

**NORTHEAST LOUISIANA ARTS COUNCIL**

*Financial Statements  
For the Year Ended June 30, 2019*



**NORTHEAST LOUISIANA ARTS COUNCIL**  
**WEST MONROE, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Northeast Louisiana Arts Council  
West Monroe, Louisiana

I have reviewed the accompanying financial statements of Northeast Louisiana Arts Council (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

My responsibility is to conduct the review engagement 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.



To the Board of Directors  
Northeast Louisiana Arts Council  
West Monroe, Louisiana

**Other Matters**

The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

*Maxwell CPA, LLC*

Monroe, Louisiana  
January 2, 2020

**NORTHEAST LOUISIANA ARTS COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**

"See Independent Accountant's Review Report"

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 79,601
Certificates of Deposit	43,182
Grant Receivable	<u>18,887</u>
Total Current Assets	141,670

Property and Equipment, net

-

TOTAL ASSETS

\$ 141,670

LIABILITIES AND NET ASSETS

Current Liabilities

Accrued Payroll Taxes	\$ 8,450
Deferred Income	<u>6,288</u>
Total Current Liabilities	14,738

Net Assets

Without Donor Restrictions	
Undesignated	<u>126,932</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 141,670

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA ARTS COUNCIL**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

"See Independent Accountant's Review Report"

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Public Support and Revenues</u>			
Memberships	\$ 17,898	\$ -	\$ 17,898
Contributions	28,589	-	28,589
Grants	-	146,275	146,275
Fundraisers	36,690	-	36,690
RUPAR Support	97,853	-	97,853
In-Kind - City of West Monroe	20,000	-	20,000
Interest Income	614	-	614
Other Income	991	-	991
Net Assets Released from Restrictions	146,275	(146,275)	-
Total Support and Revenue	<u>348,910</u>	<u>-</u>	<u>348,910</u>
<u>Expenses</u>			
Programs:			
Art Promotion and Awareness	303,663	-	303,663
Support:			
General and Administrative	32,137	-	32,137
Fund-Raising	566	-	566
Total Expenses	<u>336,366</u>	<u>-</u>	<u>336,366</u>
<u>Change in Net Assets</u>	12,544	-	12,544
<u>Net Assets, Beginning of Year</u>	<u>114,388</u>	<u>-</u>	<u>114,388</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 126,932</u>	<u>\$ -</u>	<u>\$ 126,932</u>

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA ARTS COUNCIL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

"See Independent Accountant's Review Report"

	<u>Program</u>	<u>Support</u>		
	Art Promotion and Awareness	General and Administrative	Fund-Raising	Total
Salaries and related	\$ 70,200	\$ 20,000	\$ -	\$ 90,200
Payroll taxes	3,885	3,000	-	6,885
Other employee benefits	4,137	730	-	4,867
Professional Services	5,895	1,000	-	6,895
Supplies	1,819	1,000	-	2,819
Postage and Printing	3,202	565	-	3,767
Telephone	757	134	-	891
Rent and Building Expenses	16,433	5,000	-	21,433
Insurance	2,416	426	-	2,842
Travel and Training	3,809	282	-	4,091
Dues and Subscriptions	3,174	-	-	3,174
Advertising	1,967	-	566	2,533
Sponsorships	24,869	-	-	24,869
DAFP Re grants	43,541	-	-	43,541
Mini-Grant Payments	902	-	-	902
RUPAR Expenses	97,853	-	-	97,853
Event Expenses	18,391	-	-	18,391
Bank Charges	7	-	-	7
Board meetings	406	-	-	406
Miscellaneous	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total functional expenses	<u>\$ 303,663</u>	<u>\$ 32,137</u>	<u>\$ 566</u>	<u>\$ 336,366</u>

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA ARTS COUNCIL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

"See Independent Accountant's Review Report"

<u>Cash Flows from Operating Activities</u>	
Change in Net Assets	\$ 12,544
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Decrease In Grant Receivable	6,395
Increase in Accrued Payroll Taxes	3,900
Decrease in Deferred Income	(29,178)
Total Adjustments	<u>(18,883)</u>
Net Cash Used by Operating Activities	(6,339)
 <u>Cash Flows from Investing Activities</u>	
Purchases of Certificates of Deposit	<u>(43,182)</u>
 <u>Net Decrease in Cash and Cash Equivalents</u>	(49,521)
 <u>Cash and Cash Equivalents at Beginning of Year</u>	<u>129,122</u>
 <u>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</u>	<u>\$ 79,601</u>

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA ARTS COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

A. Nature of Activity

The Northeast Louisiana Arts Council (the Council) is a nonprofit corporation based in West Monroe, Louisiana. The Council serves the citizens of Northeast Louisiana by providing funding and services to support and foster an environment in which the arts can thrive. The Council's support comes primarily from memberships, donor's contributions, and various government and arts agency grants.

B. Basis of Accounting

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

C. Use of Estimates

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

D. Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor or grantor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met with the passage of time or occurrence of other events. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2019, the Council does not have any restrictions that are perpetual in nature.

E. Public Support and Revenue

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

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

**NORTHEAST LOUISIANA ARTS COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents

The Council considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

G. Functional Allocation of Expenses

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

H. Property and Equipment

Property and equipment are carried at cost when purchased or, if donated, at the approximate fair market value at date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method:

Furniture, Fixtures and Equipment	5-7 Years
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I. Deferred Income

Deferred income is the amount of grant funds received that are for the following fiscal year and are expected to be spent subsequent year end.

