contributions at their estimated fair market value at the date of donation.

Contributed services are recognized if the services require specialized skills and the Symphony would be required to purchase these services if donated services were not available.

***Federal Income Tax***

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Symphony is exempt from income taxes, except from unrelated business income. There were no unrelated business activities for the year ended June 30, 2018; accordingly, no tax expense was incurred for the year ended June 30, 2018. The Symphony believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Symphony is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for tax years prior to 2015.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles, generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Beneficial Interest in Assets of Foundation***

Funds transferred to the Community Foundation of Shreveport-Bossier that specify the Shreveport Symphony Orchestra Foundation as the beneficiary are accounted for as an asset, in accordance with generally accepted accounting principles, and presented in the Consolidated Statement of Financial Position with the caption "Beneficial Interest in Assets of Foundation."

***Retirement Obligations***

The employees of the Symphony are members of the Social Security System. There are no other retirement plans available through the Symphony. The Symphony contributes to the Local 116, American Federation of Musicians Pension Fund, in accordance with the collective bargaining agreement, based on 5.45% of gross wages. Additionally, as of September 1, 2017, the Symphony contributes to the Local 298, IATSE Annuity Fund in accordance with the collective bargaining agreement based on 3% of gross wages.

***Investments and Investment Income and Gains***

The Symphony carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Consolidated Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Consolidated Statement of Activities. Investment income and gains are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gain are recognized.

***Deferred Revenue***

Revenues from season ticket sales and concert sponsorships which have been received for the next Symphony season are recorded as deferred revenue. Deferred revenue amounted to \$225,193 for the year ended June 30, 2018.

***Expense Allocation***

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

***Advertising***

Advertising costs are expensed as incurred. The Symphony's advertising costs for the year ended June 30, 2018 were \$46,436, and are included in marketing expenses. This amount includes advertising gifts in-kind of \$15,213.

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Compensated Absences***

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

***Recently Issued Pronouncements***

On August 18, 2016, the FASB released ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, with the goal of improving not-for-profit entity (“NFP”) financial statements to provide more useful information to donors, grantors, creditors, and other financial statement users. The ASU significantly changes how NFPs present net assets on the face of the financial statements, as well as requires additional disclosures for expenses by nature and function and for the liquidity and availability of resources. The new guidance will be effective for annual financial statements for fiscal years beginning after December 15, 2017. The Symphony will adopt this guidance for the fiscal year ended June 30, 2019.

***Date of Management Review***

The Symphony has evaluated all subsequent events through December 31, 2018, the date which the consolidated financial statements were available to be issued, concluding there were no events requiring disclosure.

**NOTE 3: INVESTMENTS**

Investments at June 30, 2018, are composed of the following:

	Cost	Fair Value	Cumulative Unrealized Gain (Loss)
Cash held for long-term investments	\$ 5,530	\$ 5,530	\$ -
Equities	191,670	212,715	21,045
Mutual funds	192,368	188,349	(4,019)
<b>Totals</b>	<b>\$ 389,568</b>	<b>\$ 406,594</b>	<b>\$ 17,026</b>

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 3: INVESTMENTS (Continued)**

The following schedule summarizes investment return for the year ended June 30, 2018:

Dividend and interest income	\$	19,430
Realized gain on investments		8,621
Unrealized loss on investments		(1,102)
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Total	\$	26,949
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**NOTE 4: SUMMARY OF FAIR VALUE EXPOSURE**

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Symphony has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

*Fair Value Measurement* defines fair value as an amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).
- Level 3: Significant unobservable inputs (including the Symphony's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Symphony's financial assets and liabilities are not indicators of the risks associated with those instruments.

The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
<hr/>				
Cash held for long-term investments	\$ 5,530	\$ -	\$ -	\$ 5,530
Equities	212,715	-	-	212,715
Mutual Funds	188,349	-	-	188,349
<hr/>				
Total investments	\$ 406,594	\$ -	\$ -	\$ 406,594
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**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 5: BENEFICIAL INTEREST IN ASSETS OF FOUNDATION**

During the 2017 fiscal year, the Symphony established an endowment fund at the Community Foundation of Shreveport-Bossier (the "Community Foundation"). Under the terms of the agreement, variance power and legal ownership of the funds rest with the Community Foundation, and the Shreveport Symphony, Inc. is the beneficiary of the reciprocal transfer.

Net investment income and/or capital appreciation of the endowment fund at the Community Foundation must be distributed to the Symphony at least annually, provided the average market value is greater than the amount contributed to the fund.

