

Red River Film Society, Inc.

Financial Statements

June 30, 2010

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 9/14/11

Red River Film Society, Inc.

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COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
A. EDWARD BALL, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Compilation Report

To the Board of Directors
Red River Film Society, Inc.

We have compiled the accompanying statement of financial position of Red River Film Society, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management 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.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about Red River Film Society, Inc.'s financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Cook & Morehart
Certified Public Accountants
July 8, 2011

Red River Film Society, Inc.
Statement of Financial Position
June 30, 2010

Assets	
Current assets:	
Cash and cash equivalents	\$ 32,853
Grant and contract receivables	2,466
Inventory	22,261
Other receivables	12,676
Prepaid expenses	4,450
Total current assets	74,706
Other assets:	
Promises to give - building renovations	99,371
Deposits	755
Total other assets	100,126
Property and equipment	5,099,171
Accumulated depreciation	(695,583)
Net property and equipment	4,403,588
Total Assets	\$ 4,578,420
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 60,570
Accrued expenses	50,677
Line of credit	406,300
Capital lease obligations	21,416
Total current liabilities	538,963
Net assets:	
Unrestricted	3,940,086
Temporarily restricted	99,371
Total net assets	4,039,457
Total Liabilities and Net Assets	\$ 4,578,420

See accountants' compilation report.

Red River Film Society, Inc.
Statement of Activities
For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support:			
<i>Government contracts - revenue</i>			
Caddo Parish Commission	\$ 25,000	\$	\$ 25,000
City of Bossier City	25,000		25,000
City of Shreveport	50,000		50,000
State of Louisiana	10,969		10,969
Donations and contributions	151,749		151,749
Memberships	115,354		115,354
Theater admissions	223,032		223,032
Concessions and restaurant sales	827,796		827,796
Educational programs	132,259		132,259
Rental sales	34,908		34,908
Special events	90,883		90,883
Other	87,369		87,369
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	<u>32,886</u>	<u>(32,886)</u>	
Total revenues and other support	<u>1,807,205</u>	<u>(32,886)</u>	<u>1,774,319</u>
Expenses:			
Program services	1,857,052		1,857,052
General administration	273,462		273,462
Fund raising	<u>125,572</u>		<u>125,572</u>
Total expenses	<u>2,256,086</u>		<u>2,256,086</u>
Change in net assets	(448,881)	(32,886)	(481,767)
Net assets as of July 1, 2009	<u>4,388,967</u>	<u>132,257</u>	<u>4,521,224</u>
Net assets as of June 30, 2010	<u>\$ 3,940,086</u>	<u>\$ 99,371</u>	<u>\$ 4,039,457</u>

See accountants' compilation report.

Red River Film Society, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2010

	<u>Program Services</u>	<u>General Administration</u>	<u>Fund Raising</u>	<u>Total</u>
Expenses:				
Salaries and wages	\$ 691,755	\$ 129,704	\$ 43,235	\$ 864,694
Employee benefits	22,703	4,257	1,419	28,379
Payroll taxes	68,922	12,923	4,308	86,153
Contract labor and professional services	64,728	22,637	4,046	91,411
Insurance	34,087	6,391	2,130	42,608
Equipment and maintenance	20,937			20,937
Office	10,481	1,965	655	13,101
Printing and copying materials	20,755	3,892	1,297	25,944
Bank and other fees	30,858	10,286		41,144
Special events			42,080	42,080
Cost of goods sold	453,052			453,052
Occupancy	73,147	13,715	4,572	91,434
Travel	3,609	677	226	4,512
Telephone	12,467	2,337	779	15,583
Postage and delivery	9,764	1,831	610	12,205
Advertising and promotion	50,796	9,525	3,175	63,496
Other	33,273	5,375	1,058	39,706
Depreciation	255,718	47,947	15,982	319,647
Total expenses	\$ 1,857,052	\$ 273,462	\$ 125,572	\$ 2,256,086

See accountants' compilation report.

