

**ARTS COUNCIL OF CENTRAL LOUISIANA
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019, 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 December 6, 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 as supplementary schedules 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
December 6, 2019

ARTS COUNCIL OF CENTRAL LOUISIANA

STATEMENT OF FINANCIAL POSITION

June 30, 2019

ASSETS

Cash and Cash Equivalents	\$ 136,897
Grants and Other Receivables	56,540
Investments-Designated	80,819
Collections-Works of Art/ Piano	<u>403,950</u>

Total Assets \$ 678,206

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ 6,216
Accrued Expenses	3,141
Deferred Support-CSF	24,394
Deferred Support-GAEDA	<u>10,000</u>

Total Liabilities 43,751

Net Assets

With Donor Restrictions	-
Without Donor Restrictions	<u>634,455</u>

Total Net Assets 634,455

Total Liabilities and Net Assets \$ 678,206

The accompanying notes are an integral part of the financial statements

ARTS COUNCIL OF CENTRAL LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
INCREASES IN NET ASSETS			
Revenue, Gains and Other Support			
Program Events	\$ 27,291	\$ -	\$ 27,291
Contracted Services-CSPAC	131,718	-	131,718
Corporate Support	5,000	-	5,000
Individual Sponsorships	14,415	-	14,415
Division of the Arts Grants	-	105,706	105,706
Rapides Foundation	20,000	-	20,000
CLCF	-	3,000	3,000
City of Alexandria	-	50,000	50,000
GAEDA	-	10,000	10,000
Martin Foundation	-	21,000	21,000
Rental Income	90,994	-	90,994
Commssion Income	2,145	-	2,145
Investment Income	-	1,708	1,708
Concessions	6,321	-	6,321
Realized Losses on Investments	(123)	-	(123)
Unrealized Gains on Investments	3,335	-	3,335
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	191,414	(191,414)	-
Total Revenues, Gains and Other Support	<u>492,510</u>	<u>-</u>	<u>492,510</u>
DECREASES IN NET ASSETS			
Expenses			
Program Services	243,266	-	243,266
Supporting Services:			
Management and General	<u>204,293</u>	<u>-</u>	<u>204,293</u>
Total Expenses	<u>447,559</u>	<u>-</u>	<u>447,559</u>
Change in Net Assets	44,951	-	44,951
Net Assets-Beginning of Year	<u>589,504</u>	<u>-</u>	<u>589,504</u>
Net Assets-End of Year	<u>\$ 634,455</u>	<u>\$ -</u>	<u>\$ 634,455</u>

The accompanying notes are an integral part of the financial statements

ARTS COUNCIL OF CENTRAL LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES

June 30, 2019

	Program Services	Management And General	TOTAL
Payroll and Related Expenses			
Salaries	\$ 99,306	\$ 99,306	\$ 198,612
Payroll Taxes & Benefits	16,268	16,268	32,536
Total Payroll and Related Expenses	<u>115,574</u>	<u>115,574</u>	<u>231,148</u>
Operating Expenses			
Outside Professional Services	-	37,332	37,332
Travel	4,580	1,146	5,726
Marketing	1,841	-	1,841
Repairs and Maintenance	-	14,596	14,596
Dues and Subscriptions	-	3,272	3,272
Equipment Leases and Rentals	1,073	4,291	5,364
Insurance	-	16,841	16,841
Security	3,750	-	3,750
Receptions and Hospitality	2,854	-	2,854
Miscellaneous	622	2,820	3,442
Supplies and Materials	1,814	1,012	2,826
Event Expenses	48,267	-	48,267
Telephone & Internet	2,600	7,409	10,009
Total Operating Expenses	<u>67,401</u>	<u>88,719</u>	<u>156,120</u>
Grants to Others	<u>60,291</u>	<u>-</u>	<u>60,291</u>
Total Expenses Before Depreciation	243,266	204,293	447,559
Depreciation	-	-	-
Total Functional Expenses	<u>\$ 243,266</u>	<u>\$ 204,293</u>	<u>\$ 447,559</u>

The accompanying Notes are an integral part of the Financial Statements

ARTS COUNCIL OF CENTRAL LOUISIANA

STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2019

Operating Activities

Change In Net Assets	\$ 44,951
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(15,015)
Increase (Decrease) in Accounts Payable	(16,795)
Increase (Decrease) in Accrued Expenses	(2,682)
Increase (Decrease) in Deferred Support	34,394
Net Cash Provided (Used) by Operating Activities	<u>44,853</u>

