

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

- Receivables/Accounts
- Purchases/Disbursements
- Payroll

For all of the internal control structure categories listed in the preceding paragraph, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) had no major federal award programs and expended 100 percent of its total federal awards under the following non-major programs:

- Local Arts Agencies
- Arts in Education
- Special Initiative/Governor's Awards

We performed tests of controls, as required by OMB Circular A-123, to evaluate the effectiveness of the design and operation of the internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned non-major programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily identify all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program 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 structure and its operations that we consider to be material weaknesses as defined above.

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

*Forrest & Whittaker LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
October 31, 1996



**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE  
TO FEDERAL AWARD PROGRAMS**

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) as of and for the year ended June 30, 1995, and have issued our report thereon dated October 31, 1995.

We have applied procedures to test the compliance of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1995:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable cost/expense principle
- Drug free workplace
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.'s** (a non-profit corporation) compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any instances of noncompliance with these requirements.

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

Certified Public Accountants

Baton Rouge, Louisiana  
October 31, 1995



**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO  
NON-MAJOR FEDERAL AWARD PROGRAM TRANSACTIONS**

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996.

In connection with our audit of the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit organization) and with our consideration of the Council's internal control structure used to administer federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Non-profit Institutions," we selected certain transactions applicable to certain non-major federal award programs for the year ended June 30, 1996. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, reporting requirements, and special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.'s** (a non-profit organization) compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of non-compliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of non-compliance with those requirements.

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

Certified Public Accountants

Baton Rouge, Louisiana  
October 31, 1996

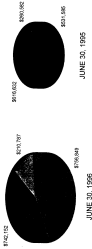
## STATISTICAL INFORMATION



# ARTS COUNCIL OF GREATER BATON ROUGE, INC.

## LIABILITIES AND NET ASSETS

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■ PAYABLES	■ DUE TO GRANT RECIPIENTS	■ NET ASSETS
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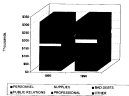
TOTAL LIABILITIES = \$ 1,617,030  
 TOTAL NET ASSETS = \$ 619,652

TOTAL LIABILITIES = \$ 1,522,167  
 TOTAL NET ASSETS = \$ 619,652



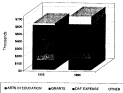
**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
**GENERAL AND ADMINISTRATIVE EXPENSES**

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**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
**PROGRAM AND DEVELOPMENT EXPENSES**

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ARTS COUNCIL OF GREATER BATON ROUGE, INC.  
Baton Rouge, Louisiana

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) as of June 30, 1996 and 1995, the related statement of cash flows for the years then ended and the statement of activities for the year ended June 30, 1996. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and other Non-profit Institutions." These standards and OMB Circular A-133 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 audits provide 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 the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** as of June 30, 1995 and 1996, the cash flows for the years then ended and the change in its net assets for the year ended June 30, 1996, in conformity with generally accepted accounting principles.

As discussed in Note 7, the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** changed its method of recording contributions and financial reporting and presentations.

In accordance with *Government Auditing Standards*, we have also issued reports dated October 31, 1996, on our consideration of the Council's internal control structure and on its compliance with laws and regulations.

A handwritten signature in cursive script that reads "Faulk Winkler LLC".

Certified Public Accountants

Baton Rouge, Louisiana  
October 31, 1996

## ARTS COUNCIL OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

## STATEMENTS OF FINANCIAL POSITION

June 30, 1996 and 1995

	ASSETS	
	1996	1995
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		
Unrestricted	\$ 722,389	\$ 604,884
Restricted	59,938	83,927
Conditions of deposit	418,494	292,057
Receivables:		
CFA Campaign, net of allowances for uncollected pledges plus, 119 and \$15,933 for 1996 and 1995, respectively	180,998	239,432
Grants	289,963	191,867
Other	258	880
Prepaid assets	7,860	751
Total current assets	<u>1,689,900</u>	<u>1,354,908</u>
<b>EQUIPMENT AND LEASEHOLD IMPROVEMENTS, net</b>	21,382	13,881
Total assets	<u>\$ 1,709,382</u>	<u>\$ 1,468,799</u>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 24,797	\$ 29,479
Due to grant recipients	796,649	230,285
Accrued expenses and other liabilities	32,436	11,795
Deposits	99,628	83,927
Deferred revenues:		
Initial operation	36,489	36,485
Programs	27,134	98,696
Total current liabilities	<u>967,636</u>	<u>792,167</u>
<b>NET ASSETS</b>		
Unrestricted:		
Designated		
Operating reserve	261,880	245,437
Multicultural arts	35,065	78,865
Equipment reserve	40,000	38,800
Crescent Baton Rouge	80,000	-
Cultural plan development	-	88,800
Undesignated	97,085	94,800
Total unrestricted net assets	513,929	498,901
Temporarily restricted:		
Community Fund for the Arts	218,152	175,130
Total net assets	<u>732,181</u>	<u>674,031</u>
Total liabilities and net assets	<u>\$ 1,709,382</u>	<u>\$ 1,468,799</u>

The accompanying notes to financial statements  
are an integral part of this statement.

