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ANNUAL FINANCIAL REPORT
OF THE
BOSSIER ARTS COUNCIL

For the

Fiscal Year Ended June 30, 2004

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

Release Date 2-9-05

JAMES T. BATES
CERTIFIED PUBLIC ACCOUNTANT

612 Barksdale Blvd.
Bossier City, Louisiana 71111

ANNUAL FINANCIAL REPORT
OF THE
BOSSIER ARTS COUNCIL

For the

Fiscal Year Ended June 30, 2004

BOSSIER ARTS COUNCIL

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To the Board of Directors
Bossier Arts Council

I have compiled the accompanying statement of financial position of the Bossier Arts Council (a nonprofit organization) as of June 30, 2004 and the related statement of activities for the year then ended, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.



December 30, 2004

BOSSIER ARTS COUNCIL
STATEMENT OF FINANCIAL POSITION
June 30, 2004

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 18,648
Certificates of Deposits	63,554
Prepaid Expenses	<u>390</u>

Total Current Assets \$ 82,592

Furniture and Equipment,
at Cost, Net 24,618

Other Assets

Deposits 100

TOTAL ASSETS \$ 107,310

LIABILITIES AND NET ASSETS

Current Liabilities

Credit Cards Payable	\$ 824
Accrued Payroll Taxes Payable	<u>2,290</u>

Total Current Liabilities 3,114

Net Assets

Unrestricted	\$ 104,196
Temporarily Restricted	<u>0</u>

Total Net Assets 104,196

TOTAL LIABILITIES AND NET ASSETS \$ 107,310

See Accountant's Compilation Report.

BOSSIER ARTS COUNCIL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

	Unrestricted	Temporarily Restricted	Total
Public Support and Revenue			
Support			
Contributions	\$ 1,000	\$ 8,160	\$ 9,160
State Arts Council Grants	18,831	46,964	65,795
Local Governmental Grants			
Police Jury	0	2,495	2,495
School Board	0	20,744	20,744
Municipal	183,000	25,000	208,000
	<hr/>	<hr/>	<hr/>
Total Support	202,831	103,363	306,194
	<hr/>	<hr/>	<hr/>
Revenue			
East Bank Theatre Ticket Sales	26,507	0	26,507
East Bank Gallery Revenues	3,328	0	3,328
Membership Dues	8,430	0	8,430
Services	10,465	0	10,465
Fund Raisers	29,738	0	29,738
Interest	887	0	887
	<hr/>	<hr/>	<hr/>
Total Revenue	79,355	0	79,355
	<hr/>	<hr/>	<hr/>
Net Assets Released From Restrictions	84,989	(84,989)	0
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	367,175	18,374	385,549
	<hr/>	<hr/>	<hr/>
Expenses			
Program			
Annually Funded Grants	50,814	0	50,814
Arts in Education Grants	19,336	0	19,336
Student Art Grants	7,006	0	7,006
Community Development Programs	26,697	0	26,697
Public Art Projects	15,000	0	15,000
Gallery Expenses	7,862	0	7,862
Theater Productions	49,562	0	49,562
	<hr/>	<hr/>	<hr/>
Total Program Expense	176,277	0	176,277
Fundraising Expense	15,500	0	15,500
Administration Expense	197,298	0	197,298
	<hr/>	<hr/>	<hr/>
Total Expenses	389,075	0	389,075
	<hr/>	<hr/>	<hr/>
Change in Net Assets	(21,900)	18,374	(3,526)
Net Assets Beginning of Year	53,536	53,881	107,417
Prior Period Adjustments	305	0	305
	<hr/>	<hr/>	<hr/>
Net Assets End of Year	\$ 31,941	\$ 72,255	\$ 104,196
	<hr/>	<hr/>	<hr/>

See Accountant's Compilation Report.

BOSSIER ARTS COUNCIL
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2004

Operating Activities	
Change in Net Assets	\$ (3,526)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	5,901
(Increase) Decrease in Operating Assets:	
Prepaid Expense	(390)
Increase (Decrease) in Operating Liabilities:	
Credit Card Payable	824
Accrued Payroll Taxes Payable	10
Voiding of Prior Year Reissued Checks	<u>1,091</u>
Net Cash Provided by Operating Activities	<u>3,910</u>
Investing Activities	
Purchase of Furniture and Equipment	<u>(15,128)</u>
Net Cash Provided by Investing Activities	<u>(15,128)</u>
Financing Activities	
Purchase of Certificates of Deposit	(63,554)
Liquidation of Certificates of Deposit	<u>83,020</u>
Net Cash Provided by Financing Activities	<u>19,466</u>
Net Increase (Decrease) in Cash	8,248
Cash at Beginning of Year	<u>10,400</u>
Cash at End of Year	<u><u>\$ 18,648</u></u>

See Accountant's Compilation Report.

