

**Shreveport Regional Arts Council
Shreveport, Louisiana**

Financial Statements

As of and for the Years Ended June 30, 2025 and 2024

Shreveport Regional Arts Council
Shreveport, Louisiana

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 – 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	
For the Year Ended June 30, 2025	5
For the Year Ended June 30, 2024	6
Statements of Functional Expenses	
For the Year Ended June 30, 2025	7
For the Year Ended June 30, 2024	8
Statements of Cash Flows	9
Notes to Financial Statements	10 – 20
Schedule of Compensation, Benefits, and Other Payments to Agency Head	21
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	22 – 23
Summary Schedule of Prior Year Audit Findings	24
Summary Schedule of Current Year Audit Findings	24

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Independent Auditors' Report

To the Board of Directors
Shreveport Regional Arts Council
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shreveport Regional Arts Council, (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Shreveport Regional Arts Council, (a nonprofit organization) as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Shreveport Regional Arts Council, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Shreveport Regional Arts Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Shreveport Regional Arts Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shreveport Regional Arts Council's ability to continue as a going concern for a reasonable period of time.

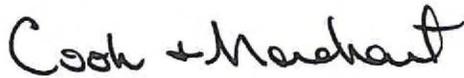
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head shown on page 21, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, on our consideration of the Shreveport Regional Arts Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Shreveport Regional Arts Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shreveport Regional Arts Council's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 17, 2025

Shreveport Regional Arts Council
Shreveport, Louisiana
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Current assets:		
Cash and cash equivalents	\$ 956,383	\$ 805,222
Investments	696,786	670,997
Grants receivable	310,058	298,117
Other receivables	13,520	65,991
Promises to give	7,500	
Prepaid expenses	1,000	19,047
Total current assets	1,985,247	1,859,374
Noncurrent assets:		
Promises to give - building renovations		40,000
Property and equipment, net	1,913,825	1,993,534
Operating lease right-of-use assets	22,572	29,605
Total noncurrent assets	1,936,397	2,063,139
Total Assets	\$ 3,921,644	\$ 3,922,513
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 42,327	\$ 74,557
Accrued expenses	56,001	112,816
Grants payable	108,733	76,408
Refundable advance	300,000	344,817
Right-of-use operating lease liabilities, current	7,273	7,033
Total current liabilities	514,334	615,631
Right-of-use operating lease liabilities, less current portion	15,299	22,572
Total Liabilities	529,633	638,203
Net assets		
With donor restrictions	144,093	259,431
Without donor restrictions	3,247,918	3,024,879
Total net assets	3,392,011	3,284,310
Total Liabilities and Net Assets	\$ 3,921,644	\$ 3,922,513

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

Shreveport Regional Arts Council
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues, gains, support and reclassifications:			
Admissions sales and concessions	\$ 58,409	\$	\$ 58,409
Tuition and fees	6,585		6,585
Contributions of cash and other financial assets:			
Individual contributions	24,611		24,611
Business and industry contributions	155,779	7,500	163,279
Foundation grants	164,764	12,600	177,364
Government grants / contracts:			
City of Shreveport	654,706	31,957	686,663
Other governments	270,070	92,036	362,106
State of Louisiana	183,923		183,923
Special events -			
Christmas in the Sky	2,232,524		2,232,524
Rental Income	10,880		10,880
Miscellaneous income	4,405		4,405
Interest income	9,889		9,889
Net assets released from restrictions			
Satisfaction of program restrictions	259,431	(259,431)	
	<u>4,035,976</u>	<u>(115,338)</u>	<u>3,920,638</u>
Total revenues, gains, support and reclassifications			
Expenses:			
Supporting services -			
General and administrative	509,666		509,666
Fund Raising	1,456,125		1,456,125
	<u>1,965,791</u>		<u>1,965,791</u>
Total supporting services			
Program services			
Arts in Education	403,088		403,088
Artspace	329,974		329,974
Arts Economic Development and Research	594,385		594,385
Public Programming	569,956		569,956
Capital/Special Projects	6,032		6,032
	<u>1,903,435</u>		<u>1,903,435</u>
Total programs services			
	<u>3,869,226</u>		<u>3,869,226</u>
Total expenses			
Change in net assets from operations	166,750	(115,338)	51,412
Nonoperating activities			
Investments return, net	56,289		56,289
Total nonoperating activities	56,289		56,289
Change in net assets	223,039	(115,338)	107,701
Net assets, beginning of year	3,024,879	259,431	3,284,310
Net assets, end of year	<u>\$ 3,247,918</u>	<u>\$ 144,093</u>	<u>\$ 3,392,011</u>

