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JEFFERSON PERFORMING ARTS SOCIETY

FINANCIAL REPORT

JUNE 30, 2008 and 2007

JEFFERSON PERFORMING ARTS SOCIETY

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JUNE 30, 2008 and 2007

Reginald A. Bresette, III
Limited Liability Company

Reginald A. Bresette, III, CPA

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jefferson Performing Arts Society

We have audited the accompanying statements of financial position of Jefferson Performing Arts Society (the Company)(a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Performing Arts Society as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2008, on our consideration of Jefferson Performing Arts Society's internal control over financial reporting and 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 and should be considered in assessing the results of our audit.

Reginald A. Bresette III, LLC
Certified Public Accountants

December 12, 2008

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JEFFERSON PERFORMING ARTS SOCIETY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2008 and 2007

	2008	2007
ASSETS		
Current Assets		
Cash and cash equivalents	$ 312,245	$ 246,198
Investments (Note 3)	121,245	118,068
Accounts receivable	62,235	23,030
Prepaid expenses	27,414	12,672
Unconditional promise to give (Note 4)	39,506	27,149
Total Current Assets	562,645	427,117
Assets restricted to investment in property, furniture and equipment at cost, less accumulated depreciation (Note 5)	291,579	331,193
Beneficial interest in remainder trust (Note 6)	73,000	73,000
Long - term unconditional promise to give (Note 4)	108,501	134,357
Total Assets	$ 1,035,725	$ 965,667
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 57,871	$ 62,264
Unearned revenue (Note 7)	74,835	51,779
Mortgage payable (Note 9)	9,543	8,989
Total Current Liabilities	142,249	123,032
Mortgage payable, net of current maturities (Note 9)	22,351	33,833
Total Liabilities	164,600	156,865
Net Assets		
Unrestricted	314,587	360,228
Temporarily restricted by donors (Note 10)	435,293	330,507
Permanently restricted by donors (Note 11)	121,245	118,067
Total Net Assets	871,125	808,802
Total Liabilities and Net Assets	$ 1,035,725	$ 965,667

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	2008				2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenues and Reclassifications								
Public support:								
Contributions	$ 472,353			$ 472,353	$ 448,693			$ 448,693
Contribution from remainder trust						$ 73,000		73,000
Grant - Jefferson Parish	100,000			100,000	228,958			228,958
Grant - State of Louisiana	300,000	$ 54,600		354,600	350,000			350,000
Grant - City of Westwego		250,000		250,000		120,000		120,000
Total Public Support	872,353	304,600		1,176,953	1,027,651	193,000		1,220,651
Revenues:								
Program service revenue	852,391			852,391	725,191			725,191
Investment income (Note 3)	846		$ 3,061	3,907	380		$ 3,902	4,282
Unrealized gain (loss) on investments (Note 3)			(1,860)	(1,860)			11,322	11,322
Realized gain (loss) on investments (Note 3)			2311	2,311				
Miscellaneous	10,085			10,085	16,880			16,880
Total revenue	863,322		3,512	866,834	742,451		15,224	757,675
Reclassifications:								
Net assets released from restrictions (Note 11)								
Expiration of time restrictions	199,814	(199,814)			156,173	$ (156,173)		
Total Reclassifications	199,814	(199,814)			156,173	(156,173)		
Total Public Support, Revenues and Reclassifications	1,935,489	104,786	3,512	2,043,787	1,926,275	36,827	15,224	1,978,326

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	2008				2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses								
Program Services (Note 13)	$ 1,678,101			$ 1,678,101	$ 1,360,231			$ 1,360,231
Total Program Services	1,678,101			1,678,101	1,360,231			1,360,231
Supporting Services:								
Management and general	255,068		$ 334	255,402	260,725		$ 1,538	262,263
Fund Raising	47,961			47,961	43,996			43,996
Total Supporting Services	303,029		334	303,363	304,721		1,538	306,259
Total Expenses	1,981,130		334	1,981,464	1,664,952		1,538	1,666,490
Increase (Decrease) in Net Assets	(45,641)	$ 104,786	3,178	62,323	261,323	$ 36,827	13,686	311,836
Net assets at beginning of year	360,228	330,507	118,067	808,802	98,905	293,680	104,381	496,966
Net assets at end of year	$ 314,587	$ 435,293	$ 121,245	$ 871,125	$ 360,228	$ 330,507	$ 118,067	$ 808,802

