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ACADIANA ARTS COUNCIL, INC.
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 1-19-00

Receipt Acknowledged
Legislative Auditor

By L. Lavigne

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INDEPENDENT AUDITOR'S REPORT

December 11, 1999

Board of Directors
Acadiana Arts Council, Inc.

Gentlemen:

I have audited the accompanying statement of financial position of the Acadiana Arts Council, Inc. as of June 30, 1999, 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my 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, 1999, and the changes in its net assets and its cash flows for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated December 11, 1999, on my consideration of Acadiana Arts Council, Inc.'s internal control over financial reporting and on its compliance with laws and regulations.

Respectfully,



PAT BAHAM DOUGHT

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

December 11, 1999

Board of Directors
Acadiana Arts Council, Inc.

I have audited the financial statements of Acadiana Arts Council, Inc. as of and for the year ended June 30, 1999, and have issued my report thereon dated December 11, 1999. I conducted my audit in accordance with generally accepted auditing standards 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, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.


Internal Control Over Financial Reporting

In planning and performing my audit, I considered Acadiana Arts Council, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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

Board of Directors
Acadiana Arts Council, Inc.
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may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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.



PAT BAHAM DOUGHT
A PROFESSIONAL ACCOUNTING CORPORATION

ACADIANA ARTS COUNCIL, INC.
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1999

ASSETS

CURRENT ASSETS

CASH-RESTRICTED	\$228,658
CASH-UNRESTRICTED	<u>155,092</u>

TOTAL CURRENT ASSETS	<u>383,750</u>
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PROPERTY & EQUIPMENT

FURNITURE & EQUIPMENT	39,135
LEASEHOLD IMPROVEMENTS	58,859
ACCUMULATED DEPRECIATION & AMORTIZATION	<u>(\$82,766)</u>

TOTAL PROPERTY & EQUIPMENT	<u>15,228</u>
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OTHER ASSETS

MARKETABLE SECURITIES- STOCKS	<u>16,788</u>
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TOTAL ASSETS	<u><u>\$415,766</u></u>
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LIABILITIES & NET ASSETS

CURRENT LIABILITIES

ACCOUNTS PAYABLE	<u>\$ 1,228</u>
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NET ASSETS

NET ASSETS-UNRESTRICTED	212,792
NET ASSETS-TEMPORARILY RESTRICTED	<u>201,746</u>

TOTAL NET ASSETS	<u>414,538</u>
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TOTAL LIABILITIES & NET ASSETS	<u><u>\$415,766</u></u>
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SEE NOTES TO FINANCIAL STATEMENTS

ACADIANA ARTS COUNCIL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999

CHANGES IN UNRESTRICTED NET ASSETS

GRANTS

STATE OF LOUISIANA DIVISION OF THE ARTS	\$275,732
LAFAYETTE CITY-PARISH GOVERNMENT	88,397
LAFAYETTE PARISH SCHOOL BOARD	74,800
LAFAYETTE CONVENTION & VISITORS COMMISSION	14,625
NATIONAL ENDOWMENT FOR THE ARTS	9,795
CULTURAL SERIES	38,766
GRANTS-OTHER	12,476
TOTAL GRANTS	<u>514,591</u>

CONTRIBUTIONS & REVENUE

GENERAL CONTRIBUTIONS	8,375
CORPORATE	10,750
DONATED FACILITIES	25,920
FACILITY RENTALS	12,487
WORKSHOPS & SPECIAL PROJECTS	48,536
CONCESSIONS	594
INTEREST INCOME	6,653
TOTAL CONTRIBUTIONS & REVENUE	<u>113,315</u>

NET ASSETS RELEASED FROM RESTRICTIONS

SATISFACTION OF PROGRAM RESTRICTIONS	<u>110,557</u>
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TOTAL GRANTS, CONTRIBUTIONS & REVENUE	<u>738,463</u>
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EXPENSES

PROGRAM SERVICES	692,322
ADMINISTRATIVE	60,992
TOTAL EXPENSES	<u>753,314</u>

UNREALIZED LOSS ON MARKETABLE SECURITIES	<u>3,703</u>
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DECREASE IN UNRESTRICTED NET ASSETS	(\$18,554)
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SEE NOTES TO FINANCIAL STATEMENTS

