

**Bossier Arts Council
Bossier City, Louisiana**

Financial Statements

And

Report on Agreed-Upon Procedures

As of and for the Year Ended June 30, 2019

Bossier Arts Council
Bossier City, Louisiana

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Independent Accountants' Review Report

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

We have reviewed the accompanying financial statements of the Bossier 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 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, we 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are 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

The supplementary information included in the accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head on page 11 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplemental information has been subjected to the review procedures applied in the review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.



Cook & Morehart
Certified Public Accountants
December 20, 2019

Bossier Arts Council
 Bossier City, Louisiana
 Statement of Financial Position
 June 30, 2019

ASSETS

	2019
Current assets:	
Cash and cash equivalents	\$ 122,786
Other assets	261
Total current assets	123,047
Property and equipment	118,772
Accumulated depreciation	(104,294)
Net property and equipment	14,478
 Total Assets	 \$ 137,525

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 912
Grant payable	7,778
Accrued liabilities	2,920
Refundable advance	25,000
Total current liabilities	36,610
 Net assets:	
Without donor restrictions	100,915
Total net assets	100,915
 Total Liabilities and Net Assets	 \$ 137,525

See accompanying notes and independent accountants' review report.

Bossier Arts Council
 Bossier City, Louisiana
 Statement of Activities
 For the Year Ended June 30, 2019

	Without Donor Restrictions
REVENUES AND OTHER SUPPORT	
Contractual revenue	\$ 279,998
Membership dues	3,800
Special events revenue	15,673
Rental	18,436
Donations	22,470
Exhibits and workshops	13,733
Miscellaneous	1,486
Total revenue and other support	355,596
EXPENSES	
Program	280,971
Management and general	51,546
Fund-raising	28,161
Total expenses	360,678
Changes in net assets	(5,082)
Net assets as of beginning of year	105,997
Net assets as of end of year	\$ 100,915

See accompanying notes and independent accountants' review report.

Bossier Arts Council
 Bossier City, Louisiana
 Statement of Functional Expenses
 For the Year Ended June 30, 2019

	Program Expenses	Management and General	Fund-raising	Total
Salaries and benefits	\$ 81,404	\$ 10,312	\$	\$ 91,716
Artists fees, exhibits, and workshops	13,906			13,906
Artists regrants	17,998			17,998
Occupancy	130,574			130,574
Office expense		22,964		22,964
Insurance		4,227		4,227
Professional services		10,143		10,143
Repair and maintenance	12,520			12,520
Information technologies		1,682		1,682
Travel	2,156			2,156
Depreciation	3,727			3,727
Dues and subscriptions		2,218		2,218
Special events			28,161	28,161
Outreach and marketing	10,473			10,473
East Bank theatre production and supplies	5,433			5,433
Other	2,780			2,780
Total expenses	\$ 280,971	\$ 51,546	\$ 28,161	\$ 360,678

See accompanying notes and independent accountants' review report.

Bossier Arts Council
 Bossier City, Louisiana
 Statement of Cash Flows
 For the Year Ended June 30, 2019

	2019
Operating Activities	
Changes in net assets	\$ (5,082)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	3,727
(Increase) decrease in:	
Other assets	(261)
Increase (decrease) in:	
Accounts payable	(8,982)
Grant payable	4,178
Accrued liabilities	2,920
Refundable advance	25,000
Net cash provided by operating activities	21,500
Net increase in cash and cash equivalents	21,500
Cash and cash equivalents as of beginning of year	101,286
Cash and cash equivalents as of end of year	\$ 122,786

See accompanying notes and independent accountants' review report.

Bossier Arts Council
Bossier City, Louisiana
Notes to Financial Statements
June 30, 2019

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Bossier Arts Council (the Council) is a nonprofit corporation under the laws of the State of Louisiana. 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 financial statements of Bossier Arts Council have been prepared on the accrual basis of accounting.

C. Use of Estimates

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

D. Basis of Presentation

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

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of 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, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Council has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

E. Cash and Cash Equivalents

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

(Continued)

Bossier Arts Council
Bossier City, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

F. Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset.

G. Contributions

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

H. Income Tax Status

Bossier Arts Council is a nonprofit organization exempt from Federal income tax under IRS Code Section 501 (c) (3) of the Internal Revenue Code and therefore, is not subject to income taxes. However, income from certain activities not directly related to Bossier Arts Council's tax-exempt purpose is subject to taxation as unrelated business income. Bossier Arts Council had no such income for this period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2016, 2017, 2018, and 2019 are subject to examination by the IRS, generally three years after they were filed.

I. Expense Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the function they benefit.

(2) Concentrations of Credit Risk

Bossier Arts Council maintains cash balances at a financial institution located in the Bossier City area. Accounts at that institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2019, total cash balances held at financial institutions were \$122,628, all of which was secured by FDIC insurance.