Activity of this beneficial interest is summarized as follows:

Beginning balance, June 30, 2017	\$ 212,697
Interest	3,479
Net realized and unrealized gains	13,536
Administrative fees	(1,884)
<u>Ending balance, June 30, 2018</u>	<u>\$ 227,828</u>

**NOTE 6: PROPERTY AND EQUIPMENT**

A summary of property and equipment at June 30, 2018, is as follows:

Buildings	\$ 53,907
Building improvements	40,536
Musical instruments	84,283
Concert production equipment	2,404
Computer software and equipment	4,153
<u>Subtotal</u>	<u>185,283</u>
<u>Less accumulated depreciation</u>	<u>(113,862)</u>
<u>Total</u>	<u>\$ 71,421</u>

Depreciation expense was \$5,136 for the year ended June 30, 2018.

**NOTE 8: LINES OF CREDIT**

The Symphony has the following revolving lines of credit as of June 30, 2018:

A revolving line of credit ("LOC") in the name of the Shreveport Symphony, Inc. with a bank in the maximum amount of \$25,000, dated April 4, 2005 with interest at 6.25%, balance due as of June 30, 2018, is \$11,961.

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 8: LINES OF CREDIT (Continued)**

A revolving line of credit in the name of the Shreveport Symphony Orchestra Foundation through the brokerage company in the maximum amount of \$211,768, dated July 2011, and bearing interest at variable rates determined by the type of advance. Variable rate advances bear interest at a variable rate equal to the LIBOR (London Interbank Offered Rate) plus the number of percentage points stated in the applicable notice or confirmation given by the lender. Fixed rate and term advances bear interest at a fixed rate agreed to by the borrower and lender. Variable rate advances and all accrued finance charges, fees and other charges are due and payable upon the earlier of demand or on the first business day of the month following the end of each billing cycle. Fixed rate advances with all accrued finance charges, fees and other charges are due and payable upon the earlier of demand or the last day of the fixed rate period. Term advances and all accrued finance charges are due and payable upon the earlier of demand or monthly, quarterly, semi-annually or annually as required by the lender. This line is secured by a pledge of the Foundation's investment assets held by the brokerage company, \$402,505 as of June 30, 2018. As of June 30, 2018, the outstanding balance due was \$0. The interest rate as of June 30, 2018, is 5.97275%.

**NOTE 9: ENDOWMENT FUND**

As of June 30, 2018, the Foundation's funds include \$221,542 in donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The donor-restricted endowment funds were restricted based on information obtained from the donors. As of June 30, 2018, the Foundation has unrestricted net assets, identified by the Foundation's board to be used for future investment and growth, which are included as unrestricted net assets of the Foundation. The board-designated funds were \$262,303 as of June 30, 2018.

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 9: ENDOWMENT FUND (Continued)**

- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

***Investment Return Objectives, Risk Parameters and Strategies***

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets will be invested in a well-diversified asset mix, which may include equity and debt securities, intended to result in a consistent inflation-protected rate of return. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

***Spending Policy***

The Foundation has a policy of appropriating for distribution an amount up to 4.0% of the market value of the Foundation's assets averaged for the previous five-year period, subject to donor-restricted endowments.

Changes in the endowment net assets carried in the Shreveport Symphony Orchestra Foundation for the year ended June 30, 2018, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2017	\$ 291,206	\$ -	\$ 221,542	\$ 512,748
Investment return	15,362	-	-	15,362
Other revenue	4,800	-	-	4,800
Realized and unrealized gain	(10,731)	-	-	(10,731)
Transfers	(22,226)	-	-	(22,226)
Expenditures	(16,108)	-	-	(16,108)
Endowment net assets, June 30, 2018	\$ 262,303	\$ -	\$ 221,542	\$ 483,845

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 9: ENDOWMENT FUND (Continued)**

The following schedule summarizes the endowment net asset composition by type of fund as of June 30, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ -	\$ 221,542	\$ 221,542
Board-designated funds	262,303	-	-	262,303
<b>Total endowment funds</b>	<b>\$ 262,303</b>	<b>\$ -</b>	<b>\$ 221,542</b>	<b>\$ 483,845</b>

**NOTE 10: UNION SPONSORED PENSION FUNDS**

The Symphony participates in multiemployer defined benefit pension plans under the terms of collective bargaining agreements covering most of its union-represented employees. Governmental regulations impose certain requirements relative to union-sponsored pension plans. The risks of participation in these multiemployer plans are different than a single-employer plan in the following respects:

- Assets contributed to the plans by a company may be used to provide benefits to participants of other companies,
- If a participating employer discontinues contributions to the plans, other participating employers may have to cover any unfunded liability that may exist, and
- If the Symphony stops participating in a multiemployer pension plan, the Symphony may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Information with respect to the multiemployer plans providing pension benefits in which the Symphony participates is shown in the following table:

