

BOSSIER ARTS COUNCIL

Shreveport, Louisiana

Financial Statements

June 30, 2017

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

BOSSIER ARTS COUNCIL

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Review Report

To the Board of Directors
Bossier Arts Council
Bossier City, Louisiana

I have reviewed the accompanying statements of financial position of Bossier Arts Council as of June 30, 2017, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Bossier Arts Council management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

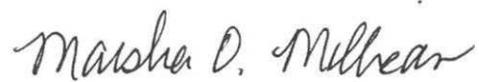
Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information contained in the Schedule of Compensation, Benefits and Other Payments to Agency Head as of June 30, 2017, is required by Act 706 of the 2014

Legislative Session amended R.S. 24:513 (A) (3) and is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

A handwritten signature in cursive script that reads "Marsha O. Millican".

Marsha O. Millican, CPA
May 13, 2018

BOSSIER ARTS COUNCIL

Statement of Financial Position

June 30, 2017

Assets

Current assets	
Cash and Cash Equivalents	\$ 117,471
Accounts Receivable	600
Prepaid Expenses	<u>-</u>
Total current assets	118,071
Property and equipment, net	<u>17,241</u>
Total assets	<u><u>\$ 135,312</u></u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 442
Accrued payroll and taxes	4,601
Grants payable	3,600
Deferred revenue	<u>10,000</u>
Total current liabilities	18,643
Long-term liabilities	<u>-</u>
Total liabilities	18,643
Net assets	
Unrestricted	116,669
Temporarily restricted	<u>-</u>
Total net assets	<u>116,669</u>
Total liabilities and net assets	<u><u>\$ 135,312</u></u>

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

BOSSIER ARTS COUNCIL

Statement of Activities

For the Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 10,304	\$ 24,939	\$ -	\$ 35,243
Grants	210,000	20,048	-	230,048
Total Support	<u>220,304</u>	<u>44,987</u>	<u>-</u>	<u>265,291</u>
Revenue:				
Membership Dues	3,382	-	-	3,382
Community Arts	8,438	-	-	414,839
Rental	21,774	-	-	21,774
Fundraising	21,805	-	-	21,805
Miscellaneous	313	-	-	313
Total Support and Revenue	<u>276,016</u>	<u>44,987</u>	<u>-</u>	<u>321,003</u>
Net Assets Released from Restrictions:				
Satisfaction of Usage Restrictions	44,987	(44,987)	-	-
Total Support and Revenue	<u>321,003</u>	<u>-</u>	<u>-</u>	<u>321,003</u>
EXPENSES				
Program Expenses	297,334	-	-	297,334
Administrative Expenses	37,482	-	-	37,482
Fundraising Expenses	42,268	-	-	42,268
Total Expenses	<u>377,084</u>	<u>-</u>	<u>-</u>	<u>377,084</u>
Changes in net assets before other income and expenses	(56,081)	-	-	(56,081)
OTHER INCOME/(EXPENSES)				
BP Settlement Trust Recovery	162,910	-	-	162,910
Total other income (expenses)	<u>162,910</u>	<u>-</u>	<u>-</u>	<u>162,910</u>
Change in Net Assets	106,829	-	-	106,829
Net Assets, Beginning of year, Restated (Note 12)	<u>9,840</u>	<u>-</u>	<u>-</u>	<u>9,840</u>
Net Assets, end of year	<u>\$ 116,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,669</u>

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

BOSSIER ARTS COUNCIL

Statements of Cash Flows

For the Year Ended June 30, 2017

Cash flows from operating activities	
Change in net assets	\$ 106,829
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities	
Depreciation	1,983
(Increase) decrease in	
Accounts receivable	1,902
Increase (decrease) in	
Accounts payable	4
Accrued payroll in taxes	2,479
Grants payable	-
Deferred revenue	<u>(500)</u>
Cash provided by (used in) operating activities	112,697
Cash flows used by investing activities:	
Purchase of fixed assets	<u>(11,600)</u>
Net increase (decrease) in cash	101,097
Cash, beginning of year	<u>16,374</u>
Cash, end of year	<u><u>\$ 117,471</u></u>

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

BOSSIER ARTS COUNCIL

Notes to the Financial Statements

June 30, 2017

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Bossier Arts Council ("the Council") is a not-for-profit corporation formed under the laws of the State of Louisiana. The Council is an organization of volunteers and professional staff, dedicated to promoting, supporting, and providing cultural events and programming of the highest possible quality in Bossier Parish. The Council 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 Bossier Parish.

