

**ARTS COUNCIL OF CENTRAL LOUISIANA  
REPORT ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

ARTS COUNCIL OF CENTRAL LOUISIANA

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## Independent Accountant's Report

To the Board of Directors  
Arts Council of Central Louisiana  
Alexandria, Louisiana

I have reviewed the accompanying basic financial statements of Arts Council of Central La. Inc. ( a non-profit Corporation ) as of and for the year ended June 30, 2018, as listed in the table of contents, in accordance with U.S. Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express an opinion.

### Management's Responsibility For The Financial Statements

The management of the Arts Council of Central La. Inc. 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement 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 basic financial statements in order for them to be in conformity with generally accepted accounting principles generally accepted in the United States of America.

## Other Reporting

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated March 1, 2019 on the results of our agreed-upon procedures.

## Supplementary Information

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with U.S. generally accepted accounting principles. The information included in the supplementary schedule is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.



Paul Dauzat  
Certified Public Accountant  
March 1, 2019

ARTS COUNCIL OF CENTRAL LOUISIANA

STATEMENT OF FINANCIAL POSITION

June 30, 2018

**ASSETS**

Current assets

Cash and Cash Equivalents	\$ 92,167
Grants and Other Receivables	38,190
PrePaid Expenses	-
Total Current Assets	<u>130,357</u>

Endowment Investments

Investments-Designated	36,642
Total Endowment Investments	<u>36,642</u>

Property and Equipment

Furniture, Equipment and Leasehold Improvements, net	-
Collections-Works of Art/ Piano	403,950
Total Property and Equipment	<u>403,950</u>

<b>Total Assets</b>	<b><u>\$ 570,949</u></b>
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**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts Payable	\$ 23,011
Payroll Liabilities	5,823
Total Current Liabilities	<u>28,834</u>

Net Assets

Temporarily Restricted	-
Unrestricted-Undesignated	542,115
Total Net Assets	<u>542,115</u>

<b>Total Liabilities and Net Assets</b>	<b><u>\$ 570,949</u></b>
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See Accompanying Notes To Financial Statements

ARTS COUNCIL OF CENTRAL LOUISIANA

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>INCREASES IN NET ASSETS</b>			
<b>Revenue, Gains and Other Support</b>			
Admissions, Memberships, Subscriptions	\$ 22,461	\$ -	\$ 22,461
Contracted Services Revenue-CSPAC	75,000	-	75,000
Corporate Support	5,000	-	5,000
Division of the Arts Grants	-	94,720	94,720
Foundation Support	50,000	55,520	105,520
GAEDA Support	-	-	-
Miscellaneous Grants	38,736	-	38,736
Rental Income	53,805	-	53,805
Commssion Income	1,622	-	1,622
In-Kind Revenue-RFB	76,177	-	76,177
Investment Income	-	1,090	1,090
Other Revenues	83,942	-	83,942
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	<u>157,786</u>	<u>(157,786)</u>	<u>.</u>
Total Revenues, Gains and Other Support	<u>564,529</u>	<u>(6,456)</u>	<u>558,073</u>
<b>DECREASES IN NET ASSETS</b>			
<b>Expenses</b>			
Program Services	155,011	-	155,011
Supporting Services:			
Management and General	<u>401,643</u>	<u>-</u>	<u>401,643</u>
Total Expenses	<u>556,654</u>	<u>-</u>	<u>556,654</u>
Change in Net Assets	7,875	(6,456)	1,419
Net Assets-Beginning of Year	<u>534,240</u>	<u>6,456</u>	<u>540,696</u>
Net Assets-End of Year	<u>\$ 542,115</u>	<u>\$ -</u>	<u>\$ 542,115</u>