Name of Plan, Plan Number, and Employer ID Number	Certified Zone Status	Improvement or Rehabilitation Plan Pending / Implemented	Surcharge Paid	Expiration Date of Collective Bargaining Agreement
American Federation of Musicians and Employees' Pension Funds (AFM-EPF) Plan # 001 EIN # 51-6120204	Red	Rehabilitation Plan adopted April 15, 2010 and was subsequently updated on June 27, 2016	Yes	Local 116 – 6/30/2020 (Agreement for 7/1/2017 – 6/30/2020 signed July 31, 2017)

**Shreveport Symphony, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 10: UNION SPONSORED PENSION FUNDS (Continued)**

Name of Plan, Plan Number, and Employer ID Number	Certified Zone Status	Improvement or Rehabilitation Plan Pending / Implemented	Surcharge Paid	Expiration Date of Collective Bargaining Agreement
IATSE National Pension Plan	Green	N/A	N/A	Local 298 – 8/31/2020 (Agreement for 9/1/2017- 8/31/2020 signed September 25, 2017)

The zone status is based on information that the Symphony received from the plan. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The “Improvement or Rehabilitation Plan Pending / Implemented” Column indicates plans for which a financial improvement or a rehabilitation plan is either pending or has been implemented.

Contributions to the plans included in “artistic personnel expense” for the year ended June 30, 2018, were \$13,496.

The Symphony has not received information from the plans’ administrators to determine its share of the vested benefits. The Symphony does not anticipate withdrawal from the plans, nor is the Symphony aware of any expected plan terminations.

**Shreveport Symphony, Inc.**  
**Consolidating Statement of Financial Position**

<i>June 30, 2018</i>	Shreveport Symphony, Inc.	Shreveport Orchestra Foundation	Eliminations	Totals
<b>Assets</b>				
Current assets				
Cash	\$ 269,928	\$ 6,688	\$ -	\$ 276,616
Investments	4,089	-	-	4,089.00
Accounts receivable, net	17,157	-	-	17,157
Intercompany receivable	-	5,000	(5,000)	-
Prepaid expenses	1,918	-	-	1,918
<b>Total current assets</b>	<b>293,092</b>	<b>11,688</b>	<b>(5,000)</b>	<b>299,780</b>
Property and equipment, net	1,769	69,652	-	71,421
Restricted assets				
Cash	-	5,530	-	5,530
Investments	-	396,975	-	396,975
Beneficial interest in assets of foundation	227,828	-	-	227,828
<b>Total restricted assets</b>	<b>227,828</b>	<b>402,505</b>	<b>-</b>	<b>630,333</b>
<b>Total assets</b>	<b>\$ 522,689</b>	<b>\$ 483,845</b>	<b>\$ (5,000)</b>	<b>\$ 1,001,534</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 1,162	\$ -	\$ -	\$ 1,162
Intercompany payable	5,000	-	(5,000)	-
Accrued payroll and taxes	5,428	-	-	5,428
Deferred income	225,193	-	-	225,193
Lines of credit payable	11,961	-	-	11,961
<b>Total current liabilities</b>	<b>248,744</b>	<b>-</b>	<b>(5,000)</b>	<b>243,744</b>
<b>Net assets</b>				
Unrestricted	51,117	262,303	-	313,420
Temporarily restricted	24,864	-	-	24,864
Permanently restricted	197,964	221,542	-	419,506
<b>Total net assets</b>	<b>273,945</b>	<b>483,845</b>	<b>-</b>	<b>757,790</b>
<b>Total liabilities and net assets</b>	<b>\$ 522,689</b>	<b>\$ 483,845</b>	<b>\$ (5,000)</b>	<b>\$ 1,001,534</b>