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Cash received from City of Westwego grant	$ 250,000	$ 120,000
Cash received from Jefferson Parish grant	100,000	228,958
Cash received from State of Louisiana grant	340,950	365,278
Cash collected from contributions and program sponsorship	427,297	454,041
Cash received from program services	875,447	741,449
Investment income received	846	380
Other cash received	10,085	16,880
Salaries	(527,316)	(389,837)
Fringe benefits	(105,550)	(93,574)
Professional fees and contract services	(393,948)	(418,892)
Supplies and materials	(172,556)	(173,892)
Telephone	(28,622)	(30,714)
Postage and shipping	(35,957)	(16,035)
Occupancy	(115,933)	(106,849)
Rental and maintenance of equipment	(154,281)	(97,007)
Printing, publications and visual aids	(41,367)	(42,041)
Travel, conferences, conventions and meetings	(23,486)	(31,584)
Miscellaneous	(48,285)	(51,720)
Interest	(2,272)	(4,721)
Promotion and advertising	(212,704)	(151,101)
Net cash provided (used) by operating activities	142,348	319,019
Cash flows from investing activities:		
Acquisition of fixed assets	(65,373)	(155,780)
Net cash used by investing activities	(65,373)	(155,780)
Cash flows from financing activities:		
Proceeds of credit line advance		90,000
Payments on mortgage payable	(10,928)	(10,293)
Payments on credit line		(115,451)
Payment on note payable		(6,388)
Net cash provided (used) by financing activities	(10,928)	(42,132)
Net increase (decrease) in cash	66,047	121,107
Cash - beginning of year	246,198	125,091
Cash - end of year	$ 312,245	$ 246,198

(See accompanying financial statements)

JEFFERSON PARFORMING ARTS SOCIETY

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	2008	2007
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	$ 62,323	$ 311,836
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	46,363	37,792
Decrease (increase) net unconditional promises to give	13,499	28,507
Decrease (increase) in receivables	(39,205)	25,120
Decrease (increase) in prepaid expenses	(14,742)	3,878
Decrease (increase) in beneficial interest in remainder trust		(73,000)
Increase (decrease) in accounts payable	54,232	(17,687)
Increase (decrease) in unearned revenue	23,056	16,259
Unrealized (gains) losses on investments in endowment	1,860	(11,322)
Income earned by endowment	(5,372)	(3,902)
Administration fees in endowment	334	1,538
Net cash provided (used) by operating activities	$ 142,348	$ 319,019
Supplemental data:		
Interest paid	$ 2,272	$ 4,721

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	2008				2007			
	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL
Salaries	$ 432,100	$ 67,927	$ 27,289	$ 527,316	$ 301,290	$ 63,569	$ 24,978	$ 389,837
Employee benefits and payroll taxes	86,273	13,752	5,525	105,550	72,319	15,259	5,996	93,574
Total salaries and related expenses	518,373	81,679	32,814	632,866	373,609	78,828	30,974	483,411
Professional fees and contract services	391,347	28,449	13,640	433,436	354,209	36,752	13,022	403,983
Supplies and materials	155,300	17,256		172,556	156,503	17,389		173,892
Telephone	22,898	5,724		28,622	24,571	6,143		30,714
Postage and shipping	35,957			35,957	16,035			16,035
Occupancy	119,146	29,787		148,933	111,879	27,970		139,849
Rental and maintenance of equipment	139,608	14,673		154,281	66,382	30,625		97,007
Printing, publications and visual aids	32,353	9,014		41,367	32,668	9,373		42,041
Travel, conferences, conventions and meetings	10,543	12,943		23,486	23,354	8,230		31,584
Miscellaneous	40,693	4,301		44,994	46,189	2,765		48,954
Membership dues		2,941		2,941		1,675		1,675
Interest		2,272		2,272		4,721		4,721
Volunteer expenses	686			686	1,091			1,091
Promotion and advertising	211,197		1,507	212,704	153,741			153,741
Depreciation and amortization		46,363		46,363		37,792		37,792
	$ 1,678,101	$ 255,402	$ 47,961	$ 1,981,464	$ 1,360,231	$ 262,263	$ 43,996	$ 1,666,490

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

STATEMENT OF PURPOSE

Jefferson Performing Arts Society (JPAS) is one of Louisiana's fastest growing and Jefferson Parish's largest multi-dimensional arts organization. Through numerous associated activities, JPAS offers members of the metropolitan New Orleans community an opportunity for cultural enrichment, arts education, and professional entertainment in symphonic and vocal music, theater, dance, and children's programs. JPAS offers the young person as well as the adult an opportunity for personal growth and artistic expression through these activities. JPAS provides the artist as well as the audience the cultural nurturing necessary to create the whole person. Finally, it is the dream of JPAS to serve as the catalyst to construct a major facility from which to present its programs and enhance the quality of life in this community.