## ARTS COUNCIL OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

## STATEMENT OF ACTIVITIES

For the year ended June 30, 1995

	Limited related	Temporarily Restricted	Totals	
			1995	1994
<b>SUPPORT, REVENUES, AND RECLASSIFICATIONS</b>				
<b>Contributions</b>				
CTA Campaigns and Workplace Giving	\$ -	\$ 140,000	\$ 740,000	\$ 600,000
Individual	31,366	-	50,000	37,000
Corporate	2,011	-	2,000	9,700
CTA Grants, net of expenses	-	107,664	18,000	7,900
In-kind	-	4,226	4,000	-
	<u>33,377</u>	<u>151,890</u>	<u>792,000</u>	<u>654,600</u>
<b>Grants and Contractual Services</b>				
Municipal grants	186,000	-	186,000	176,000
State	711,000	-	610,000	490,000
Community Fund for the Arts	97,000	-	97,000	94,000
Subsidy grants and other	115,540	-	115,540	101,700
Other	21,500	-	22,000	2,000
	<u>1,121,040</u>	<u>-</u>	<u>1,020,540</u>	<u>863,700</u>
<b>Other</b>				
Interest	26,811	14,500	41,300	24,500
Special events, net of expenses	-	-	-	10,000
Scholarships	3,012	-	3,012	121
Net assets reclassified from year to year	171,000	(790,000)	-	-
	<u>170,823</u>	<u>(775,500)</u>	<u>46,312</u>	<u>36,121</u>
Total support, revenues and reclassifications	<u>1,328,264</u>	<u>36,391</u>	<u>1,791,194</u>	<u>1,538,221</u>
<b>EXPENSES</b>				
Grants to CTA or eligible organizations	190,000	-	390,000	340,000
Designated CTA expenditures	20,000	-	20,000	20,000
General and administrative	341,701	-	311,000	311,000
Programs and development	720,170	-	726,170	620,170
	<u>1,671,871</u>	<u>-</u>	<u>1,447,170</u>	<u>1,331,170</u>
Change in net assets	64,421	9,891	115,500	124,811
<b>NET ASSETS</b>				
Beginning of period, as restated	<u>408,392</u>	<u>(77,180)</u>	<u>416,670</u>	<u>394,811</u>
End of period	<u>\$ 500,871</u>	<u>\$ 37,691</u>	<u>\$ 340,150</u>	<u>\$ 416,670</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**STATEMENTS OF CASH FLOWS**

For the years ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 125,500	\$ 124,817
Adjustments to changes in net assets		
Depreciation	5,006	5,262
Changes in operating assets and liabilities:		
CPA campaign receivable	29,642	35,078
Prepaid expenses, grants and other assets	(130,598)	(10,419)
Accounts payable	14,972)	6,790
Amounts due to grant recipients	125,264	(30,648)
Accrued expenses and other liabilities	(5,266)	66,728
Deferred revenues	(41,457)	7,603
	<u>124,699</u>	<u>300,419</u>
Net cash provided by operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in fixed assets	(12,337)	(11,085)
Net changes in investments	<u>(118,454)</u>	<u>(114,681)</u>
Net cash provided by investing activities	<u>(131,171)</u>	<u>(125,686)</u>
Net increase in cash and cash equivalents	93,468	140,725
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of period	<u>688,811</u>	<u>548,086</u>
End of period	<u>\$ 782,279</u>	<u>\$ 688,811</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities**

The Arts Council of Greater Baton Rouge, Inc. (the Council) was founded in 1973 to serve the City of Baton Rouge and East Baton Rouge Parish. The mission of the Council is to preserve the heritage and to develop the cultural life of the Greater Baton Rouge Area. In addition, the Council conducts an annual united fund drive for participating arts organizations.

**Basis of presentation**

The financial statements of the Council have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Council is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Council does not have permanently restricted net assets.