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

Shreveport Regional Arts Council
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues, gains, support and reclassifications:			
Admissions sales and concessions	\$ 81,201	\$	\$ 81,201
Tuition and fees	10,214		10,214
Contributions of cash and other financial assets:			
Individual contributions	107,614		107,614
Business and industry contributions	85,695	55,000	140,695
Foundation grants	128,762	10,000	138,762
Government grants / contracts:			
City of Shreveport	700,000		700,000
Other governments	434,523	97,754	532,277
State of Louisiana	182,376		182,376
Special events -			
Christmas in the Sky	123,206		123,206
Rental Income	35,503		35,503
Miscellaneous income	5,056		5,056
Net assets released from restrictions			
Satisfaction of program restrictions	272,274	(272,274)	
	2,166,424	(109,520)	2,056,904
Total revenues, gains, support and reclassifications			
Expenses:			
Supporting services -			
General and administrative	621,144		621,144
Fund Raising	220,195		220,195
	841,339		841,339
Total supporting services			
Program services			
Arts in Education	405,154		405,154
Artspace	394,245		394,245
Arts Economic Development and Research	556,997		556,997
Public Programming	623,026		623,026
Capital/Special Projects	36,702		36,702
	2,016,124		2,016,124
Total programs services			
Total expenses	2,857,463		2,857,463
Change in net assets from operations	(691,039)	(109,520)	(800,559)
Nonoperating activities			
Insurance proceeds	30,000		30,000
Investments return, net	68,318		68,318
Total nonoperating activities	98,318		98,318
Change in net assets	(592,721)	(109,520)	(702,241)
Net assets, beginning of year	3,617,600	368,951	3,986,551
Net assets, end of year	\$ 3,024,879	\$ 259,431	\$ 3,284,310

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

Shreveport Regional Arts Council
Shreveport, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Support Services		Program Services					Total Program Services	Totals
	General and Administrative	Fund Raising	Arts in Education	Artspace	Arts Economic Development and Research	Public Programming	Capital/ Special Projects		
Auction Expense	\$	\$ 285,335	\$	\$	\$	\$	\$	\$	\$ 285,335
Awards			24,372					24,372	24,372
Bank charges	10,295	23,054	154	600	36	177		967	34,316
Bad dept expense	54,148								54,148
Building rent	3,859	3,165	2,150					2,150	9,174
Cleaning				4,728				4,728	4,728
Contract labor	26,841	29,483	8,793	8,662		3,113		20,568	76,892
Costume		8,370							8,370
Depreciation expense	68,461			6,368	44,579	39,802		90,749	159,210
Development expense	231	6,737	8,254	345	114	266		8,979	15,947
Dues and publications	16,213	717	356	2,647	10,000	262	192	13,457	30,387
Employee benefits	20,664	14,012	11,634	10,263	7,782	15,418		45,097	79,773
Equipment and facility rentals	9,381	11,908		2,062		8,025		10,087	31,376
Event expenses		73,620	29,695			16,633		46,328	119,948
Event hospitality	1,564	269,958	9,695	11,257		1,978		22,930	294,452
Exhibition expense				8,305				8,305	8,305
Grants to other agencies					388,270			388,270	388,270
Insurance expense	23,862	9,624	8,648	8,648	8,648	8,648		34,592	68,078
Internet	5,187	111		1,440				1,440	6,738
Marketing	5,345	10,979	1,917	13,391	472	7,593		23,373	39,697
Meetings, travel, and entertainment	20,874	45,297	10,918	4,149	5,342	5,583		25,992	92,163
Miscellaneous expense			956	3,646	1,140	737		6,479	6,479
Payroll taxes	17,246	14,540	7,931	13,120	5,801	12,612		39,464	71,250
Parking	1,188	5,533	397	573				970	7,691
Postage and freight	2,081	4,991	566	2,280		39		2,885	9,957
Printing	42	103,044	14,282	9,678	363	18,821		43,144	146,230
Professional artist fees		128,735	87,228	32,410	12,725	123,183		255,546	384,281
Professional services	12,086	24,618	19,039	8,285	32,323	91,098	5,840	156,585	193,289
Repair and maintenance	12,166	33,195		14,901		415		15,316	60,677
Salaries	141,472	193,943	123,393	150,249	74,074	184,556		532,272	867,687
Security	2,524	13,930		2,914		9,410		12,324	28,778
Supplies and fees	35,568	138,583	26,765	9,053	2,716	21,587		60,121	234,272
T-shirts/souvenir		2,643	5,945					5,945	8,588
Telephone	13,777								13,777
Utilities	4,591								4,591
	<u>\$ 509,666</u>	<u>\$ 1,456,125</u>	<u>\$ 403,088</u>	<u>\$ 329,974</u>	<u>\$ 594,385</u>	<u>\$ 569,956</u>	<u>\$ 6,032</u>	<u>\$ 1,903,435</u>	<u>\$ 3,869,226</u>