BOSSIER ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Bossier Arts Council was incorporated in 1980 as a nonprofit corporation for the purpose of fostering, promoting, supporting, and providing cultural events and arts programming of the highest quality for Bossier Parish, Louisiana. The Council is operated by staff with oversight by a volunteer Board of Directors.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Council 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.

D. Public Support and Revenue

Contributions are recorded when received and are generally available for unrestricted use unless specifically restricted by the donor.

Grants and other contributions are recorded when received and are generally available for unrestricted use unless specifically restricted by the donor.

Contributions of donated noncash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by an individual possessing skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

E. Estimates

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

(Continued)

BOSSIER ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS

F. Cash and Cash Equivalents

Cash in checking and savings is considered cash and cash equivalents for the purpose of the statement of cash flows.

G. Income Taxes

The Council is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.

H. Property and Equipment

Assets have been recorded at cost, or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful life of each asset.

(2) Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2004.

Petty Cash on Hand	\$ 600
Citizen's National Bank - Checking	10,777
Citizen's National Bank - Money Market	<u>7,271</u>
	<u>\$18,648</u>

(3) Certificates of Deposit

Certificates of deposit with varying maturity dates consisted of the following at June 30, 2004.

Citizen's National Bank	\$32,782
Bank One	9,968
Hibernia National Bank	<u>20,804</u>
	<u>\$63,554</u>

(4) Furniture and Equipment

Furniture and Equipment consists of the following at June 30, 2004.

	Estimated Depreciable <u>Life</u>	<u>Cost</u>
Furniture and Equipment	5-10 Years	\$ 68,944
Accumulated Depreciation		<u>(44,326)</u>
Net investment in Furniture and Equipment		<u>\$ 24,618</u>

(Continued)

BOSSIER ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS

(5) Donated Services and Facilities

The Council receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

The Council occupies without charge from the City of Bossier City three buildings with an estimated rental value of \$85,000 per year which is included as support and expense.

James T. Bates

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To the Board of Directors
Bossier Arts Council

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Bossier Arts Council and the Legislative Auditor, State of Louisiana to assist the users in evaluating management's assertions about the Bossier Arts Council's compliance with certain laws and regulations during the year ended June 30, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

The Bossier Arts Council did not receive or expend any federal grants during the fiscal year and following are the expenditures for the state and local grants for the fiscal year ended June 30, 2004:

Grantor	Grant Purpose	Grant Date	Amount Expended
State of Louisiana, Division of the Arts	General Operating	07-01-03	\$18,796
Division of the Arts	Decentralized Arts Funding - FY 2001	10-31-02	4,744
Division of the Arts	Decentralized Arts Funding - FY 2002	10-02-03	38,373
City of Bossier City	Public Art	08-07-02	15,000
	General Operating	2003-2004	183,000
Bossier Parish School Board	Arts in Education	06-07-04	7,000
	8G Grants	2003-2004	7,006
Bossier Parish Police Jury	Louisiana Bicentennial Purchase	2002-2003	6,745

2. For each of the above listed awards, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

3. For the items selected in procedure 2, I traced the disbursements to supporting documentation as to proper amount and payee.

The examined supporting documentation for each of the disbursements revealed that the payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, I determined if the disbursements were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, I determined whether the disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approvals from the president and treasurer of the board.

6. For the programs selected for testing that had been closed out during the period under review, I compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The disbursements selected included one state program that was closed out during the period of my review. I compared the close-out report of the program with the entity's records and the amounts reported on the report agreed with the entity's financial records.

Meetings

7. I made inquiries as to whether agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12.

The Bossier Arts Council is only required to post notice of each meeting and the accompanying agenda on the door of the Bossier Arts Council office building. Management does properly post the notice of the meetings as evidenced by the annotation on the agenda as to the dates posted.

Comprehensive Budget

8. For all grants exceeding \$5,000, I determined that each applicable federal, state or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for the state grants included specific goals and objectives and measures of performance.

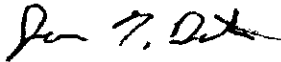
The Bossier Arts Council provided comprehensive budgets to the applicable grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects and plans showing specific goals and objectives and measures of performance.

Prior Comments and Recommendations

9. There were no incidents in the prior year that required comments or recommendations.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Bossier Arts Council, the State of Louisiana Legislative Auditor, and the applicable state grantor agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



December 30, 2004

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

_____ (Date Transmitted)

James T. Bates
Certified Public Account
612 Barksdale Boulevard
Bossier City, Louisiana 71111 (Auditors)

In connection with your review of our financial statements as of June 30, 2004 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No

Budget

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

Yes No

Prior Year Comments

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

Yes No

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

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

<u>Marlene Jarner</u>	Secretary	<u>9/6/04</u>	Date
<u>Cathleen Johnson</u>	Treasurer	<u>9/3/04</u>	Date
<u>George E. Allen</u>	President	<u>9-3-04</u>	Date