The statement of activities presents expenses of the Council's operations functionally between program services and general and administrative.

**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 revenues and expenses during the reporting period. Estimates are used primarily when accounting for the allowance for uncollected pledges, prepaid assets, depreciation and deferred revenues. Actual results could differ from those estimates.

**Premises to give**

The Council follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 118, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 118, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Promises to give (continuity)**

Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Grant revenue recognition**

Grants which represent exchange transactions are recorded as a receivable when the grant is formally committed. Grants committed at year end which are applicable to the subsequent fiscal period are included in grants receivable and deferred income.

The Council receives several grants during the year which apply to programs whose duration extends into the subsequent year. Revenue is recognized on these grants based upon a ratio of expenses incurred in connection with the program to the total projected expenses of the program. The remaining portion is deferred. In the case of grants received for general operations which apply to a designated time period, income is recognized on a pro-rata basis.

Grants which represent contributed support are recognized in the same manner as promises to give.

**Cash and cash equivalents**

The Council considers all highly liquid investments, money market funds and certificates of deposit with a maturity of three months or less at the date of acquisition to be cash equivalents.

The Council has an agreement with its bank for automatic investment service, whereby excess operating funds are invested daily at a competitive rate of return. The investment is a repurchase agreement with the bank and the investments are in certain securities of the United States Government or agencies thereof.

**Allowance for uncollectible pledges**

An allowance for uncollectible pledges is provided based on the Board of Directors' best estimate of uncollectible pledges.

**Equipment and leasehold improvements**

Equipment and leasehold improvements are recorded at cost.

Depreciation of equipment and leasehold improvements is computed using the straight-line method over the estimated useful lives of the assets.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contractual services**

The Council contracts with local municipalities and school systems to provide education services and cultural development to residents and school children, organizations and the community as a whole. The Council records contractual services as receivables at the time the services are provided to the recipients.

**Income taxes**

The Council is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Restricted and designated fund balances**

The Board of Directors has designated certain funds for a multicultural arts program, equipment, cultural plan development, and operating reserves.

All temporarily restricted net assets are contributions, generated by annual campaigns for support, which are designated to fund operations of participating arts organizations. When the funds are committed to each arts organization, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Donated facilities and furniture**

The Council utilizes, without charge, certain premises and related office furniture owned by the City-Parish government. The annual fair rental value of the premises and the furniture is estimated to be \$300,000. In addition, the City-Parish government provides utilities for the building which are estimated to be \$30,000 annually. These items are not reflected as support and expense in the financial statements.

**Contributed services**

During the year ended June 30, 1996, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**Deposits**

The Council, as custodial agent, maintains cash and cash equivalents for a local recreational committee and an advocacy organization.

**Reclassifications**

Certain amounts in the 1995 financial statements have been reclassified to conform with the 1996 financial statement presentation.

**NOTE 3 - EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

A summary of equipment and leasehold improvements, related service lives and accumulated depreciation at June 30, 1996 and 1995, is as follows:

	Estimated Service Lives	1996	1995
Equipment and furnishings	5 - 10 years	\$ 75,260	\$ 62,525
Leasehold improvements	5 years	<u>1,023</u>	<u>1,023</u>
		76,284	63,548
Less accumulated depreciation		<u>(54,702)</u>	<u>(49,667)</u>
		<u>\$ 21,582</u>	<u>\$ 13,881</u>

Depreciation expense was \$5,855 and \$4,956 for the years ended June 30, 1996 and 1995, respectively.

**NOTE 3 - RETIREMENT PLAN**

The Council sponsors a tax-sheltered annuity program that allows full-time employees to defer a portion of their salary. No contributions are made by the Council.

**NOTE 4 - GRANTS TO PARTICIPATING AGENCIES**

For the years ended June 30, 1996 and 1995, grants were committed to the following recipient organizations.

	1996	1995
Baton Rouge Symphony	\$ 126,000	\$ 126,000
Arts Council of Greater Baton Rouge	97,000	94,000
Louisiana Arts and Science Center	96,000	93,000
Playmakers of Baton Rouge	54,000	51,500
Baton Rouge Little Theater	44,500	37,500
Foundation for Historical Louisiana	36,500	36,000
WRKF Public Radio	24,000	28,000
Swine Palace	10,000	-
Baton Rouge Convention & Visitors Bureau		
Festivals Committee	25,000	24,500
Baton Rouge Ballet Theater	15,000	18,000
Baton Rouge Gallery	14,500	12,500
Louisiana Silhouettes	8,000	8,000
In the Company of Dancers	8,000	5,000
Baton Rouge Gilbert & Sullivan Society	5,000	4,500
Baton Rouge Concert Band	<u>4,500</u>	<u>2,500</u>
	<u>\$ 598,000</u>	<u>\$ 548,000</u>