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

Shreveport Regional Arts Council
Shreveport, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Support Services			Program Services				Total Program Services	Totals
	General and Administrative	Fund Raising	Arts in Education	Artspace	Arts Economic Development and Research	Public Programming	Capital/ Special Projects		
Auction Expense	\$ 150	\$ 3,916	\$	\$	\$	\$	\$	\$	\$ 4,066
Awards			23,382	400				23,782	23,782
Bank charges	12,380	2,481	174	954	86	327		1,541	16,402
Building rent	2,954	1,815	1,100					1,100	5,869
Cleaning				4,217				4,217	4,217
Contract labor	84,380	1,140	4,703	13,265	555	2,817		21,340	106,860
Contribution	1,500								1,500
Depreciation expense	70,057		46,174	1,592		41,397		89,163	159,220
Development expense	4,403	5,591	5,711	444		1,003		7,158	17,152
Dues and publications	19,252	1,595	82	542	1,262	3,809		5,695	26,542
Employee benefits	19,986	7,824	6,199	6,885	4,432	7,044		24,560	52,370
Equipment and facility rentals	8,934		447	1,418				1,865	10,799
Event expenses			27,339	900		3,581		31,820	31,820
Event hospitality	2,784	3,163	13,643	12,765	3,631	1,435		31,474	37,421
Exhibition expense			1,705	23,337	2,184	437		27,663	27,663
Grants to other agencies					399,198			399,198	399,198
Insurance expense	34,768					12,245		12,245	47,013
Interest	8								8
Internet	6,478			1,721				1,721	8,199
Marketing	2,842	1,861	1,581	15,622	2,036	11,812		31,051	35,754
Meetings, travel, and entertainment	52,339	5,606	16,711	10,163	13,457	7,889	1,124	49,344	107,289
Miscellaneous expense	29	1,024				1,537		1,537	2,590
Payroll taxes	9,969	10,056	6,772	12,879	5,561	12,253		37,465	57,490
Parking	3		108	466				574	577
Postage and freight	2,352	247	355	2,014	69	65		2,503	5,102
Printing	1,982	1,502	9,329	10,809	120	3,422		23,680	27,164
Professional artist fees		16,600	95,261	67,463	34,856	276,508		474,088	490,688
Professional services	34,021	4,046	6,096	4,650	7,426	24,601	35,362	78,135	116,202
Repair and maintenance	21,966	107	25	15,398	11	2,460		17,894	39,967
Salaries	160,645	145,807	99,113	182,094	81,677	142,986		505,870	812,322
Security	2,245			763		5,945		6,708	8,953
Supplies and fees	39,033	5,814	29,196	3,384	436	59,453	216	92,685	137,532
T-shirts/souvenir	2,799		9,948					9,948	12,747
Telephone	18,052			100				100	18,152
Utilities	4,833								4,833
	<u>\$ 621,144</u>	<u>\$ 220,195</u>	<u>\$ 405,154</u>	<u>\$ 394,245</u>	<u>\$ 556,997</u>	<u>\$ 623,026</u>	<u>\$ 36,702</u>	<u>\$ 2,016,124</u>	<u>\$ 2,857,463</u>