*See Independent Auditors' Report.*

**Shreveport Symphony, Inc.**  
**Consolidating Statement of Activities**

<i>For the Year Ended June 30, 2018</i>	Shreveport Symphony, Inc. Unrestricted	Shreveport Symphony, Inc. Temporarily Restricted	Shreveport Symphony, Inc. Permanently Restricted	Shreveport Symphony Orchestra Foundation Unrestricted	Shreveport Symphony Orchestra Foundation Temporarily Restricted	Shreveport Symphony Orchestra Foundation Permanently Restricted	Eliminations	Totals
<b>Revenue, Gains, and Other Support</b>								
Support and contributions								
Contributions and sponsorships	\$ 675,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,653
Grant income	91,279	-	-	-	-	-	-	91,279
In-kind contributions	17,286	-	-	-	-	-	-	17,286
Other revenue								
Performance fees	438,911	-	-	-	-	-	-	438,911
Contract fees	61,522	-	-	-	-	-	-	61,522
Advertising fees	25,175	-	-	-	-	-	-	25,175
Other	1,803	-	-	4,800	-	-	(4,800)	1,803
Investment income	589	3,479	-	15,362	-	-	-	19,430
Net realized and unrealized gain (loss) on investments	4,714	13,536	-	(10,731)	-	-	-	7,519
<b>Total</b>	<b>1,316,932</b>	<b>17,015</b>	<b>-</b>	<b>9,431</b>	<b>-</b>	<b>-</b>	<b>(4,800)</b>	<b>1,338,578</b>
Net assets released from restrictions	11,884	(11,884)	-	-	-	-	-	-
<b>Total revenue, gains, and other support</b>	<b>1,328,816</b>	<b>5,131</b>	<b>-</b>	<b>9,431</b>	<b>-</b>	<b>-</b>	<b>(4,800)</b>	<b>1,338,578</b>

(Continued)

*See Independent Auditors' Report.*

**Shreveport Symphony, Inc.**  
**Consolidating Statement of Activities**

<i>For the Year Ended June 30, 2018</i>	Shreveport Symphony, Inc. Unrestricted	Shreveport Symphony, Inc. Temporarily Restricted	Shreveport Symphony, Inc. Permanently Restricted	Shreveport Symphony Orchestra Foundation Unrestricted	Shreveport Symphony Orchestra Foundation Temporarily Restricted	Shreveport Symphony Orchestra Foundation Permanently Restricted	Eliminations	<b>Totals</b>
<b>Expenses</b>								
General and administrative expenses	70,496	-	-	11,309	-	-	(4,800)	<b>77,005</b>
Salaries and wages	188,285	-	-	-	-	-	-	<b>188,285</b>
Other operating expenses	6,230	-	-	77	-	-	-	<b>6,307</b>
Artistic personnel expense	635,616	-	-	-	-	-	-	<b>635,616</b>
Concert production	211,662	-	-	-	-	-	-	<b>211,662</b>
Marketing	152,216	-	-	-	-	-	-	<b>152,216</b>
Education and outreach	16,384	-	-	-	-	-	-	<b>16,384</b>
Development	47,091	-	-	-	-	-	-	<b>47,091</b>
Interest expense	3,616	-	-	-	-	-	-	<b>3,616</b>
Depreciation expense	414	-	-	4,722	-	-	-	<b>5,136</b>
<b>Total expenses</b>	<b>1,332,010</b>	<b>-</b>	<b>-</b>	<b>16,108</b>	<b>-</b>	<b>-</b>	<b>(4,800)</b>	<b>1,343,318</b>
Net income before transfers in (out)	(3,194)	5,131	-	(6,677)	-	-	-	<b>(4,740)</b>
Transfers in (out)	22,226	-	-	(22,226)	-	-	-	-
Change in net assets	19,032	5,131	-	(28,903)	-	-	-	<b>(4,740)</b>
Net assets, beginning of year	32,085	19,733	197,964	291,206	-	221,542	-	<b>762,530</b>
Net assets, end of year	\$ 51,117	\$ 24,864	\$ 197,964	\$ 262,303	\$ -	\$ 221,542	\$ -	<b>\$ 757,790</b>

*See Independent Auditors' Report.*

**Shreveport Symphony, Inc.**  
**Schedule of Compensation, Benefits, and Other Payments to Agency Head**  
**For the Year Ended June 30, 2018**

**Agency Head Name: Lois Robinson, Executive Director**

<b>Purpose</b>	<b>Amount*</b>
Salary	\$ -
Performance bonuses	\$ -
Benefits-insurance	\$ -
Benefits-retirement	\$ -
Deferred compensation (contributions made by the agency)	\$ -
Car allowance	\$ -
Vehicle provided by government	\$ -
Cell phone	\$ -
Dues	\$ -
Vehicle rental	\$ -
Per diem	\$ -
Miscellaneous reimbursements	\$ -
Travel	\$ -
Registration fees	\$ -
Conference travel	\$ -
Conference travel (hotel expense)	\$ -
Unvouchered expenses (example: travel advances, etc.)	\$ -
Special meals	\$ -
Other (including payments made by other parties on behalf of the agency head)	\$ -

\* The Agency Head does not receive compensation, benefits, and other payments that are derived from public funds.



**Shreveport Symphony, Inc.  
Schedule of Findings and Responses  
For the Year Ended June 30, 2018**

**Current Year Findings**

**None**

**Prior Year Findings**

**None**