In the fall of 2004 JPAS expanded its outreach to include the west bank of Jefferson Parish through the management of the new Westwego Performing Arts Theatre and the Westwego Community Center which we have re-named Teatro Wego! Dinner Theatre.

ASSOCIATED ACTIVITIES

JPAS Symphony Orchestra
JPAS Chamber Orchestra
JPAS Symphony Chorus
JPAS Children's Chorus and Youth Chorale
JPAS Ballet
Arts Adventure Series
JPAS Theatre Wing
JPAS Broadway Pit Orchestra
JPAS Opera Theater
"SWAT" Stage Without a Theatre
Cultural Crossroads
JPAS Summer Musical Theatre Workshops
Westwego Performing Arts Theatre
Teatro Wego! Dinner Theatre

The financial statements of Jefferson Performing Arts Society are prepared on the accrual basis of accounting and in accordance with the recommendations of the American Institute of Certified Public Accountants. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The significant accounting policies followed are described below:

a) Organization

Jefferson Performing Arts Society is a non-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1986, and qualifies as an organization that is not a private foundation as defined in Section 509 (a) of the Code. It is exempt from Louisiana income tax under the authority of R.S.47:121 (5).

b) Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

c) Property, Furniture, Equipment, and Leasehold Improvements

All property, furniture, equipment and leasehold improvements are recorded at cost. Furniture and equipment depreciation is computed using different basis over estimated useful lives of 5 to 7 years. Leasehold improvements are depreciated over an estimated useful life of 10 years. The building is depreciated over an estimated useful life of 39 years.

d) In – Kind Support

JPAS occupies an office at 1118 Clearview Parkway in Metairie, Louisiana under a long-term lease. An annual rental of $1 is paid by JPAS. The estimated approximate fair value of the annual rental is $33,000 and it is included in the statement of activities as public support and expenses.

JPAS also occupies the auditorium at East Jefferson High School for scheduled performance dates throughout the fiscal year. No rent is paid by JPAS for the long-term agreement that extends to September 1, 2015. No amounts have been recognized in the accompanying statement of activities because no criteria for recognition of such in-kind support has been satisfied under SFAS No. 116, Accounting for Contributions Received and Contributions Made. The in-kind support of the Jefferson Parish School Board includes the use of the facility and all costs and expenses associated with the use of the facility by JPAS for any and all events scheduled by it. The amount of the support is not readily determinable on an annual basis.

JPAS also occupies the theatre at the Westwego Performing Arts Center in the City of Westwego for scheduled performance dates throughout the fiscal year. No rent is paid by JPAS for the long-term agreement that extends to September 1, 2015. No amounts have been recognized in the accompanying statement of activities because no criteria for recognition of such in-kind support has been satisfied under SFAS No. 116, Accounting for Contributions Received and Contributions Made. The in-kind support of the City of Wetwego includes the use of the facility and all costs and expenses associated with the use of the facility by JPAS for any and all events scheduled by it. The amount of the support is not readily determinable on an annual basis.

e) Income Taxes

Jefferson Performing Arts Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, Jefferson Performing Arts Society has made no provision for federal income taxes in the accompanying financial statements. In addition, Jefferson Performing Arts Society has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 501(a) of the Internal Revenue Code.

f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

g) Functional Allocation of Expenses

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

h) Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

i) Investments

Investments are composed of mutual funds invested in equity securities and are carried at fair value.

NOTE 2 – DONATED SERVICES

The value of donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the JPAS program service area.

