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ACADIANA ARTS COUNCIL, INC.
FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/20/02

ACADIANA ARTS COUNCIL, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Acadiana Arts Council, Inc.
Lafayette, Louisiana

Gentlemen:

We have audited the accompanying Statement of Financial Position of the Acadiana Arts Council, Inc. as of June 30, 2001, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acadiana Arts Council, Inc. as of June 30, 2001, and the changes in net assets and cash flows for the year then ended in conformity with generally accepted accounting principles of the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 31, 2002, on our consideration of Acadiana Arts Council, Inc.'s internal control over financial reporting and on its compliance with laws and regulations.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

January 31, 2002

WMDDH

ACADIANA ARTS COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2001

ASSETS

CURRENT ASSETS

| | | |
|---------------------------------------|----------------|--------------|
| Cash - Restricted | \$ 102,420 | |
| Cash - Unrestricted | <u>130,776</u> | |
| Total Cash | | \$ 233,196 |
| Grants Receivable | | 37,414 |
| Other Receivable - Pelicans on Parade | | 8,405 |
| Prepaid Expenses | | <u>9,100</u> |
| Total Current Assets | | 288,115 |

PROPERTY AND EQUIPMENT

| | | |
|----------------------------------|-----------------|---------|
| Land | 150,000 | |
| Furniture and Equipment | 44,350 | |
| Leasehold Improvements | <u>58,859</u> | |
| Total | 253,209 | |
| Less: Accumulated Depreciation | <u>(89,797)</u> | |
| Total Net Property and Equipment | | 163,412 |

OTHER ASSETS

| | | |
|--------------------------------|--|---------------|
| Marketable Securities - Stocks | | <u>26,656</u> |
|--------------------------------|--|---------------|

TOTAL ASSETS \$ 478,183

The Accompanying Notes are an Integral Part of These Statements.

ACADIANA ARTS COUNCIL, INC.

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2001**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | | |
|-----------------------------|---------------|-----------|
| Accounts Payable | \$ 4,206 | |
| Accrued Payroll Liabilities | <u>12,722</u> | |
| Total Current Liabilities | | \$ 16,928 |

NET ASSETS

| | | |
|-------------------------------------|---------------|----------------|
| Net Assets - Unrestricted | 412,819 | |
| Net Assets - Temporarily Restricted | <u>48,436</u> | |
| Total Net Assets | | <u>461,255</u> |

TOTAL LIABILITIES AND NET ASSETS \$ 478,183

The Accompanying Notes are an Integral Part of These Statements.

ACADIANA ARTS COUNCIL, INC.

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2001**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|------------------|
| SUPPORT, REVENUES AND RECLASSIFICATIONS | | | |
| <u>GRANTS</u> | | | |
| State of Louisiana Division of the Arts | \$ 309,310 | \$ 26,028 | \$ 335,338 |
| Lafayette Parish City-Parish Government | 85,674 | - | 85,674 |
| Lafayette Parish School Board | 106,754 | - | 106,754 |
| Lafayette Convention and Visitors Commission | 33,750 | - | 33,750 |
| National Endowment for the Arts | 14,404 | - | 14,404 |
| Tommy Comeaux Memorial Fund | - | 38,219 | 38,219 |
| Cultural Series | 26,925 | - | 26,925 |
| Grants - Other | 37,152 | - | 37,152 |
| Net Assets Released from Restrictions Satisfaction of Purpose Restrictions | <u>93,065</u> | <u>(93,065)</u> | <u>-</u> |
| TOTAL GRANTS | <u>707,034</u> | <u>(28,818)</u> | <u>678,216</u> |
| <u>CONTRIBUTIONS & REVENUE</u> | | | |
| General Contributions | 25,493 | - | 25,493 |
| Corporate | 24,466 | - | 24,466 |
| Donated Land | 150,000 | - | 150,000 |
| Donated Facilities | 25,920 | - | 25,920 |
| Facility Rentals | 16,504 | - | 16,504 |
| Workshops and Special Projects | 20,843 | - | 20,843 |
| Pelicans on Parade Fundraiser | 78,200 | - | 78,200 |
| Concessions | 168 | - | 168 |
| Other Income | 599 | - | 599 |
| Interest Income | <u>5,817</u> | <u>2,533</u> | <u>8,350</u> |
| Total Contributions and Revenue | <u>348,010</u> | <u>2,533</u> | <u>350,543</u> |
| Unrealized Gain on Marketable Securities | <u>3,266</u> | <u>-</u> | <u>3,266</u> |
| TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS | <u>1,058,310</u> | <u>(26,285)</u> | <u>1,032,025</u> |

The Accompanying Notes are an Integral Part of These Statements.

ACADIANA ARTS COUNCIL, INC.