Investing Activities

Endowment decreases-realized losses	<u>(123)</u>
Net Cash Provided (Used) by Investing Activities	<u>(123)</u>

Net Increase (Decrease) in Cash and Cash Equivalents 44,730

Cash and Cash Equivalents-Beginning of Year	92,167
Cash and Cash Equivalents-End of Year	<u>\$ 136,897</u>

Supplemental Disclosures:

- 1-No interest expense was incurred during the year was
- 2-No amounts were paid for income taxes during the year.
- 3-non-cash transaction- Unrealized gains on investments-\$ 3,335.

The accompanying notes are an integral part of the financial statements

ARTS COUNCIL OF CENTRAL LOUISIANA

Notes to Financial Statements
For the Year Ended June 30, 2019

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, 2019, 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 support with donor restrictions 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, 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.

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

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 Arts Council's cash balances (demand deposits and certificates of deposit) are insured by the FDIC at an amount not to exceed \$ 250,000 . 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	\$ 16,915
City of Alexandria	37,855
Other	1,769
	<u>\$ 56,539</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 its donor restriction during the fiscal year ended June 30, 2015.

NOTE 4 Net Assets With Donor Restrictions

Donor restricted net assets were available for the following purposes:

Total Donor 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. Some expenses are charged directly to program or support services based on specific identification.

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, 2019 consist of the following:

	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$ 82,897	\$ 80,819

All investments are endowment investments-Board designated.

Changes in Long-Term Investments for year ended June 30, 2019:

Beginning balance	\$ 76,642
Contributions	78
Dividends	1,708
Realized losses	(123)
Unrealized gains	3,335
Management fees	(821)
	<u>\$ 80,819</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 leases as operating leases 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 December 6, 2019, which is the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 12 Income Tax Status

The Arts Council is a nonprofit organization that is exempt from income taxes under Section 501 (C) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. The Council's tax returns remain subject to audit by the IRS for three years after filing. At June 30, 2019, the returns for tax years 2016, 2017, and 2018 remain open.

NOTE 13 Significant Concentrations

The Arts Council receives funding from the Louisiana Division of the Arts that approximates 21% of total support, and approximately 12% of total support from the City of Alexandria. Without these funds, programs would be significantly affected.

NOTE 14 Accounting Pronouncement Adopted

During the year ended June 30, 2019, the Arts Council adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update No. 2016-14-Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). This update addresses net asset classification. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

NOTE 15 Liquidity and Availability of Financial Assets

The following reflects the Arts Council's financial assets as of June 30, 2019, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor imposed restrictions or internal designations.

Financial assets:	
Cash and cash equivalents	\$ 136,897
Investments	8,019
Accounts receivable	56,540
	<hr/>
	201,456
Less amount unavailable for general expenditure within one year	(80,819)
Total financial assets available to meet cash needs for general expenditure	<hr/> <hr/>
	\$ 120,637

**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, 2019, 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).

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.

Prior year findings were resolved in the current fiscal year.

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.



Paul Dauzat
Certified Public Accountant
December 6, 2019

ARTS COUNCIL OF CENTRAL LOUISIANA

SCHEDULE OF PRIOR YEAR FINDING

June 30, 2019

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

**Managements
Correction:** The Organization filed the financial report with the Louisiana Legislative Auditor within six months of year end.

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

Year Ended June 30, 2019

Agency Head Name: Matt Henry, Executive Director

Purpose	Amount
Salary	\$ 59,500
Benefits-Insurance	\$ 5,274
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

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

(Date Transmitted)

PAUL DAUZAT CPA (CPA Firm Name)

1220 WINDSOR PLACE (CPA Firm Address)

ALEXANDRIA LA 71303 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of JUNE 30 2019 (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. 39:72-1A (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

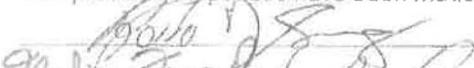
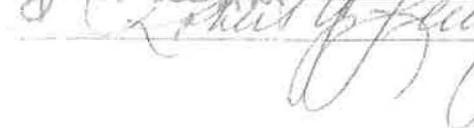
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period 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	9/26/19	Date
	Treasurer	9/30/19	Date
	President		Date