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

Shreveport Regional Arts Council
Shreveport, Louisiana
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

Operating Activities	2025	2024
Changes in net assets	\$ 107,701	\$ (702,241)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation/amortization	159,210	159,220
Amortization on operating leases	7,033	6,801
Realized and unrealized (gains) and losses on investments	(56,289)	(68,318)
(Increase) decrease in operating assets:		
Grants receivable	(11,941)	(27,287)
Other receivables	52,471	(20,785)
Promises to give	32,500	
Prepaid expenses	18,047	27,294
Increase (decrease) in operating liabilities:		
Accounts payable	(32,230)	35,708
Grants payable	32,325	4,777
Accrued expenses	(56,815)	19,704
Refundable advance	(44,817)	(5,183)
Repayments of operating lease liabilities	(7,033)	(6,801)
Net cash provided (used) by operating activities	200,162	(577,111)
 Investing Activities		
Payments for property and equipment	(79,501)	(38,752)
Purchases of investments		(46,418)
Proceeds from sales of investments	30,500	141,966
Net cash provided (used) by investing activities	(49,001)	56,796
 Net increase (decrease) in cash and cash equivalents	151,161	(520,315)
Cash and cash equivalents as of beginning of year	805,222	1,325,537
Cash and cash equivalents as of end of year	\$ 956,383	\$ 805,222

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

Shreveport Regional Arts Council
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2025 and 2024

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Shreveport Regional Arts Council (SRAC) is a private, nonprofit corporation governed by a board of directors and administered by a professional staff. SRAC's goal is to serve as an umbrella organization to enrich the quality of life within the region through the promotion of the Arts. SRAC's services, therefore, include providing cultural programming, scheduling and coordinating cultural activities, and other professional services directed toward its stated goal.

The following significant program services are included in the accompanying financial statements: Arts in Education, Artspace, Arts Economic Development and Research, Public Programming, Capital/Special Projects, and Fundraising.

B. Basis of Accounting

The financial statements of SRAC have been prepared on the accrual basis of accounting.

C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of SRAC's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SRAC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. SRAC has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

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Shreveport Regional Arts Council
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2025 and 2024
(Continued)

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, SRAC considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise to give is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Investments

Investments are stated at fair market value, based on quoted market prices. Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with the investments, it is at least reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. Recent market conditions have resulted in an unusually high degree of volatility and increased the risks and may affect the short-term liquidity associated with certain investments held by the SRAC which could impact the value of investments after the date of these financial statements. Because the values of individual investments fluctuate with market conditions, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined.

H. Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy are described as follows:

Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: significant other observable inputs than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

I. Property and Equipment

It is the policy of SRAC to capitalize all fixed assets with a unit cost of \$2,500 or more. Property, equipment, and leasehold improvements are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided on the straight-line method over the

(Continued)

Shreveport Regional Arts Council
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2025 and 2024
(Continued)

estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the remaining term of the lease or the useful life of the improvement, whichever is shorter.

J. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

K. Advertising Costs

SRAC uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. For the years ended June 30, 2025 and 2024, advertising costs totaled \$39,697 and \$35,754, respectively, and are included in marketing on the Statements of Functional Expenses.

L. Employee Benefit Plans

SRAC established a Simple Retirement Account plan for its full and part-time employees. An employee is eligible to participate in any calendar year if the employee received at least \$5,000 of compensation during each of the two preceding year calendar years and is reasonably expected to receive at least \$5,000 in compensation during the current calendar year. Participation is voluntary, and the employee may contribute up to \$7,000 per year. SRAC matches the employee's contribution up to 3% of the employee's annual compensation, or \$7,000, whichever is less. The contributions charged to expense for the years ended June 30, 2025 and 2024 were \$17,755 and \$11,447, respectively.

M. Income Tax Status

SRAC is a non-profit corporation and is exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to SRAC's tax-exempt purpose is subject to taxation as unrelated business income. SRAC had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2022, 2023, 2024, and 2025 are subject to examination by the IRS, generally three years after they were filed.

N. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the functions they benefit. Facility related and supportive service expenses are allocated to each function based upon management's equitable determination.