STATEMENT OF ACTIVITIES - CONTINUED
YEAR ENDED JUNE 30, 2001

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|------------------------------------|---------------------|-----------------------------------|-------------------|
| <u>EXPENSES</u> | | | |
| Program Services | \$ 725,323 | \$ 40,063 | 765,386 |
| Administrative | 80,199 | - | 80,199 |
| Fundraising | <u>37,640</u> | <u>-</u> | <u>37,640</u> |
| Total Expenses | <u>843,162</u> | <u>40,063</u> | <u>883,225</u> |
| Change in Net Assets | 215,148 | (66,348) | 148,800 |
| Net Assets as of Beginning of Year | <u>197,671</u> | <u>114,784</u> | <u>312,455</u> |
| Net Assets as of End of Year | <u>\$ 412,819</u> | <u>\$ 48,436</u> | <u>\$ 461,255</u> |

The Accompanying Notes are an Integral Part of These Statements.

ACADIANA ARTS COUNCIL, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2001

| | PROGRAM SERVICES | | | SUPPORTING SERVICES | |
|--------------------------------------|-------------------|-------------------|----------------------------|---------------------|------------------|
| | Community Arts | Arts In Education | Decentralized Arts Funding | Administrative | Fundraising |
| Grant Programs | \$ 90,389 | \$ - | \$ 282,873 | \$ - | \$ - |
| Arts Grants For | | | | | |
| Teachers | - | 10,940 | - | - | - |
| Bright New Worlds | 6,155 | 13,995 | - | - | - |
| Touring Companies | - | 24,026 | - | - | - |
| Summer Cultural Arts | 21,536 | - | - | - | - |
| Workshops and Special Events | 17,946 | 26,678 | - | - | - |
| Salaries, Benefits and Payroll Taxes | 49,142 | 77,007 | 49,372 | 45,949 | - |
| Accounting and Auditing | - | - | - | 1,785 | - |
| Casual Labor | 333 | - | 54 | 75 | - |
| Depreciation | 1,196 | 797 | 797 | 1,196 | - |
| Dues and Subscriptions | - | - | - | 4,229 | - |
| Facilities Rent | 7,776 | 5,184 | 5,184 | 7,776 | - |
| Pelicans on Parade | - | - | - | - | 37,640 |
| Insurance | 683 | 455 | 455 | 683 | - |
| Marketing | - | 160 | - | 75 | - |
| Miscellaneous | 498 | - | 40 | 1,354 | - |
| Office Expense | - | - | - | 718 | - |
| Postage | 394 | 300 | 658 | 1,436 | - |
| Printing | 6 | 204 | 600 | 656 | - |
| Repairs and Maintenance | 3,582 | 2,388 | 2,388 | 3,582 | - |
| Staff Development | 344 | 299 | 284 | 960 | - |
| Supplies | 1,279 | 966 | 959 | 990 | - |
| Telephone | 1,434 | 956 | 956 | 1,434 | - |
| Travel and Meals | 498 | 49 | 1,029 | 2,124 | - |
| Utilities | 5,177 | 3,451 | 3,451 | 5,177 | - |
| TOTAL EXPENSES | \$ 208,368 | \$ 167,855 | \$ 349,100 | \$ 80,199 | \$ 37,640 |

The Accompanying Notes are an Integral Part of These Statements.

ACADIANA ARTS COUNCIL, INC.

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2001**

CASH FLOWS FROM OPERATING ACTIVITIES:

| | | |
|---|----------------|-------------------|
| Increase in Net Assets | | \$ 148,800 |
| Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities | | |
| Depreciation | \$ 3,989 | |
| Donated Land Included in Contributions | (150,000) | |
| (Increase) Decrease in Receivables | (27,953) | |
| (Increase) Decrease in Prepaids | (9,100) | |
| Increase (Decrease) in Accounts Payable | (2,003) | |
| Increase (Decrease) in Accrued Payroll Liabilities | 7,107 | |
| Unrealized Gains on Investments | <u>(3,266)</u> | |
| Total Adjustments | | <u>(181,226)</u> |
| NET CASH USED IN OPERATING ACTIVITIES | | (32,426) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of Property and Equipment | <u>(476)</u> | |
| NET CASH USED IN INVESTING ACTIVITIES | | <u>(476)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (32,902) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | | <u>266,098</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | | <u>\$ 233,196</u> |

The Accompanying Notes are an Integral Part of These Statements.

ACADIANA ARTS COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2001**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - The Acadiana Arts Council, Inc. (the Council) serves an eight-parish region of Southwestern Louisiana, known collectively as Acadiana. The Acadiana Arts Council serves a pivotal role in promoting the arts of the eight-parish service area, enhancing the organizational development of the various cultural organizations, and creating new programs, projects, and opportunities for the arts to develop in southwest Louisiana. Serving as cultural environmentalists, the Acadiana Arts Council seeks to foster and nurture an atmosphere where the arts and artists can flourish locally.