(3) Accrued Liabilities

Accrued liabilities at June 30, 2019, consisted of the following:

Sales taxes payable	\$ 396
Payroll taxes payable	2,524
	<u>\$ 2,920</u>

(Continued)

Bossier Arts Council
 Bossier City, Louisiana
 Notes to Financial Statements
 June 30, 2019
 (Continued)

(4) Liquidity and Availability of Financial Assets

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

Financial assets at year-end:	
Cash and cash equivalents	\$ 122,786
Other assets	<u>261</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 123,047</u>

In addition to financial assets available to meet general expenditures over the year, Bossier Arts Council operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of Bossier Arts Council's cash and shows positive cash generated by operations of \$21,500 for fiscal year ending June 30, 2019.

(5) Property and Equipment

Property and equipment at June 30, 2019, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	5 – 10 years	\$ 75,028
East bank theatre equipment	5 – 10 years	15,958
Annex building	25 years	14,441
Leasehold improvements	25 years	13,345
Accumulated depreciation		<u>(104,294)</u>
		<u>\$ 14,478</u>

Depreciation expense for the year ended June 30, 2019 was \$3,727.

(6) Net Assets

Net assets at June 30, 2019, consisted of the following:

Net Assets Without Donor Restrictions:	
Undesignated	\$ 86,437
Net investment in property and equipment	<u>14,478</u>
Total net assets without donor restrictions	<u>100,915</u>

(Continued)

Bossier Arts Council
 Bossier City, Louisiana
 Notes to Financial Statements
 June 30, 2019
 (Continued)

(7) Advertising Costs

Advertising costs are charges to expense as incurred. Advertising costs totaled \$2,282 for the year ended June 30, 2019.

(8) Contractual Revenue – Grants

During the year ended June 30, 2019, the Council received contractual revenue from the City of Bossier City and the State of Louisiana totaling \$279,998, for programming, plaza management, rent and utilities, and artist re-grants. The continued existence of these funds is based on annual contract renewals with those entities.

(9) Operating Leases

Bossier Arts Council leases a copier under 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. Rental costs for the year ended June 30, 2019, totaled \$5,779. The future maturities on this lease are as follows:

For the Year Ending June 30,

2020		\$	2,671
2021			<u>445</u>
	Total		<u>\$ 3,116</u>

(10) Donated Materials and Services

Donated materials and services for the year ended June 30, 2019, for recorded at estimated fair market value at the date of donation and have been included in revenue and expenses for the year. Such amounts consisted of \$130,000 for rent and utilities paid by the City of Bossier City.

(11) Subsequent Events

Subsequent events have been evaluated through December 20, 2019, the date the financial statements were available to be issued.

(12) Related Party

During the year ended June 30, 2019, the Council paid a company owned by a board member \$16,451 for event rentals, sound production, and an upgrade of sound equipment for the East Bank Theatre.

(13) Refundable Advance

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

Bossier Arts Council
Bossier City, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head: Robin Jones, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 38,317

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Independent Accountants' Report On Applying Agreed-Upon Procedures

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Bossier Arts Council and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Bossier Arts Council's compliance with certain laws and regulations during the year ended June 30, 2019 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with 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 the report. Consequently, we 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. 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.

We obtained 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.

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.

Six disbursements were selected from each grant administered.

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.

The payments selected for testing were for the proper amount and payee in the supporting documentation.

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

The payments selected were coded to the correct fund and general ledger account.

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

The payments selected were all approved in accordance with the agency's policies and procedures.

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.

The selected disbursements were determined to be in compliance with the grant agreements.

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.

Close out reports are not required for the programs selected.

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.

Bossier Arts Council post notices of each meeting and the accompanying agenda, on the door of Bossier Arts Council's office building. In addition, the meeting notices are posted on the Bossier Arts Council's website

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.

Bossier Arts Council is not required to prepare a budget for the Decentralized Arts Funding grant or the Bossier City operating support grant.

State Audit Law

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

The Bossier Arts Council's report was filed timely, in accordance with R.S. 24:513.

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).

The Bossier Arts Council did not have any procurement activities subject to the bid law requirements.

Prior-Year Comments

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

The finding (2018-1), from the prior year ended June 30, 2018, has been corrected.

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

This report is intended solely for the use of management of the Bossier Arts Council 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.



Cook & Morehart
Certified Public Accountants
December 20, 2019

Bossier Arts Council
Bossier City, Louisiana
Summary Schedule of Findings
June 30, 2019

Summary Schedule of Prior Year Findings

There was one finding for the prior year ended June 30, 2018.

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

Current status: Report was filed timely for the year ended June 30, 2019.

Summary Schedule of Current Year Findings

There are no findings for the current year ended June 30, 2019.

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

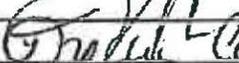
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period 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	9-10-19	Date
	Treasurer	9/10/19	Date
	President	9.10.2019	Date