See Accompanying Notes To Financial Statements

ARTS COUNCIL OF CENTRAL LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES

June 30, 2018

	Program Services	Management And General	TOTAL
Payroll and Related Expenses			
Salaries	\$ 39,482	\$ 157,927	\$ 197,409
Employee Benefits	2,482	9,927	12,409
Payroll Taxes	2,882	11,530	14,412
Total Payroll and Related Expenses	<u>44,846</u>	<u>179,384</u>	<u>224,230</u>
Operating Expenses			
Outside Professional Services	8,305	33,220	41,525
Travel	559	3,923	4,482
Marketing	-	6,098	6,098
Repairs and Maintenance	-	16,401	16,401
Dues and Subscriptions	-	2,725	2,725
Equipment Leases and Rentals	-	4,011	4,011
Insurance	-	17,243	17,243
Postage and Shipping	77	2,826	2,903
Receptions and Hospitality	187	10	197
Miscellaneous	-	3,360	3,360
Supplies and Materials	-	3,426	3,426
Town Art Initiative	27,000	-	27,000
Event Expenses	49,021	-	49,021
In-Kind Expense	-	76,177	76,177
Telephone & Internet	7,016	1,754	8,770
Total Operating Expenses	<u>92,165</u>	<u>171,174</u>	<u>263,339</u>
Grants to Others	<u>18,000</u>	<u>51,085</u>	<u>69,085</u>
Total Expenses Before Depreciation	155,011	401,643	556,654
Depreciation	-	-	-
Total Functional Expenses	<u>\$ 155,011</u>	<u>\$ 401,643</u>	<u>\$ 556,654</u>

See Accompanying Notes To Financial Statements

ARTS COUNCIL OF CENTRAL LOUISIANA

STATEMENT OF CASH FLOWS  
For the Years Ended June 30, 2018

**Operating Activities**

Change In Net Assets	\$ 1,419
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(16,034)
Increase (Decrease) in Accounts Payable	(5,245)
Increase (Decrease) in Accrued Expenses	<u>(768)</u>
Net Cash Provided (Used) by Operating Activities	<u>(20,628)</u>

**Investing Activities**

Endowment Increases	<u>2,279</u>
Net Cash Provided (Used) by Investing Activities	<u>2,279</u>
Net Increase ( Decrease ) in Cash and Cash Equivalents	(18,349)
Cash and Cash Equivalents-Beginning of Year	110,516
Cash and Cash Equivalents-End of Year	<u>\$ 92,167</u>

Supplemental Disclosures:

- 1-No interest expense was incurred during the year was
- 2-No amounts were paid for income taxes during the year.

See Accompanying Notes To Financial Statements

ARTS COUNCIL OF CENTRAL LOUISIANA

Notes to Financial Statements  
For the Year Ended June 30, 2018

**NOTE 1** Summary of Significant Accounting Policies

*Organization and Nature of Activities:*

The Arts Council of Central Louisiana serves the citizens of central Louisiana by providing services to support and foster an environment in which the arts can thrive. The Louisiana Division of the Arts has designated the Council as the regional development agency for artists and cultural organizations in eight central Louisiana parishes. During the year ended June 30, 2018, the Arts Council contracted to operate the Coughlin Saunders Performing Arts Center.

The Council is a not-for-profit organization as described in Section 501 ( C ) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. Arts Council of Central Louisiana was incorporated on January 7, 1980 and received its exempt status by letter dated August 20, 1980.

*Public Support and Revenue:*

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Endowment contributions and investments are designated by the Organization's board of trustees as unrestricted. Investment earnings with board restrictions are recorded in unrestricted net assets.

Contributions of donated non-cash assets, including collections-works of art are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial 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.

*Estimates:*

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

*Cash and Cash Equivalents:*

The Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*Property and Equipment:*

Furniture, equipment and leasehold improvements are capitalized at cost. All categories are depreciated over estimated useful lives of five to seven years utilizing the straight line method. Expenditures for maintenance, repairs and other renewals are charged to expense.

