

BOSSIER ARTS COUNCIL

Bossier City, Louisiana

FINANCIAL STATEMENTS

June 30, 2018

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

BOSSIER ARTS COUNCIL

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying financial statements of Bossier Arts Council (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 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.

Supplementary Information

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedule of compensation, benefits, and other payments to agency head on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 information and, accordingly, do not express an opinion on such information.

Marsha O. Millican

Certified Public Accountant
May 14, 2019

BOSSIER ARTS COUNCIL

Statement of Financial Position

June 30, 2018

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	<u>\$ 101,286</u>
Total Current Assets	101,286
PROPERTY AND EQUIPMENT	<u>18,205</u>
Total Assets	<u><u>\$ 119,491</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	\$ 9,894
Grants Payable	<u>3,600</u>
Total Current Liabilities	13,494
Net Assets:	
Without donor restrictions	106,005
With donor restrictions	<u>-</u>
Total Net Assets	<u>105,997</u>
Total Liabilities and Net Assets	<u><u>\$ 119,491</u></u>

See accountant's review report and notes to financial statements.

BOSSIER ARTS COUNCIL

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Support:			
Contributions	\$ 4,731	\$ 46,778	\$ 51,509
Grants	210,000	19,998	229,998
Total Support	<u>214,731</u>	<u>66,776</u>	<u>281,507</u>
Revenues:			
Membership Dues	2,470	-	2,470
Community Arts	11,640	-	11,640
Rental	12,925	-	12,925
Fundraising	15,230	-	15,230
Miscellaneous	1,085	-	1,085
Total Revenues	<u>43,350</u>	<u>-</u>	<u>86,700</u>
Total Support and Revenue	<u>258,081</u>	<u>66,776</u>	<u>324,857</u>
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	66,776	(66,776)	-
Total Support and Revenues	<u>324,857</u>	<u>-</u>	<u>324,857</u>
EXPENSES			
Program Expenses	289,166	-	289,166
Management and General	24,720	-	24,720
Fundraising	21,643	-	21,643
Total Expenses	<u>335,529</u>	<u>-</u>	<u>335,529</u>
Change in Net Assets	(10,672)	-	(10,672)
Net assets, beginning of year	<u>116,669</u>	<u>-</u>	<u>116,669</u>
Net assets, end of year	<u>\$ 105,997</u>	<u>\$ -</u>	<u>\$ 105,997</u>

See accountant's review report and notes to financial statements.

BOSSIER ARTS COUNCIL

Statement of Functional Expenses

For the Year Ended June 30, 2018

	<u>Cultural Events</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 82,306	\$ 9,143	\$ -	\$ 91,449
Education and awareness	4,560	-	-	4,560
Grant expenses	17,998	-	-	17,998
Occupancy	134,409	-	-	134,409
Professional services	-	9,754	-	9,754
Repair and Maintenance	10,634	-	-	10,634
Information technologies	3,159	351	-	3,510
Travel	2,178	-	-	2,178
Depreciation	3,118	-	-	3,118
Interest	-	614	-	614
Other	30,804	4,858	21,643	57,305
	<u>\$ 289,166</u>	<u>\$ 24,720</u>	<u>\$ 21,643</u>	<u>\$ 335,529</u>

See accountant's review report and notes to the financial statements.

BOSSIER ARTS COUNCIL

Statement of Cash Flows

For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (10,672)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,118
Changes in net assets and liabilities:	
Decrease in accounts receivable	600
Increase in accounts payable and accrued expenses	4,851
Decrease in deferred income	<u>(10,000)</u>
Net cash provided by operating activities	<u>(12,103)</u>
 CASH FLOWS USED BY FINANCING ACTIVITIES	
Purchase of fixed assets	<u>(4,082)</u>
Net cash used by financing activities	<u>(4,082)</u>
Net decrease in cash	(16,185)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>117,471</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 101,286</u></u>

See accountant's review report and notes to financial statements.

BOSSIER ARTS COUNCIL

Notes to Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Bossier Arts Council (the Council) is a nonprofit organization exempt from Federal income tax under IRS Code Section 501(c) (3) of the Internal Revenue Code and is exempt from state income taxes. The Council is an organization of volunteers and professional staff, dedicated to promoting, supporting, and providing cultural events and programming of the highest possible quality in Bossier Parish. The Council encourages the development and growth of other arts organizations and individuals in order to enhance the quality of life and to develop a cultural identity for Bossier Parish.

B. Basis of Accounting:

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

C. Basis of Presentation:

The financial statements of Bossier Arts Council have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Bossier Arts Council to report information regarding its financial position and activities according to the following net asset classifications:

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

Net assets with donor restrictions: These assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council 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, these net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

D. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Council's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

E. Cash and Cash Equivalents:

For the purpose of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from five to ten years.

G. Contributions:

All contributions received are considered available for use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as donor restricted support that increases net assets with donor restrictions. When a donor restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

H. Estimates:

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

I. Functional expenses:

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and Effort
Education and awareness	Time and Effort
Grant expenses	Full Time Equivalent
Occupancy	Square Footage
Professional services	Full Time Equivalent
Repair and Maintenance	Time and Effort
Information technologies	Full Time Equivalent
Travel	Time and Effort
Depreciation	Square Footage
Interest	Ful Time Equivalent
Other	Time and Effort

J. New accounting pronouncement:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. Bossier Arts Council has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

2. AVAILABILITY AND LIQUIDITY

The following represents Bossier Arts Council's financial assets at June 30, 2018:

Financial assets at year end:	
Cash and equivalents	\$ 101,286
Total financial assets	\$ 101,286
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Less net assets with purpose restriction to be met in less than a year	-
	-
Financial assets available to meet general expenditures over the next twelve months	\$ 101,286

Bossier Arts Council's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in interest-bearing accounts.