NOTE 3 – INVESTMENTS

Investments as of June 30, 2008 and 2007 are summarized as follows:

	2008			2007		
	COST	FAIR VALUE	CARRYING VALUE	COST	FAIR VALUE	CARRYING VALUE
Permanently Restricted:						
Endowment Fund Investments	$75,441	$121,245	$121,245	$75,441	$118,068	$118,068

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2008 and 2007:

	2008			2007		
	Unrestricted	Permanently Restricted	Total	Unrestricted	Permanently Restricted	Total
Interest and dividends	$ 846	$ 3,061	$3,907	$ 380	$ 3,902	$4,282
Realized gains (losses)		2,311	2,311			
Unrealized gains (losses)		(1,860)	(1,860)		11,322	11,322
Total investment Return	$ 846	$ 3,512	$ 4,358	$ 380	$ 15,224	$15,604

NOTE 4 – UNCONDITIONAL PROMISE TO GIVE

JPAS occupies an office at 1118 Clearview Parkway in Metairie, Louisiana. An annual rental of $1 is paid by JPAS under a long – term lease. The lease was renewed for ten years effective April 15, 2004. The estimated approximate fair value of the annual rental is $33,000 under the new lease and $27,600 under the old lease. The new lease represents an unconditional promise to give by the Parish of Jefferson to JPAS for the next ten years.

This unconditional promise to give at June 30, 2008 and 2007, is as follows:

	2008	2007
Receivable in less than one year	$ 33,000	$ 33,000
Receivable in more than one year	159,390	192,390
Total Unconditional Promise To Give	192,390	225,390
Less discounts to net present value	(58,033)	(63,884)
Net Unconditional Promise To Give	$ 134,357	$ 161,506

JPAS also entered into a services grant contract with the Arts Council of New Orleans under the Louisiana Decentralized Arts Funding Program. The grant contract of $54,600 was awarded of which $40,950 was received during fiscal year June 30, 2008. The unconditional promise to give on this grant is $13,650 at June 30, 2008.

NOTE 5 – PROPERTY, FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, furniture, equipment and leasehold improvements at cost, and accumulated depreciation at June 30, 2008 and 2007 are summarized as follows:

	2008	2007
Equipment and furniture	$ 430,458	$ 423,708
Leasehold improvements	85,878	85,878
Land	112,341	112,341
Building	29,863	29,863
	658,540	651,791
Less accumulated depreciation	(366,961)	(320,598)
Net book value	$ 291,579	$ 331,193

NOTE 6 – BENEFICIAL INTEREST IN REMAINDER TRUST

JPAS has a one-eighth interest in the NIMS irrevocable trust. The trust owns two pieces of real estate. As of June 30, 2008 the net present value of the interest in the trust is $73,000.

NOTE 7 – UNEARNED REVENUE

A summary of unearned revenue follows:

	2008	2007
Ticket sales for performances and events in the next fiscal year	$ 74,835	$ 51,779

NOTE 8 – LEASE COMMITMENTS

On May 18, 1994, JPAS signed a lease with the Parish of Jefferson for Parish owned property at 1118 Clearview Parkway. The term of the lease is for 10 years commencing on April 15, 1994, with an annual consideration of $1 payable on each anniversary date. The lease was renewed for an additional ten years on April 14, 2004.

JPAS did not occupy these premises until October 1994. Future minimum lease payments under this noncancellable operating lease are as follows:

April 15, 2007 through April 14, 2014	$5

NOTE 9 – MORTGAGE PAYABLE

JPAS is the maker of a mortgage note payable in the original amount of $77,022 at 6% per annum interest. The mortgage is to be paid in equal monthly installments of $973, which includes principal and interest. The note is secured by a first mortgage on the land and building located at 1122 Clearview Parkway. As of June 30, 2008, the principal balance of the note is $31,894, of which $9,543 is due within the next twelve months. As of June 30, 2008, the note is in current condition.

Maturities of the mortgage payable for each of the next four years are as follows:

2008-2009	$	9,543
2009-2010		10,132
2010-2011		10,757
2011-2012		1,462
		$31,894

NOTE 10 – TEMPORARY RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by donors for specific purposes or designated for subsequent periods. At June 30, 2008 and 2007, temporarily restricted net assets are available for the following purposes or periods:

	2008	2007
Jefferson Parish building rental	$ 134,357	$ 161,507
Arts Council Grant (2007 – 2008)	13,650	
City of Westwego Grant (2008 – 2009)	214,286	96,000
Nims Charitable Remainder Trust	73,000	73,000
	$ 435,293	$ 330,507

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2008	*2007*
Time and purpose restrictions expired on:		
Lease of 1118 Clearview Parkway	$ 27,150	$ 28,506
City of Westwego Grant(2004 – 2007)		103,667
City of Westwego Grant(2007 – 2008)	96,000	24,000
City of Westwego Grant (2008-2009)	35,714	
Arts Council Grant (2007-2008)	40,950	
	$ 199,814	$ 156,173

NOTE 11 - PERMANENT RESTRICTIONS ON ASSETS

Net assets were permanently restricted for the formation of an endowment fund . The purpose of the endowment fund is to provide a perpetual source of money to assure the future growth and health of Jefferson Performing Arts Society. At June 30, 2008 and 2007, permanently restricted net assets totaled $121,245 and $118,067 respectively.