*Concentration of Credit Risk:*

The Council's uninsured cash balances ( demand deposits and certificates of deposit in excess of FDIC limit of \$ 250,000) . These balances fluctuate greatly during the year and can exceed this limit. The Council invests its endowment funds with the Central Louisiana Community Foundation. The Foundation is a member of the SPIC which insures losses from theft and fraud however, there is no coverage against losses due to market fluctuations.

*Compensated Absences:*

Compensated absences is immaterial and has not been recorded in the financial statements.

**NOTE 2 Accounts and Grants Receivable**

The following is a summary of accounts receivable:

La. Division of Arts	\$	7,314
CSPAC		27,760
Rapides Symphony Orchestra		379
Other		2,737
		<u>38,190</u>
	\$	<u>38,190</u>

**NOTE 3 Property and Equipment**

The following is a summary of property and equipment:

Furniture and Fixtures	\$	10,255
Furniture and Fixtures-CSPAC		74,542
Equipment		15,213
Equipment-Rapides Fdn. Bldg.		104,437
Equipment-CSPAC		118,963
		<u>323,410</u>
Less: Accumulated Depreciation		<u>(323,410)</u>
	\$	<u>-</u>

In December, 2005, the Arts Council received a donation of works of art with an appraised value of \$ 79,000. The collection has been capitalized but is not being depreciated. In September, 2010 the Arts Council had the works of art reappraised with a value of \$120,000. During the year ended 2012, the Council received a donation of works of art with a value recorded at \$ 283,950. The collection was released from it's donor restriction during the fiscal year ended June 30, 2015.

**NOTE 4 Temporarily Restricted Net Assets**

Temporarily restricted net assets were available for the following purposes:

Total temporarily restricted net assets	\$	<u>-</u>
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Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors.

**NOTE 5 Donated Services**

The Council receives a significant amount of donated services from volunteers. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

**NOTE 6 Rapides Foundation Building Lease**

On April 22, 2003, the Council entered into a master lease with the Rapides Foundation for the occupancy of designated areas in the Rapides Foundation Building. As part of the lease agreement, the Council manages these specified areas of the building which includes several other arts related non-profit organization tenants.

**NOTE 7 Functional Allocation of Expenses**

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

**NOTE 8 Board-Designated Endowment**

The Board of Directors established a board- designated endowment specifying that the contributions from the charitable lead annuity trust be put into an endowment and invested: that there would be no withdrawal of capital except upon approval of the Board; and that the earnings from the endowment's investments be unrestricted but retained except upon approval of the Board, whose approval shall allow the earnings to be used for the operations of the Organization.

**NOTE 9 Investments**

Long-term investments, carried at market value, at June 30, 2018 consist of the following:

	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$ 42,819	\$ 36,642

All investments are endowment investments-Board designated.

Changes in Long-Term Investments for year ended June 30, 2018:

Beginning balance	\$ 36,281
Contributions	456
Dividends	412
Realized Gains	1,164
Unrealized loss	(1,414)
Management fees	(257)
	<u>\$ 36,642</u>

**NOTE 10 Leasing Arrangements**

Generally accepted accounting principles require that capital leases are to be capitalized as an asset and recorded as a liability for the future lease payments. The Council elected to treat this lease as an operating lease and expense the lease payments at the time they are paid instead of recording the asset, net of depreciation, recording the liability equal to the future minimum lease payments, and recording interest expense imputed as financing charge.

**NOTE 11 Subsequent Events**

Management has evaluated subsequent events through March 1, 2019, which is the date the financial statements were available to be issued. There were no events that required disclosure.

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

To the Board of Directors  
Arts Council of Central Louisiana  
Alexandria, Louisiana

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

***Federal, State, and Local Awards***

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

*The Arts Council of Central Louisiana did not have any federal award expenditures during the fiscal year. The Arts Council received Decentralized Arts Funding from the state of Louisiana.*

2. For each federal, state, and local award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, I traced the 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, I determined if the six disbursements were properly coded to the correct fund and general ledger account.