(Continued)

Shreveport Regional Arts Council
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2025 and 2024
(Continued)

O. Accrued Absences

SRAC's policy is to pay employees upon termination for vacation time accrued up to 160 hours maximum per employee with 0–5 years' experience; up to 192 hours for employees with 6–10 years' experience; up to 240 hours for employees with 11–15 years' experience; up to 288 hours for employees with 16–20 years' experience; up to 336 hours for employees with 21–24 years' experience; up to 400 hours for employees with 25–30 years' experience; and up to 480 hours for employees with over 31 years' experience. An accrued liability for vacation time of \$11,881 and \$64,902 is included in accrued expenses at June 30, 2025 and 2024, respectively.

P. Accounts Receivable

Accounts receivable consists of miscellaneous amounts due as of June 30, 2025 and 2024, but received after those dates. Accounts receivables are shown net of a reserve for uncollectible accounts of \$56,635 and \$43,985 as of June 30, 2025 and 2024, respectively.

Q. Revenue from Contracts with Customers

SRAC has adopted ASU 2014-09 – "Revenue from Contracts with Customers (Topic 606)" as amended. Under the ASU, entities are required to identify and segment contracts into performance obligations and to account for certain contract costs and revenues as contract assets or contract liabilities.

Ticket Sales – Revenue from ticket sales-special events is recognized at a point in time directly associated with the event date in an amount that reflects the consideration SRAC expects to be entitled to in exchange for those sales.

Sponsorships – Revenue from special event sponsorships may contain elements of both an exchange transaction and a conditional contribution. To the extent the sponsorship contains an exchange transaction, revenue is recognized at a point in time in an amount SRAC expects to be entitled to in exchange for the goods and services provided.

Auction items – Revenue from live and silent auctions held as part of a special event may contain elements of both an exchange transaction and a contribution. To the extent the auction proceeds contain an exchange transaction, revenue is recognized at a point in time in an amount SRAC expects to be entitled to in exchange for the goods and services provided.

R. Contract Liability

SRAC records contract liabilities related to contracts with customers. Contract liabilities consist of SRAC's obligation to transfer goods or services to customers for which SRAC has received consideration from customers, including advance payments received from customers for future goods and services.

(Continued)

Shreveport Regional Arts Council
 Shreveport, Louisiana
 Notes to Financial Statements
 June 30, 2025 and 2024
 (Continued)

(2) Agreement for Services

Under a formal agreement for services between the City of Shreveport (the City) and SRAC, the City agrees to provide technical assistance in the planning and implementation of programs, use of certain facilities, office space and personnel and funding for programming. The fair value of the technical assistance received and use of the facilities, office space and personnel is not reasonably determinable and is not recorded as revenue. SRAC also agrees to provide certain programming services under the agreement.

(3) Concentrations of Credit Risk

SRAC maintains cash balances at financial institutions and a money market account held by an investment broker. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000 at financial institutions. Securities Investor Protection Corporation (SIPC) insures funds on deposit with the investment broker up to \$500,000. SRAC had uninsured cash balances of \$92,935 and \$229,884 at June 30, 2025 and 2024, respectively.

Promises to give for fundraising at June 30, 2025 were from one donor. Promises to give for building renovations at June 30, 2024 were from one donor.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 2025 and 2024, SRAC had no significant concentrations of credit risk in relation to grant receivables.

(4) Endowment Account with Community Foundation of North Louisiana

SRAC has entered into an agreement with the Community Foundation of North Louisiana (CFNL). The agreement establishes an Agency Endowment Fund at CFNL called "Arts Forever Fund" (Fund). All property of the Fund belongs to CFNL. The fund will be used for support of the charitable purposes of SRAC. Net income and capital appreciation of the Fund, as governed by CFNL's Spending Policy, will be paid and distributed to SRAC at least annually, for as long as SRAC is a Qualified Charitable Organization.

The fair market value of the fund at June 30, 2025 and 2024 was \$334,956 and \$314,446 respectively.

(5) Restricted Assets – Promises to Give

Assets restricted for artspace building renovations at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Building renovations	\$ 40,000	\$ 40,000
Less: allowance	<u>(40,000)</u>	
Promises to give, net	<u>\$</u>	<u>\$ 40,000</u>

(Continued)

Shreveport Regional Arts Council
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2025 and 2024
(Continued)

There are no discounts associated with promises to give at June 30, 2025 and 2024, respectively.