Note 2 - Cash and Cash Equivalents

The Council maintains its cash balances in two local financial institutions. The bank balances of \$94,024 are covered by Federal deposit insurance. Total cash on hand at June 30, 2019 was \$79,601.

The Council also has two certificate of deposits. The certificate of deposits have a fair value of \$43,182 at June 30, 2019 and was not considered to be a cash equivalent. The certificate of deposits are covered by FDIC insurance.

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 79,601
Current Value of Certificates of Deposit	
Maturing within One Year	43,182
Grants Receivable	18,887
 Total Liquid and Available Assets	 \$ 141,670

**NORTHEAST LOUISIANA ARTS COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Note 4 - Property and Equipment

A summary of property and equipment at June 30, 2019 is as follows:

Furniture and Equipment	\$ 43,687
Less: Accumulated Depreciation	<u>(43,687)</u>
Net Property and Equipment	<u>\$ -</u>

The Council had no depreciation expense for the year ended June 30, 2019.

Note 5 - Donated Services and Facilities

The Council receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities.

The Council occupies without charge certain premises located in a government owned building by local Government. The estimated fair rental value of the premises is reported as support and expense in the period in which the premises are used.

Note 6 - Income Taxes

The Northeast Louisiana Arts Council is a nonprofit corporation exempted from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the organization engage in activities unrelated to its exempt purpose, taxable income could result. The organization had no material unrelated business income for the year ended June 30, 2019. The earliest income tax year that is subject to examination is 2015.

Note 7 - Retirement Benefits

The Council will pay up to 6% of employee's gross salary less any bonuses into a retirement plan. Total retirement benefits accrued but not paid during 2019 was \$3,900.

Note 8 - Commitments and Contingencies

Economic Dependence

The Organization receives a substantial amount of its support from state and local grants. A significant reduction in the level of this support, if this were to occur, may have an effect on the organization's programs and activities.

Note 9 - Subsequent Events

Subsequent events have been evaluated through January 2, 2020, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

**NORTHEAST LOUISIANA ARTS COUNCIL**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**FOR THE YEAR ENDED JUNE 30, 2019**

"See Independent Accountant's Review Report"

Agency Head	Barry Stevens
Title	<u>President</u>
Purpose	
Compensation	\$ 65,000
Travel	922
Reimbursements	<u>2,024</u>
Total	<u><u>\$ 67,946</u></u>



**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
Northeast Louisiana Arts Council

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Northeast Louisiana Arts Council (the Council), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Alliance's compliance with certain laws and regulations during the year ended June 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Council's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

*The Council provided me with the following list of expenditures made for state and local grant awards received during the fiscal year ended June 30, 2019.*

*Louisiana Department of Economic Development  
Entertainment Division  
Grant Year was April 11, 2019 – September 30, 2019  
CFDA No. was N/A  
Total Expenditures for the fiscal year was \$2,000*

*Louisiana Division of the Arts  
Grant Year was July 15, 2017 – December 31, 2018  
CFDA No. was N/A  
Total Expenditures for the fiscal year was \$11,887*

*Louisiana Division of the Arts  
Grant Year was July 15, 2018 – December 31, 2019  
CFDA No. was N/A  
Total Expenditures for the fiscal year was \$102,328*



*City of Monroe*

*Grant Year was November 1, 2018 – October 31, 2019*

*CFDA No. was N/A*

*Total Expenditures for the fiscal year was \$25,000*

*City of West Monroe*

*Grant Year was January 1, 2018 – December 31, 2019*

*CFDA No. was N/A*

*Total Expenditures for the fiscal year was \$5,000*

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

*I selected six disbursements for testing.*

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

*Each of the selected disbursements agreed to the amount and payee in the supporting documentation.*

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

*All disbursements appear to be coded to the correct general ledger account.*

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

*The Council's policy is for the director to approve all disbursements and have two signatures on disbursements larger than \$1,000. Each of the selected disbursement's included the director's approval and all disbursements over \$1,000 had two signatures.*

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

*Each of the selected disbursement's appeared to be in compliance with the grant agreement.*

7. Obtain the close-out reports, if required, for any program selected in procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

*Not applicable.*

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

*Management represented that the Council is a non-profit agency and not required to post the agendas for meetings recorded in the minute book.*

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

*The Council provided the comprehensive budgets which included the purpose and duration of the grant program.*

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

*The Council's report was submitted by the statutory due date.*

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

*Not applicable.*

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

*Not applicable.*

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Council's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Council's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

*Maxwell CPA, LLC*

Monroe, Louisiana  
January 2, 2020

**ATTACHMENTS:  
SIGNED LOUISIANA ATTESTATION QUESTIONNAIRE**

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

December 31, 2019

Maxwell CPA, LLC  
8649 Hwy 165 N, STE 2  
Monroe, LA 71203

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 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 to determine whether a non-profit agency is subject to the open meetings law.**

*Management represented that the Council is not required to post anything under the open meetings law because they are non-profit but do have scheduled bi-monthly meetings.*

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 had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ X ] No [ ]

**Prior-Year Comments**

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

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 [ X ] No [ ]

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

Yes [ X ] 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 [ X ] No [ ]

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

Yes [ X ] No [ ]

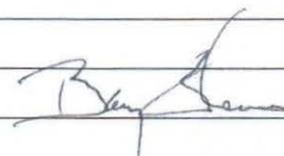
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period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

Yes [ X ] 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 [ X ] No [ ]

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

_____	Director	_____	Date
_____	Treasurer	_____	Date
	President	12-31-2019	Date