Red River Film Society, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2010

Operating Activities	
<i>Change in net assets</i>	\$ (481,767)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	319,647
(Increase) decrease in operating assets:	
Grant and contract receivables	278,882
Other receivables	5,410
Promises to give	32,886
Prepaid expenses	1,326
Inventory	2,939
Increase (decrease) in operating liabilities:	
Accounts payable	6,463
Accrued expenses	(3,845)
Deferred revenue	<u>(15,593)</u>
Net cash provided by operating activities	<u>146,348</u>
 Investing Activities	
Payments for property and equipment	<u>(54,900)</u>
Net cash (used in) investing activities	<u>(54,900)</u>
 Financing Activities:	
Payments on capital leases	(22,431)
Net decrease in line of credit	<u>(73,955)</u>
Net cash (used in) financing activities	<u>(96,386)</u>
 Net increase (decrease) in cash and cash equivalents	(4,938)
 Cash and cash equivalents, beginning of year	<u>37,791</u>
 Cash and cash equivalents, end of year	<u>\$ 32,853</u>
 Supplemental Disclosures:	
Interest paid	<u>\$ 14,443</u>

See accountants' compilation report.

Red River Film Society, Inc.
Summary Schedule of Prior Year Audit Findings
Schedule for Louisiana Legislative Auditor
June 30, 2010

There were two findings for the prior year audit for the year ended June 30, 2009.

2009-1 Significant Deficiency – Control over Deposits

Criteria:	Controls should be in place, including a proper segregation of duties, over the depositing of revenue collected.
Condition:	The Business Manager is the individual responsible for retrieving the collections for the various revenue sources, preparing the deposit, and taking the deposit to the bank. There is not a system in place for someone other than the Business Manager to review the activity for the amounts deposited.
Cause:	Controls have not been implemented over the deposits of revenue to adequately review the actual deposit with reports generated and amounts deposited.
Effect:	Because the deposits that are prepared by and taken to the bank by the Business Manager are not reviewed–monitored, controls are not in place to adequately account for revenue collected.
Recommendation:	The controller should review–monitor the actual amounts deposited to reports that can be generated within the existing software utilized by the Organization.
Management Response:	Controls have been put in place for the Controller to review the daily cash drop reports, compare them to the entry into accounting system cash deposits, and from that point verify the cash deposit posting in the bank account via online access.

2009-2 Significant Deficiency – Control over Credit Card Activity

Criteria:	Internal controls should be in place to allow for credit card purchases to be properly monitored and documented before payments are made on the credit card statements.
Condition:	The Organization utilizes credit cards for purchases for operations by several employees. Credit card statements are sometimes paid without adequate supporting documentation for the charges on the statements.
Cause:	Actual invoices are not always submitted to the accounting department to substantiate the charges on the credit card statements.
Effect:	Adequate supporting documents are not maintained to substantiate the charges on the credit card statements. Charges on the credit cards could be for unauthorized purposes.

(Continued)

Red River Film Society, Inc.
Summary Schedule of Prior Year Audit Findings
Schedule for Louisiana Legislative Auditor
June 30, 2010
(Continued)

Recommendation: Controls should be implemented to ensure that actual invoices are maintained by the accounting department and matched to the charges on the credit card statements before payment.

Management Response: Correspondence on the importance, and controls, are being enforced on employees that have corporate credit cards to submit expense reports with attached receipts that agree with their monthly statement. The goal will be to have no exceptions. However, a missing receipt form has been created and will be required should it become impossible to acquire an original receipt.

Schedule of Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
June 30, 2010

Current Year Findings

Reference No. 2010-1 Late Submission of Report to Legislative Auditor

Description of Finding: The Organization's required report was not submitted timely in accordance with the State audit law.

Recommendation: We recommend the Organization implement procedures to ensure the timely submission of its required report in the future.

Management's Response: Management will make every effort to submit the Organization's required report timely in the future, as required by the State audit law.