

Board of Directors
Arts & Manufacture Council of Southeast Louisiana

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 and the Louisiana Legislative Auditor. HOWEVER, this report is a matter of public record, and its distribution is not limited.

Bronson & Company

Shreveport, Louisiana
December 31, 1997
/s/



BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT ACQUISITION STANDARDS

BOARD OF DIRECTORS
Arts & Humanities Council of
Southwest Louisiana
Lake Charles, Louisiana

We have audited the financial statements of Arts & Humanities Council of Southwest Louisiana as of and for the period ended August 31, 1997 and 1998, and have issued our report thereon dated December 31, 1997.

We conducted our audit in accordance with generally accepted auditing standards, COMPTON'S Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Rules of Institutions of Higher Education and Other Nonprofit Organizations". 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 Arts & Humanities Council of Southwest Louisiana 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, protection of any evaluation of the structure in 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 Arts & Humanities Council of Southwest Louisiana for the period ended August 31, 1997 and 1998, 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.

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BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Arts & Humanities Council of
Southwest Louisiana
1400 Charbon, Louisiana

We have audited the financial statements of Arts & Humanities Council of Southwest Louisiana as of and for the period ended August 31, 1997 and 1998, and have issued our report thereon dated December 31, 1997.

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 Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations". 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.

Compliance with laws, regulations, contracts, and grants applicable to Arts & Humanities Council of Southwest Louisiana is the responsibility of Arts & Humanities Council of Southwest Louisiana'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, our objective 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 indicate that, with respect to the items tested, Arts & Humanities Council of Southwest Louisiana complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Association had not complied, in all material respects, with those provisions.

This report is intended for the information of The Board of Directors, management, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Broussard & Company

Shreveport, Louisiana
December 31, 1997
/s/

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BOARD OF DIRECTORS
Aide & Hummelien Council of Southeast Louisiana

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 could 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 and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Bronson & Company

Bossier, Louisiana
December 10, 1999
jgw



BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Arts & Humanities Council of
Southwest Louisiana
Lake Charles, Louisiana

We have audited the financial statements of Arts & Humanities Council of Southwest Louisiana as of and for the periods ended August 31, 1997 and 1998, and have issued our report thereon dated December 12, 1997.

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 Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Organizations". 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 & Humanities Council of Southwest Louisiana is the responsibility of Arts & Humanities Council of Southwest Louisiana'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, our objective 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 indicate that, with respect to the items tested, Arts & Humanities Council of Southwest Louisiana complied in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Association had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Directors, management, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Broussard & Company

Bayou, Louisiana
December 11, 1997
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BOYS & GIRLS CLUBS COUNCIL OF SOUTHWEST LOUISIANA
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 1997

Note 4 - Real Property

The Council occupies its operating facility in rent free space donated by a supporter. This in-kind contribution is not reflected in the financial statements.

Note 7 - Contingencies

The Council receives a significant portion of its revenues from local and State grants which are subject to final review and approval by the respective grantor agencies as to allowability of expenditures. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the grantor agency and the Council. It is Management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would affect the Council's financial position.

Note 8 - Economic Dependence

As noted above, the Council receives much of its revenues from funds provided through grants administered by State agencies. The underlying funding is appropriated each year by the State government. If significant budget cuts are made at the State level, the amount of funding the Council receives could be reduced significantly and have an adverse impact on the Council's operations.

Note 9 - Obligations Under Capital Lease

The Council leases a copier with an implied interest rate of 16.6%. Monthly payments are \$189.88 through November 30, 1998, with a \$1 buyout option at this date. The Council has been making scheduled payments toward the payoff of the lease. As year end, only six payments remain. The capitalized cost of \$1,425, less accumulated depreciation of \$1,088, is included in Office Furniture and equipment in the accompanying financial statements. Depreciation expense for the year was \$1,085.