**NOTE 5 - DESIGNATED CONTRIBUTIONS AND SPONSORSHIPS**

For the years ended June 30, 1996 and 1995, designated contributions by campaign donors and sponsorships are as follows:

	<u>1996</u>	<u>1995</u>
Baton Rouge Symphony	\$ 16,000	\$ 17,000
Baton Rouge Symphony Youth Orchestra	1,000	1,000
Arts Council of Greater Baton Rouge - Multicultural Arts Program	-	2,000
LSU Theater	-	2,000
Foundation for Historical Louisiana	-	1,000
Arts Council of Greater Baton Rouge Arts in Education Program	2,000	-
Other	-	1,000
	<u>\$ 20,000</u>	<u>\$ 24,000</u>

**NOTE 6 - GALA INCOME AND EXPENSES**

The Council has an annual Gala kick-off for the Community Fund for the Arts Campaign. The income and expenses attributable to the Gala are as follows:

	<u>1996</u>	<u>1995</u>
Income	\$ 20,941	\$ 18,000
Expenses	(10,877)	(10,170)
	<u>\$ 10,064</u>	<u>\$ 7,830</u>

**NOTE 7 - CHANGES IN ACCOUNTING PRINCIPLES**

The Council adopted the provisions of Statement of Accounting Standards (SFAS) No. 106, *Accounting for Contributions Received and Contributions Made* and SFAS No. 117, *Financial Statement of Not-for-Profit Organizations* in 1994.

SFAS No. 116 requires the Council to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. As permitted by SFAS 106, the Council applied the provisions of this new statement by restating net assets as of June 30, 1993 and 1994. Previously, contributions received for specified arts organizations were recorded as deferred revenue and recognized when the payments were made. Also, expenditures associated with the annual support campaign were recognized in the fiscal year of the grant payments.

**NOTE 7 - CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)**

Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are reclassified to unrestricted net assets as the restriction is met.

SFAS No. 117 established standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows. As permitted by this new statement, the Council has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present unrestricted and temporarily restricted net assets.

The adjustments made to previously reported net assets and fund balance classification are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Fund Balance, June 30, 1994	\$ 272,950	\$ 111,426	\$ 384,376
Deferred revenue for designated recipients	91,150	513,735	604,885
Deferred campaign expenses	_____	(617,460)	(617,460)
Net assets, June 30, 1994, as restated	<u>\$ 364,100</u>	<u>\$ 27,211</u>	<u>\$ 391,311</u>
Fund Balance, June 30, 1995	\$ 343,302	\$ 116,414	\$ 459,716
Deferred revenue for designated recipients	94,800	713,890	808,690
Deferred campaign expenses	_____	(647,174)	(647,174)
Net assets, June 30, 1995, as restated	<u>\$ 438,102</u>	<u>\$ 173,130</u>	<u>\$ 611,232</u>



**INDEPENDENT AUDITORS' REPORT ON  
SUPPLEMENTARY AND STATISTICAL INFORMATION**

Board of Directors  
Actis (owned) of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

Our audit was made for the purpose of forming an opinion on the basic financial statements for the year ended June 30, 1996, taken as a whole. The supplementary information on Schedule I and in the Statistical Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Faulk & Winkler LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
October 23, 1996

## ARTS COUNCIL OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

## COMBINED STATEMENT OF ACTIVITIES

For the year ended June 30, 1999

## REVENUES AND SUPPORT

CFA Campaign								
CFA Gift								
Membership dues								
Printed plans								
City Parks grants								
Operating	1,500	50,000	54,500	-	-	54,500	106,428	
Corporate support			2,000				2,000	
Services of the Arts								
BATF Administration				413,816				413,816
Operating	2,110		10,000			87,900	100,010	
Contracted services	110,482						110,482	
Interest			472		30	16,309	17,111	
Other Income						4,011	4,011	
Total	\$ 121,092	\$ 80,000	\$ 68,972	\$ 413,816	\$ 772,136	\$ 205,428	\$ 1,391,248	