The Council is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

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." Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and 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.

Fair Values of Financial Instruments - The following methods and assumptions were used by the Council in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents: The carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.

Short-Term Investments: The fair values of investments are based on quoted market prices for those or similar investments.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

ACADIANA ARTS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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. Cash and cash equivalents for purposes of the Statement of Cash flows exclude permanently restricted cash and cash equivalents.

Marketable Securities - Marketable securities are composed of equity securities and are carried at fair value.

Property and Equipment - Property and equipment are valued at historical cost if purchased. Donated assets are valued at their estimated fair value on the date donated.

Furniture and equipment are being depreciated over estimated useful lives of five to ten years using a straight-line method, with a half of a year's depreciation recognized in the years of acquisition and disposal. Leasehold improvements are being amortized over the shorter of the lease term or useful life.

(2) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Program activities:

| | |
|---|-----------------|
| Annually funded grants for specific subrecipients and program support after June 30, 2001 | \$26,028 |
| Tommy Comeaux Memorial Fund | <u>22,408</u> |
| Total Temporary Restrictions | <u>\$48,436</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:

| | |
|---|-----------------|
| State of Louisiana Division of the Arts | \$93,065 |
| Total Restrictions Released | <u>\$93,065</u> |

(3) CASH

The total cash held by the Council includes \$151,149 which exceeds FDIC limits. It is the opinion of management that the solvency of the financial institution is not of particular concern at this time.

ACADIANA ARTS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2001

(4) ACCOUNTS RECEIVABLE – GRANTS

As of June 30, 2001, grants receivable was composed of:

| | |
|--|-----------------|
| Lafayette City–Parish Government | \$ 9,111 |
| State of LA – Division of the Arts | 26,918 |
| State of LA – Endowment for the Humanities | <u>1,385</u> |
| Total | <u>\$37,414</u> |

(5) DONATED SERVICES AND FACILITIES

The Council receives a significant amount of donated services from unpaid volunteers who assist in fund raising and special projects. No amounts have been recognized in the Statement of Activities because the criteria for recognition under SFAS No. 116 have not been satisfied. The use of the Council's facilities has been donated. The estimated rental in the amount of \$25,920 has been reflected in the accompanying financial statements as contributions with a like amount shown as facilities rent.

(6) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and 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.

(7) CONCENTRATIONS

The Council receives a substantial portion of its revenues from City, Parish and State grants. Any substantial change in any of these components could have adverse effects on the Council's financial condition.

(8) PENSION PLAN

On October 1, 1999, the Organization adopted a Simplified Employee Pension Plan. The plan covers all full-time employees who have three years of service and are age 21 or older. Contributions to the plan each year are determined by the Board of Directors. The contribution cannot exceed fifteen percent of the employees' compensation or \$30,000, whichever is less. The contributions to the plan for the year ended June 30, 2001 were \$4,560.

WRIGHT, MOORE, DeHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants

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* A PROFESSIONAL CORPORATION
† RETIRED

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Acadiana Arts Council, Inc.
Lafayette, Louisiana

We have audited the financial statements of Acadiana Arts Council, Inc. as of and for the year ended June 30, 2001, and have issued our report thereon dated January 31, 2002. We conducted our audit in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Acadiana Arts Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, there was one instance of noncompliance required to be reported under the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide which are described in the accompanying Schedule of Findings and Questioned Costs as item 2001-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Acadiana Arts Council, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

WMDDH

Board of Directors
Acadiana Arts Council, Inc.
Page 2

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

January 31, 2002

ACADIANA ARTS COUNCIL, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

We have audited the financial statements of Acadiana Arts Council, Inc. as of and for the year ended June 30, 2001, and have issued our report thereon dated January 31, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements of June 30, 2001 resulted in an unqualified opinion.

Section I – Summary of Auditors’ Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

| | | |
|---|---|--|
| Internal Control | | |
| Material Weaknesses | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Reportable Conditions | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Compliance | | |
| Compliance Material to Financial Statements | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Section II – Financial Statement Findings

2001-1 Violation of LSA-RS 24:513

Finding:

The audit report was not filed within six months of the organization’s year-end.

Recommendation:

Management should take all measures necessary to insure that the audit report is completed within the statutory time frame.

Section III – Federal Award Findings and Questioned Costs.

This section is not applicable for the year ended June 30, 2001.

ACADIANA ARTS COUNCIL, INC.

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2001**

There were no prior year findings.

ACADIANA ARTS COUNCIL, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2001

Response to Finding 2001-1:

Management will work with the CPA and set an earlier deadline for submission of the audit report, in order to account for any unforeseen delays.