3. DONATED MATERIAL AND SERVICES:

Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services, inasmuch as no objective basis is available to measure the value of such services; and the donated services do not create a nonfinancial asset.

4. CONCENTRATION OF CREDIT RISKS:

All cash deposits are fully insured by FDIC insurance.

5. FIXED ASSETS:

Fixed assets consisted of the following: June 30, 2018:

Furniture and fixtures	\$ 75,028
East bank theatre equipment	15,958
Annex building	14,441
Leasehold Improvements	<u>13,344</u>
Total Costs	118,771
Less Accumulated Depreciation	<u>(100,566)</u>
Net Fixed Assets	<u><u>\$ 18,205</u></u>

6. NET ASSETS

Net assets with donor restrictions were as follows for the year ended June 30, 2018:

Specific Purpose	
East Bank Theatre	\$ 28
Artini	7,250
Digifest	39,500
SRAC Grants	<u>19,998</u>
Total	<u><u>\$ 66,776</u></u>

Net assets without donor restriction for the year ended June 30, 2018 are as follows:

Undesignated	<u>\$ 105,997</u>
Total	<u><u>\$ 105,997</u></u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2018</u>
Satisfaction of Purpose Restrictions	
East Bank Theatre	\$ 28
Artini	7,250
Digifest	39,500
SRAC Grants	<u>19,998</u>
Total	<u><u>\$ 66,776</u></u>

7. OPERATING LEASE

The Council leases a copier under the terms of an operating lease. The term of the lease is for 60 months beginning August 25, 2015. Lease terms include a monthly base rental payment as well as overage fees for usage over the monthly allowance. Total lease expense was \$5,815 for the year ended June 30, 2018.

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

Year ending June 30:

2019	\$ 3,926
2020	3,926
2021	<u>654</u>
Total	<u>\$ 8,506</u>

8. ADVERTISING COSTS

Advertising costs are charges to expense as incurred. Advertising costs totaled \$1,509 for the year ended June 30, 2018.

9. CONCENTRATION OF REVENUE SOURCES

Approximately 65% or \$210,000, of the Council's revenues are derived from contributions received from the City of Bossier City for the year ended June 30, 2018. Included in the revenue for each year is \$130,000 of in-kind revenue recorded for consideration of rent and utilities paid by the City of Bossier City. The current level of the Council's operations and program services may be impacted or segments discontinued if the funding of in-kind revenues are not renewed.

10. CONTINGENT LIABILITIES

The Council receives grants that are subject to review and audit by the agency providing the funding. In the opinion of management, such disallowances, if any, would be immaterial.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 14, 2019, the date which the financial statements were available for distribution, concluding there were no events requiring disclosure.

BOSSIER ARTS COUNCIL.

Schedule of Findings

For the Year Ended June 30, 2018

Current Year Findings:

FINDING 2018-1:

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

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

Cause: Unknown.

Effect: The Council is not in compliance with state law.

Recommendation: I recommend the Council comply with state law.

Management's Response and Corrective Action Taken: We agree with the finding. We will comply with state law in the future.

Prior Year Findings:

FINDING 2017-1: The Council did not file its financial statements with the Legislative Auditor within the time frame required by state law.

STATUS: Unresolved.

BOSSIER ARTS COUNCIL

Schedule of Compensation, Reimbursements, and Other Payments
to Agency Head

For the Year Ended June 30, 2018

Agency Head: Robin N. Jones, Executive Director

Salary	<u>\$ 32,735</u>
Payroll Taxes	<u>\$ 2,504</u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Bossier Arts Council, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating managements assertions about Bossier Arts Council's compliance with certain laws and regulations during the year ended June 30, 2018, included in the accompanying Louisiana Attestation Questionnaire. Management of Bossier Arts Council is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested of or any other purpose.

Federal, State and Local Awards

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

The Bossier Arts Council did not receive or expend any federal grants during the fiscal year. The following are the state grant expenditures for the fiscal year ended June 30, 2018:

Grantor	Grant Name	Grant Year	Amount Expended
State of Louisiana Division of the Arts	Decentralized Arts Funding Grant (DAF)	2017-2018	\$ 19,998
Total Expenditures			\$ 19,998

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

Six disbursements were selected from the Decentralized Arts Funding Grant.

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

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

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

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

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

All items selected were properly approved.

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

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

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

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

Open Meetings

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

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

Budget

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

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

Prior Comments and Recommendations

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

Agreed upon procedures for the Bossier Arts Council were performed for the year ended June 30, 2017. There were no suggestions, recommendations, or comments resulting from that engagement.

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

This report is intended solely for the use of management of Bossier Arts Council, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant
May 14, 2019

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

9/23/2018 _____ (Date Transmitted)

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

_____ 810 Wilkinson _____ (CPA Firm Address)

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

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/2018 _____ (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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

Yes 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 No

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

Yes No

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

Yes No

Open Meetings

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

Yes No

Budget

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

Yes No

Reporting

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

Yes No

Prior-Year Comments

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

Yes No

General

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

Yes No

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

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

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

Yes No

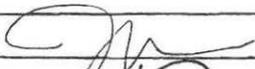
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period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

Yes No

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

Yes No

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

<u>N/A</u>	Secretary	_____	Date
	Treasurer	10/05/2018	Date
	President	09/24/2018	Date