Basis of Accounting

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

Financial Statement Presentation

The Council presents its financial statements in accordance with the Financial Accounting Standards Board Accounting Codification section 958 and subsections, which establishes standards of basic accounting and reporting for not-for-profit organizations. Under this standard, 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.

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

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

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

Cash

The Council considers all highly liquid debt instruments with a remaining maturity at date of purchase of three months or less to be cash equivalents. The demand deposit balances, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2017, the Council's cash balances were fully secured. The Council had no cash equivalents.

BOSSIER ARTS COUNCIL

Notes to the Financial Statements

June 30, 2017

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

The Council has grants and other receivables recorded when the amount is due.

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 the 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 believe the collectability is confirmed.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and 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 Statement of Activities as net assets released from restrictions.

Property and Equipment

Assets purchased are recorded at cost and depreciated using the straight-line method over the estimated useful life. The Council generally capitalizes expenditures for buildings, furniture, fixtures and equipment in excess of \$500. 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.

Advertising Costs

Advertising costs are expensed as incurred. For the year ended June 30, 2017, the Council recorded advertising costs of \$1,720.

BOSSIER ARTS COUNCIL

Notes to the Financial Statements

June 30, 2017

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Donated property and non-cash donations are recorded as contributions at their fair market value at the date of donation. Contributed services are recognized if the services require specialized skills and Council 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 Council is exempt from income taxes, except from unrelated business income. There were no unrelated business activities for the year ended June 30, 2017. Accordingly, no tax expense was incurred for the year ended June 30, 2017. The Council 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 financial statements. Form 990 is subject to review by the Internal Revenue Service for the years ended June 30, 2015, 2016, and 2017.

Use of Estimates

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

Date of Management's Review

The Council has evaluated subsequent events through May 13, 2018, the date which the financial statements were available for distribution, concluding there were no events requiring disclosure.

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable consist of:

Other receivables	\$ 4,687
Allowance for doubtful accounts	<u>(4,087)</u>
Net accounts receivable	<u><u>\$ 600</u></u>

BOSSIER ARTS COUNCIL

Notes to the Financial Statements

June 30, 2017

NOTE 3: PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

June 30,

Furniture and fixtures	\$ 75,028
East Bank Theatre equipment	11,876
Annex building	14,441
Leasehold improvements	<u>13,344</u>
Total property and equipment	114,689
Accumulated depreciation	<u>(97,448)</u>
Property and equipment net	<u><u>\$ 17,241</u></u>

Depreciation expense was \$1,983 for the year ended June 30, 2017.

NOTE 4: OPERATING LEASE

The Council leases a copier under the terms of an operating lease. The term of the lease is for 60 months beginning August 25, 2015. Lease terms include a monthly base rental payment as well as overage fees for usage over the monthly allowance. Total lease expense was \$4,853 for the year ended December 31, 2017.

Future minimum lease payments under the operating leases are as follows:

Year ending June 30:

2018	\$ 3,926
2019	3,926
2020	<u>3,262</u>
Total	<u><u>\$ 11,114</u></u>

BOSSIER ARTS COUNCIL

Notes to the Financial Statements

June 30, 2017

NOTE 5: PRIOR PERIOD ADJUSTMENT

Net assets at July 1, 2016 has been increased by \$7,000 to correct errors in the prior year.

NOTE 6: CONCENTRATION OF REVENUE SOURCES

Approximately 65% and 61%, or \$210,000, of the Council's revenues are derived from contributions received from the City of Bossier City for the year ended June 30, 2017. Included in the revenue for of \$210,000 is \$130,000 of in-kind revenue recorded for consideration of rent and utilities paid by the City of Bossier City. The current level of the Council's operations and program services may be impacted or segments discontinued if the funding of in-kind revenues are not renewed.