	Arts in Education	Community Cultural Initiatives	Arts Council	Recreational Arts Funding	Community Funds for the Arts	General Operating	Total
<b>EXPENSES</b>							
Personnel	\$3,194	\$9,344	-	25,126	\$7,999	119,525	265,287
Rentals	48	33	-	1,445	4,258	8,868	14,652
Payroll taxes	2,979	1,522	-	2,179	3,825	8,255	10,760
Arts fees	198,317	-	-	149	925	-	199,491
Adult fees	-	-	-	4,800	18,145	-	22,945
Bookkeeping	-	-	-	-	-	8,272	8,272
Computer support	-	-	-	492	1,476	408	3,066
Construction	-	-	-	-	-	2,123	2,123
Contractual relations	-	-	-	1,869	7,315	3,750	12,934
Supplies	10,340	1,096	68	1,819	1,411	3,780	19,520
Telephone	704	305	-	2,812	2,016	2,779	8,627
Printing	918	1,248	709	1,711	2,987	3,948	11,581
Equipment rental and maintenance	319	-	-	371	893	1,940	3,086
Building maintenance	-	48	-	238	416	2,045	2,727
Printing and publications	2,017	8,068	789	3,851	4,179	6,895	20,719
Travel	1,119	127	-	3,498	813	431	6,068
Training and conferences	311	3,492	-	1,829	770	2,449	6,080
Marketing	199	-	-	33	-	2,815	3,047
Donor and subscriptions	-	-	-	33	-	3,821	4,087
Grants	-	-	64,479	28,278	298,890	-	1,001,340
Stipends	-	-	-	-	-	1,412	1,412
Insurance	942	164	-	528	271	5,983	7,488
Meetings	-	2,154	33	722	1,816	893	4,719
CEA airfares	-	-	-	-	7,291	-	7,291
CEA donor recognition	-	-	-	-	4,821	-	4,821
Corporate sponsorship	-	-	-	-	20,888	-	20,888
Professional fees	1,798	57,642	-	190	213	6,443	60,286
Maintenance	401	2,115	282	1,122	348	1,185	15,122
Total expenses	\$41,927	\$8,379	\$6,658	\$96,025	\$31,829	\$98,643	\$355,931
Change in net assets	\$ (8,876)	\$ (3,379)	\$ 193	\$ 16,469	\$ (1,087)	\$ (16,784)	\$ (11,506)
<b>NET ASSETS</b>							
Beginning of year							\$ 68,631
End of year							\$ 57,125

Special Independent Auditors' Reports  
**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**

Baton Rouge, Louisiana

June 30, 1998





**INDEPENDENT AUDITORS' REPORT ON  
SCHEDULE OF FEDERAL AWARDS**

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Non-profit Institutions." These standards and OMB Circular A-133 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read "Faulk Winkler LLC".

Certified Public Accountants

Baton Rouge, Louisiana  
October 31, 1996

ARTS COUNCIL OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

SCHEDULE OF FEDERAL AWARDS

For the year ended June 30, 1996

Grant/State Pass-through/ Program name/ Location of Project	Grant Number	CFA Number	Grant Amount	Balance July 1	Federal Receipts	Expenditures	Balance June 30
Other Federal Awards							
National Endowment for the Arts							
Local Arts Agencies	95-8214012	-	\$ 30,000	\$ -	\$ 30,000	\$ 30,000	\$ -
National Endowment for the Arts/ State of Louisiana, Department of Culture, Recreation and Tourism, Office of Cultural Development, Division of the Arts	96212 95983	- -	97,981 88,780	- 18,980	33,480 88,980	97,981 -	24,898 -
Local Arts Agencies							
Arts in Education	96109 96108 95979 95978	- - - -	2,000 3,100 6,500 6,500	- - 1,298 1,282	1,500 2,325 1,298 1,282	1,000 3,100 -	900 975 -
Special Initiative - Governor's Art Awards	314	-	8,000	-	6,373	8,000	1,627
<b>Total Federal Awards</b>			<b>\$ 247,791</b>	<b>\$ 21,258</b>	<b>\$ 129,452</b>	<b>\$ 114,090</b>	<b>\$ 27,403</b>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Non-profit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether

they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

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

  
Certified Public Accountants

Baton Rouge, Louisiana  
October 31, 1996



**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget (OMB) Circular A-133 "Audit of Institutions of Higher Education and other Non-profit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) is the responsibility of the Council's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Council's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

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

*Faulk & Winkler LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
October 31, 1996



**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL STRUCTURE USED IN ADMINISTERING  
FEDERAL AWARDS**

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards: Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "A Guide for Institutions of Higher Education and Other Non-profit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our considerations of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated October 31, 1996.

The management of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, perception of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.