NOTE 12 - CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES

JPAS receives a grant from the Parish of Jefferson and the City of Westwego which comprise a significant portion of its revenue.

NOTE 13 - PROGRAM SERVICES

Program services include activities conducted year round with the JPAS Symphony Orchestra, JPAS Children's Chorus and Youth Chorale, Arts Adventure Series, Cultural Crossroads, SWAT, JPAS Theatre Wing, JPAS Chamber Orchestra, JPAS Symphony Chorus, JPAS Opera Theatre, JPAS Broadway Pit Orchestra and JPAS Summer Musical Theatre Workshops.

In addition, the above named affiliates and services have been expanded to our new facilities on the west bank of Jefferson Parish – in the Westwego Performing Arts Theatre and Teatro Wego! Dinner Theatre.

Also during the year concerts and shows are held for the general public and student population to further their appreciation of the arts in the community. These events are offered as either single or multiple performances.

NOTE 14 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

SPECIAL REPORTS OF INDEPENDENT AUDITOR

Reginald A. Bresette, III
Limited Liability Company

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

Reginald A. Bresette, III, CPA

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,
Jefferson Performing Arts Society

We have audited the financial statements of Jefferson Performing Arts Society (the Company) (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 12, 2008. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures 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 Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company'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.

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The results of our test disclosed of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items 2008-1 and 2008-2.

The Company's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Company's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Company's board of directors, others within the entity, and the Legislative Audit Advisory Committee, and is not intended to be and should not be used by anyone other than these specified parties.

Reginald A. Bressette, III LLC
Certified Public Accountants

December 12, 2008

SCHEDULE OF FINDINGS AND REPONSES

For the Year Ended June 30, 2008

We have audited the financial statements of Jefferson Performing Arts Society (the Company) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 12, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States. Our audit of the financial statements as of June 30, 2008, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weaknesses – None Significant Deficiencies – Yes

Compliance
Compliance Material to Financial Statements – No

Compliance Immaterial to Financial Statements – Yes

2008-1 Findings: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare their annual financial statements. This condition is intentional by management based upon the Company's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management's Response: We concur with the audit finding.

2008-2 Findings: Our examination disclosed there is lack of segregation of duties within the company. This weakness is due to the fact that the company has a very small staff. Due to the lack of segregation of duties, possible errors or irregularities could occur in the accounting records and not be detected. Understandably, since the company has such a small staff, the most ideal system of internal control or the most desirable accounting system may not be practicable. Also the cost of hiring additional employees to handle separate aspects of the accounting function might exceed any benefits gained.

Recommendation: Based upon the cost-benefit of hiring additional accounting personnel, it may not be feasible to achieve complete segregation of duties. We recommend that the organizations's finance committee and executive director continue to closely monitor all records and transactions.

Managements Response: The company's executive director and board concur with the recommendation.

b. Federal Awards

JPAS did not receive federal awards during the year ended June 30,2008.

Section II Financial Statement Findings

There were no financial statement findings during the fiscal year ended June 30, 2008.

Section III Federal Award Findings and Questioned Costs

JPAS did not receive federal awards during the year ended June 30, 2008.

SPECIAL REPORTS OF MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2008

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Internal Control
Material Weaknesses – None   Responses – None

Compliance
Compliance Material to Financial Statements – No

Compliance Immaterial to Financial Statements – Yes

Findings – (2007-1) The audited financial statements are required to be filed with the State of Louisiana Legislative Auditor within six months of the end of the fiscal year or December 31, 2007. The report was filed after that date.

Cause – Extenuating circumstances as a result of Hurricane Katrina resulted in a delay of the completion and submission of the report in a timely manner.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

JPAS did not receive federal awards during the year ended June 30, 2007.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the audit year ended June 30, 2007.

MANAGEMENT CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2008

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

JPAS had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

JPAS did not receive federal awards during the year ended June 30, 2007.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the audit year ended June 30, 2007.