NOTE 7: CONTINGENT LIABILITIES

The Council receives grants that are subject to review and audit by the agency providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

BOSSIER ARTS COUNCIL

Schedule of Findings

Year Ended June 30, 2017

Current Year Findings:

FINDING 2017#1

Criteria: State law requires the Council to file its financial statements with the Louisiana Legislative Auditor within six months after the Council's year end.

Condition: The Council did not file its financial statements with the Louisiana Legislative Auditor within six months after the Council's year end.

Cause: Unknown.

Effect: The Council cannot receive state funds until the financial statements are filed with the Louisiana Legislative Auditor.

Recommendation: I recommend that the Council file its financial statements within the time frame required by state law.

Management's Response: We agree with the finding. We will file our financial statements with the Louisiana Legislative Auditor within the time frame required by state law.

Prior Year Findings:

None

BOSSIER ARTS COUNCIL

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2017

Agency Head: Robin N. Jones, Executive Director

Salary	<u>\$ 35,983</u>
Payroll Taxes	<u>\$ 2,753</u>



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Bossier Arts Council
Bossier City, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Bossier Arts Council, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating managements assertions about Bossier Arts Council's compliance with certain laws and regulations during the year ended June 30, 2017, included in the financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this repost has been requested of tor 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. The following are the state grant expenditures for the fiscal year ended June 30, 2017:

Grantor	Grant Name	Grant Year	Amount Expended
State of Louisiana Division of the Arts	Decentralized Arts Funding Grant (DAF)	2016 - 2017	\$ 17,998
State of Louisiana Division of the Arts	General Operating Stabilization Grant	2016 - 2017	2,050
Total Expenditures			\$ 20,048

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

Six disbursements were selected from the Decentralized Art Funding Grant. The General Operating Stabilization grant had only one disbursement and it was selected.

3. For the items selected in Procedure 2, trace the nine disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the seven selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in Procedure 2, determine if the six disbursements are properly coded to the correct fund and general ledger account.

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

5. For the items selected in Procedure 2, determine whether the six disbursements received approval from proper authorities.

All items selected were properly approved.

6. For the items selected in Procedure 2 for state awards, determine whether the disbursements comply with the grant agreement, relating to activities allowed or unallowed, eligibility and reporting.

All items selected were determined to be in compliance with the grant agreements.

7. For the programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

The six disbursements selected include two state grants that were closed out during the period of my review. I compared the final reports for these two grants with the Bossier Arts Council's financial records. The amounts reported on the final reports agreed to the agency's financial records.

Open Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting required by R.S.42:11 through 42:28 (the open meetings law).

The Bossier Arts Council is only required to post a notice of each meeting and the accompanying agenda on the door of the Bossier Arts Council's office building. In addition, the meeting notices are posted in the lobby. Management has asserted that the notices were properly posted.

Budget

9. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Bossier Arts Council is not required to prepare a budget for the Decentralized Arts Funding grant. The allocation of funds is initially determined by the state who allocates each region of the state. One regional agency will then contract with agencies in the region.

Prior Comments and Recommendations

10. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Agreed upon procedures for the Bossier Arts Council were performed for the year ended June 30, 2016. There were no suggestions, recommendations, or comments resulting from that engagement.

I was not engaged to perform, and did not perform, an audit, 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 Bossier Arts Council, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant

May 13, 2018

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

_____ 1/2/2018 _____ (Date Transmitted)

_____ Marsha O. Milican, APAC _____, CPA Firm Name)

_____ 810 Wilkinson _____ (CPA Firm Address)

_____ Shreveport, La. 71104 _____ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/2017 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

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 [X] 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 local grantor officials.

Yes [X] No []

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

Yes [X] 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 [X] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes [X] 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 [X] No []

Reporting

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

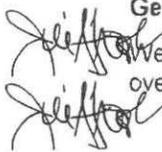
Yes [X] No []

Prior-Year Comments

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

Yes No

General



We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

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.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

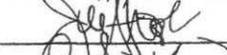
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

	Secretary	01/03/2018	Date
	Treasurer	01/03/2018	Date
	President	01/05/2018	Date