	2025	2024
Amounts due in:		
Less than one year	\$	\$ 35,000
One to five years		5,000
Total promises to give	\$	\$ 40,000

Promises to give are reflected in the accompanying Statements of Financial Position as follows:

	2025	2024
Promises to give – building renovations	\$	\$ 40,000

(6) Promises to Give

Shreveport Regional Arts Council received a restricted contribution receivable for fundraising expenses from one donor during June 30, 2025.

Unconditional promises to give at June 30, 2025 were as follows:

	2025
Receivable in less than one year	\$ 7,500

(7) Investments

Investments in equity securities are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets).

Investments as of June 30, 2025, and 2024, consisted of the following:

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Mutual funds	\$ 383,802	\$ 404,331	\$ 380,427	\$ 418,198
Other assets	29,337	25,932	13,722	12,933
Equity funds	283,647	208,180	276,848	211,165
	\$ 696,786	\$ 638,443	\$ 670,997	\$ 642,296

Investment income (loss) for the years ended June 30, 2025 and 2024 consisted of the following:

	2025	2024
Interest and dividend income	\$ 20,770	\$ 19,776
Realized and unrealized gains (losses) on investments	35,519	48,542
	\$ 56,289	\$ 68,318

(Continued)

Shreveport Regional Arts Council
 Shreveport, Louisiana
 Notes to Financial Statements
 June 30, 2025 and 2024
 (Continued)

(8) Property and Equipment

Property and equipment at June 30, 2025, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	7 – 20 years	\$ 664,939
Leasehold improvements	5 – 10 years	<u>3,257,096</u>
		3,922,035
Accumulated Depreciation		<u>(2,008,210)</u>
		<u>\$ 1,913,825</u>

Depreciation expense for the year ended June 30, 2025 was \$159,210.

Property and equipment at June 30, 2024, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	7 – 20 years	\$ 585,438
Leasehold improvements	5 – 10 years	<u>3,257,096</u>
		3,842,534
Accumulated Depreciation		<u>(1,849,000)</u>
		<u>\$ 1,993,534</u>

Depreciation expense for the year ended June 30, 2024 was \$159,220.

(9) Accrued Expenses

Accrued expenses consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Accrued leave payable	\$ 11,881	\$ 64,902
Accrued payroll and related benefits	<u>44,120</u>	<u>47,914</u>
	<u>\$ 56,001</u>	<u>\$ 112,816</u>

(10) Line of Credit

SRAC has a revolving line of credit in the amount of \$500,000. The line of credit has a variable interest rate based upon the Wall Street Journal Prime Rate, which was 8.25% at June 30, 2025. The balance on the line of credit as of June 30, 2025 and 2024 was \$0 and \$0, respectively and had a maturity date of July 24, 2026. The line of credit is secured by an investment account held in SRAC's name.

Interest expense incurred on the line of credit for the years ended June 30, 2025 and 2024 was \$0 and \$0, respectively.

(Continued)

Shreveport Regional Arts Council
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2025 and 2024
(Continued)

(11) Net Assets

Net assets at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Net Assets Without Donor Restrictions:		
Undesignated net assets	\$ 2,281,717	\$ 2,102,905
Designated net assets		
Grants to other organizations	250,000	237,500
Board designated reserves	<u>716,201</u>	<u>684,474</u>
Total designated for use for programs	<u>966,201</u>	<u>921,974</u>
Total net assets without donor restrictions	<u>3,247,918</u>	<u>3,024,879</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for Artspace		40,000
Restricted for fundraising	7,500	
Restricted for programming activities	136,593	107,755
Restricted for plaza lighting		55,000
Restricted for bridge lighting programming		<u>56,676</u>
Total net assets with donor restrictions	<u>144,093</u>	<u>259,431</u>
Total Net Assets	<u>\$ 3,392,011</u>	<u>\$3,284,310</u>

(12) Concentration of Revenue

During the years ended June 30, 2025 and 2024, SRAC received contractual revenue from federal, state, parish, and city grants in the amount of \$1,232,692 and \$1,414,653, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

Included in Special Events – Christmas in the Sky, on the Statement of Activities, is revenue received from a fundraising event held every other year. Revenue received during the year ended June 30, 2025 totaled \$2,232,524, and is used for operating expenses for the following two years.