ACADIANA ARTS COUNCIL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999

CHANGES IN TEMPORARILY RESTRICTED ASSETS

GRANTS, ALLOCATIONS & MEMORIAL	\$168,679
NET ASSETS RELEASED FROM RESTRICTIONS: SATISFACTION OF PROGRAM RESTRICTIONS	<u>110,557</u>
INCREASE IN TEMPORARILY RESTRICTED ASSETS	<u>58,122</u>
INCREASE IN NET ASSETS	39,568
NET ASSETS, BEGINNING OF YEAR	<u>374,970</u>
NET ASSETS, END OF YEAR	<u><u>\$414,538</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

ACADIANA ARTS COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999

	PROGRAM SERVICES			SUPPORTING SERVICES
	COMMUNITY ARTS	ARTS IN EDUCATION	DECENTRALIZED ARTS FUNDING	ADMINISTRATIVE
GRANT PROGRAMS	\$ 50,234	\$	\$256,370	\$
ARTS GRANTS				
FOR TEACHERS		16,057		
BRIGHT NEW WORLDS		11,383		
LAPLACE DES ENFANTS	17,713			
TOURING COMPANIES		53,248		
SUMMER CULTURAL ARTS	42,500			
SUMMER NEIGHBORHOOD ARTS PROGRAM	15,053			
WORKSHOPS & SPECIAL EVENTS	21,804	7,675		
SALARIES, BENEFITS & PAYROLL TAXES	22,798	71,702	46,765	26,790
ACCOUNTING & AUDITING				2,491
CASUAL LABOR		4,861	361	449
DEPRECIATION	791	528	528	791
DUES & SUBSCRIPTIONS				3,769
FACILITIES RENT	7,776	7,776	7,776	2,592
INSURANCE	880	587	587	881
MISCELLANEOUS				879
OFFICE EXPENSE		2,813		5,490
POSTAGE			417	2,953
PRINTING				831
REPAIRS & MAINTENANCE	3,137	2,091	2,091	3,137
STAFF DEVELOPMENT				2,440
SUPPLIES	683	456	1,438	684
TELEPHONE	1,468	979	979	1,468
TRAVEL, MEALS & PROM.		367	1,375	1,800
UTILITIES	3,546	2,364	2,365	3,547
	<u>3,546</u>	<u>2,364</u>	<u>2,365</u>	<u>3,547</u>
TOTAL EXPENSES	<u>\$188,383</u>	<u>\$182,887</u>	<u>\$321,052</u>	<u>\$60,992</u>

SEE NOTES TO FINANCIAL STATEMENTS

ACADIANA ARTS COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:	
INCREASE IN NET ASSETS	\$ 39,568
<i>ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES-</i>	
(INCREASE) DECREASE IN RECEIVABLES	73,823
(INCREASE) DECREASE IN OTHER ASSETS	3,703
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(1,702)
DEPRECIATION	<u>2,638</u>
TOTAL ADJUSTMENTS	<u>78,462</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	118,030
CASH FLOWS FROM INVESTING ACTIVITIES:	
PURCHASE OF PROPERTY & EQUIPMENT	<u>(11,684)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	106,346
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>277,404</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$383,750</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

ACADIANA ARTS COUNCIL, INC.

Notes to Financial Statements

June 30, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Acadiana Arts Council, (AAC) serves an 8-parish region of southwestern Louisiana, known collectively as Acadiana. The Acadiana Arts Council serves a pivotal role in promoting the arts of the 8 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.

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, 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, 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.

ACADIANA ARTS COUNCIL, INC.

Notes to Financial Statements

June 30, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's 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. 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.

Depreciation and Amortization

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.

NOTE 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, 1998	\$107,176
Tommy Comeaux Memorial-Amounts restricted to provide for a future endowment to the University of Louisiana	<u>61,503</u>
Total temporary restrictions	<u>\$168,679</u>

ACADIANA ARTS COUNCIL, INC.

Notes to Financial Statements

June 30, 1999

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	\$ 68,428
Lafayette City-Parish Government	40,729
Lafayette Convention & Visitors Commission	<u>1,400</u>
Total restrictions released	<u>\$110,557</u>

NOTE 3: DONATED SERVICES & 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.

NOTE 4: 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.

NOTE 5: 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.