*All disbursements were properly coded to the correct fund and general ledger account.*

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

*Inspection of the documentation indicated approvals from the executive director.*

6. For the items selected in procedure 2: For state and local awards, I determined whether the disbursements complied with the contractual agreement, relating to:

Activities allowed or unallowed:

*I reviewed the disbursements for types of services allowed or not allowed. All disbursements selected complied.*

Eligibility:

*I reviewed the disbursements for eligibility requirements. All disbursements complied.*

Reporting:

*I reviewed the disbursements for reporting requirements. All disbursements complied.*

7. For the programs selected for testing in item (2) that had been closed out during the period of my review, I compared close-out reports, when required, with the entity's financial records.

*The amounts reported on the close-out reports agreed to the entity's financial records.*

### **Open Meetings**

8. The Arts Council of Central Louisiana is not subject to open meetings as required by R.S. 42:1 through 42:13 ( open meetings law ).

*Management has asserted that minutes of board of directors meetings were recorded.*

### **Budget**

9. For all grants exceeding five thousand dollars, I determined that each state or local agency was provided with a comprehensive budget.

*The Arts Council of Central Louisiana provided comprehensive budgets to the applicable state and local agencies for the programs.*

### **Prior Comments and Recommendations**

10. I reviewed any prior-year comments or recommendations to determine the extent to which such matters were resolved.

*There were no prior year comments or recommendations.*

I was not engaged to, 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.

This report is intended solely for the use of management of the Arts Council of Central Louisiana and the Legislative Auditor, State of Louisiana, 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.

A handwritten signature in cursive script that reads "Paul Dauzat".

Paul Dauzat  
Certified Public Accountant  
March 1, 2019

**ARTS COUNCIL OF CENTRAL LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS**

**June 30, 2018**

There were no findings for the year ended June 30, 2017.

## ARTS COUNCIL OF CENTRAL LOUISIANA

### SCHEDULE OF CURRENT YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2018.

**Finding 2018-1:** Failure to complete the financial report within six months after the close of the year.

**Criteria:** Louisiana RS 24:513 requires completion of the financial report be completed and filed with the Legislative Auditor's office within six months after the close of the Organization's year.

**Condition:** Not in compliance with La. RS 24:513.

**Cause:** Complete accounting records were not provided in a timely manner.

**Effect:** The organization is placed in non-compliance status with the Legislative Auditor until the report is submitted.

**Recommendation:** The organization should ascertain the all accounting records are made available as soon as possible after the close of the organization's year end.

**Management's Response** We understand the severity of non-compliance and will comply with La. RS:513 in future years.

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

\_\_\_\_\_ (Date Transmitted)

PAUL DANZAT CPA (CPA Firm Name)

P.O. Box 12359 (CPA Firm Address)

ALEXANDRIA, LA. 71315 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 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 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 had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No [ ]

We did not enter 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).

Yes [] No [ ]

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 [ ]

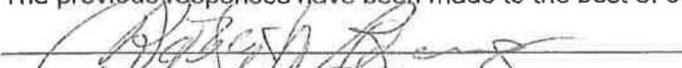
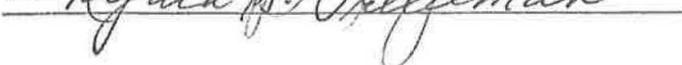
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period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

	Secretary	January 11, 2019	Date
	Treasurer	December 28, 2018	Date
	President	January 15, 2019	Date

*Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer*

Year Ended June 30, 2018

Agency Head Name: Matt Henry, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 59,500
Benefits-Insurance	\$ 4,223
Benefits-Retirement	None
Accrued Leave	None
Car Allowance	None
Vehicle Provided By Government	None
Per Diem	None
Reimbursements	None
Travel	None
Registration Fees	None
Conference Travel	None
Continuing Professional Education Fees	None
Housing	None
Unvouchered Expenses	None
Special Meals	None