(Continued)

Shreveport Regional Arts Council
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2025 and 2024
(Continued)

(13) Right-of-Use Operating Leases

SRAC leases a copier under long-term, non-cancellable operating leases. The lease expires in 2028. The discount rate of 3.36% represents the risk-free discount rate using a period comparable with that of the individual lease term.

The right-of-use operating assets and operating lease liabilities at June 30, 2025 and 2024, are as follows:

	2025	2024
Lease Assets		
Operating lease right-of-use assets	<u>\$ 22,572</u>	<u>\$ 29,605</u>
Lease Liabilities		
Operating lease liabilities as June 30	\$ 22,572	\$ 29,605
Less current portion	<u>(7,273)</u>	<u>(7,033)</u>
Operating lease liabilities	<u>\$ 15,299</u>	<u>\$ 22,572</u>
Total lease costs were as follows:		
Operating lease costs	<u>\$ 7,920</u>	<u>\$ 7,920</u>
Weighted-average remaining lease term – months	<u>36</u>	<u>48</u>
Weighted-average discount rate	<u>3.36%</u>	<u>3.36%</u>

Future minimum payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

For the Year Ending	Principle	Interest	Total
June 30,			
2026	\$ 7,273	\$ 647	\$ 7,920
2027	7,521	399	7,920
2028	7,778	142	7,920
Total lease payments	<u>\$ 22,572</u>	<u>\$ 1,188</u>	<u>\$ 23,760</u>

(14) Refundable Advance

SRAC records funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(15) Lease Income

SRAC subleases a building under an operating lease. The lease has a primary term of May 1, 2024, through June 30, 2026, with the option to extend for an additional three years. Lease income reported as revenue in the statement of activities for the years ended June 30, 2025 and 2024 was \$10,500 and \$25,000, respectively. The lease has variable rent payments through the initial lease term of \$0 to \$2,500 per month.

(Continued)

Shreveport Regional Arts Council
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2025 and 2024
(Continued)

(16) Liquidity and Availability of Financial Assets

SRAC monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. SRAC has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Financial assets at year-end:	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 956,383	\$ 805,222
Investments	696,786	670,997
Grant receivables	310,058	298,117
Other receivables	13,520	65,991
Promises to give	<u>7,500</u>	<u> </u>
Total financial assets	<u>1,984,247</u>	<u>1,840,327</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(144,093)	(259,431)
Board designated reserves	(716,201)	(684,474)
Designated for grants to other organizations	<u>(250,000)</u>	<u>(237,500)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 873,953</u>	<u>\$ 658,922</u>

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 11, are not available for general expenditures within the next year and are, therefore, deducted from the amounts noted above. However, designated amounts could be made available, if necessary. SRAC also has a revolving line of credit in the amount of \$500,000 which could be drawn upon in the event of an unanticipated liquidity need.

In addition to financial assets available to meet general expenditures over the year, SRAC operates with a balanced budget and anticipates covering general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of the SRAC's cash and shows cash provided (used) by operations of \$200,162 and (\$577,111) for the years ended June 30, 2025 and 2024, respectively.

(17) Grants Payable

Grants payable at June 30, 2025 and 2024 represent amounts owed to recipients of arts grants awarded by SRAC but not yet paid. Final payments are made upon receipt of final reports from the recipients.

(18) Grants Receivable

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at June 30, 2025 and 2024, but received after those dates. Grants receivable are shown net of a reserve for uncollectible accounts of \$41,000 and \$58,002 as of June 30, 2025 and 2024, respectively.

(Continued)

Shreveport Regional Arts Council
 Shreveport, Louisiana
 Notes to Financial Statements
 June 30, 2025 and 2024
 (Continued)

(19) Disaggregation of Revenue

SRAC holds a biennial fundraising event, Christmas in the Sky, which includes ticket sales, live and silent auctions, and corporate and individual sponsorships. The event was held in December 2024. Special event revenues include both exchange components and non-exchange components. In accordance with ASC 606, Revenue from Contracts with Customers, SRAC recognizes the exchange portion of special event revenue based on the estimated fair value of benefits received by participants. Amounts received in excess of the estimated fair value of such benefits are reported as contribution revenue. Sponsorship amounts representing an exchange transaction are recognized under ASC 606, while amounts representing donor donations are reported as non-exchange revenue. Special event revenue is reported at gross amounts, and the direct donor benefits are reported separately as expenses in the statement of activities.

For the year ended June 30, 2025, SRAC recognized special event revenue of \$2,232,524 related to Christmas in the Sky, of which \$898,995 represented exchange transaction revenue. The remaining \$1,333,529 represented non-exchange revenue.

Exchange revenue, disaggregated by timing of transfer of goods and services, is summarized below:

Revenue recognized based on goods and services transferred to customers at a point in time:	2025
Special event ticket sales	\$ 583,535
Special event raffle ticket sales	30,125
Ticket sales	613,660
Fair market value of auction items sold	285,335
Total revenue from contracts with customers recognized at a point in time	\$ 898,995

(20) Subsequent Events

Subsequent events have been evaluated through December 17, 2025, the date the financial statements were available to be issued.

Shreveport Regional Arts Council
Shreveport, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2025

The following payments were made from public funds:

Agency Head: Rebecca Bonnevier, Executive Director

<u>Purpose</u>	<u>Amount Paid with Public Funds</u>
Salary	\$ 26,404

COOK & MOREHART

Certified Public Accountants

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STUART L. REEKS, CPA
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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

Independent Auditors' Report

To the Board of Directors
Shreveport Regional Arts Council
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Shreveport Regional Arts Council (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Shreveport Regional Arts Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Shreveport Regional Arts Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Shreveport Regional Arts Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shreveport Regional Arts Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 17, 2025

Shreveport Regional Arts Council
Shreveport, Louisiana
Summary Schedule of Audit Findings
June 30, 2025

Summary Schedule of Prior Audit Findings

There were no findings for the prior year audit for the year ended June 30, 2024.

Summary Schedule of Current Year Audit Findings

There are no findings for the current year audit for the year ended June 30, 2025.

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
Shreveport Regional Arts Council
Shreveport, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Shreveport Regional Arts Council's (SRAC) management is responsible for those C/C areas identified in the SAUPs.

The Shreveport Regional Arts Council has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

2) *Board or Finance Committee*

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

3) *Bank Reconciliations*

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - I. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - II. At least two employees are involved in processing and approving payments to vendors;
 - III. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - IV. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - V. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. Noted the following exception:

Exception: For ACH electronic payments selected for testing, there was no documented approval by authorized check signers.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures performed. No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

8) Contracts

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

9) Payroll and Personnel

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

10) Ethics

Not applicable to nonprofit organizations.

11) Debt Service

Not applicable to nonprofit organizations.

12) Fraud Notice

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

13) Information Technology Disaster Recovery/Business Continuity

Testing not required for this area for year two.

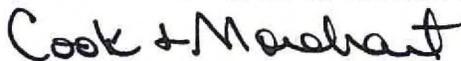
14) Prevention of Sexual Harassment

Not applicable to nonprofit organizations.

We were engaged by The Shreveport Regional Arts Council, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of The Shreveport Regional Arts Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Cook & Morehart
Certified Public Accountants
December 17, 2025



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December 17, 2025

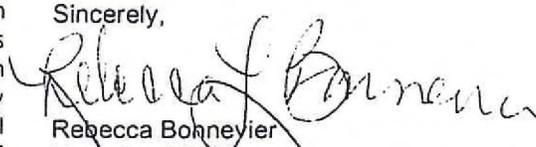
Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Shreveport Regional Arts Council (SRAC) submits the following response to the exception identified in the Statewide Agreed-Upon Procedures Report for the year ended June 30, 2025:

Exception: For the ACH payments selected for testing, there was no documented approval by authorized check signers.

Response: The Board of Directors has prescribed the responsibility for reviewing ACH payments for credit cards to the Executive Director. The Executive Director does review all bank statements, credit card statements, and credit card ACH payments on a monthly basis. Controls over other ACH payments will be implemented to include a review by authorized check signers.

Sincerely,


Rebecca Bonnevier
Executive Director