The future minimum lease payments under capital lease and the net present value of the future minimum lease payments are as follows:

Year Ending August 31,	Amount
1998	\$ 1,139
Total Future Minimum Lease Payments	1,139
Less: Amount Representing Interest	(88)
Present Value of Future Minimum Lease Payments	\$ 1,051

ARTS & HUMANITIES COUNCIL OF SOUTHWEST LOUISIANA
Lake Charles, Louisiana

Notes to Financial Statements (Continued)
August 31, 1997

Note 2 - Summary of Significant Accounting Policies (Continued)

Depreciation of property and equipment is provided for over the useful life of each asset based on the straight-line method of recording depreciation expense. The estimated useful lives of such assets are summarized below:

Furniture and equipment 5 - 7 years

No amounts have been reflected in the statements for donated services because those contributed services do not meet the criteria for revenue recognition and there is not objective basis available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Council's program services and its fund raising activities.

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. Actual results could differ from these estimates.

Note 3 - Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, not net by net asset class. With respect to the statement of activities, such prior year information is not presented by net asset class, and in the statement of functional expenses, 1994 expenses by object are presented in total rather than by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended August 31, 1994, from which the summarized information was derived.

Note 4 - Office Furniture and Equipment

Furniture and equipment acquisitions are capitalized at cost, if purchased, or at estimated fair market value if donated. Depreciation expense for the year ended August 31, 1997 and 1994 totaled \$3,947 and \$1,983, respectively.

Note 5 - Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activity. Accordingly, certain costs have been allocated among the programs identified and supporting activities based on management's analysis of the benefits received by supporting and program services. Direct program expenses are allocated 100% to program services.

Continued

ARTS & HUMANITIES COUNCIL OF SOUTHWEST LOUISIANA
Lake Charles, Louisiana

Notes to Financial Statements
August 31, 1987

Note 1 - Organization and Purpose

The Arts & Humanities Council of Southwest Louisiana (Council), formerly The Orleans Arts and Humanities Council, Inc., is a nonprofit corporation organized under the laws of the State of Louisiana to coordinate, undertake, promote, develop, support, encourage, advance and conduct charitable, cultural, educational, leisure time, creative, historical and artistic activities; to unite those of the community who are members of the arts, or business and industry, and of the humanitarian and educational fields in the promotion, support, development and management of these activities. The Council is exempt from federal and state income taxes as a charitable organization under Section 501(C)(3) of the Internal Revenue Code. Accordingly, contributions to the Council are qualified as charitable donations. In March, 1984, the Council changed its name from The Orleans Arts and Humanities Council, Inc. to Arts & Humanities Council of Southwest Louisiana.

Note 2 - Summary of Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles utilizing the accrual basis of accounting.

The Council receives much of its revenues through grants from state agencies (Louisiana Division of the Arts), and community support for arts and humanities activities. All support is considered available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When 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. Funds are recorded when the cash is received.

Expenses are recorded as incurred.

All financial transactions have been recorded and reported as charges to net assets (restricted and unrestricted) with identification by activity and functional categories.

Current unrestricted net assets are funds presently available for use by the Council at the discretion of the Board of Directors. If the Board specifies a purpose where none has been stated by the original donor, such funds are classified as Board designated net assets.

The Council considers all short-term investments with an original maturity of three months or less to be cash equivalents.

ACTS & SUBSIDIARY COUNCIL OF SOUTHWEST LOUISIANA
Lake Charles, Louisiana

Statement of Cash Flows
Years Ended August 31,

	1987	1986
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from supporters, grants and programs	\$ 101,084	\$ 267,384
Cash paid to employees, suppliers and for programs	(167,867)	(127,180)
Reprints paid	(142,328)	(131,320)
Net Cash Provided by Operating Activities	(109,111)	48,884
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	279	885
CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase (Decrease) in Cash and Cash Equivalents	(108,832)	49,769
CASH AND CASH EQUIVALENTS		
Beginning	71,233	21,464
Ending	\$ 62,401	\$ 71,233
RECONCILIATION OF REVENUE AND OTHER SUPPORT OVER EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Excess (Deficit) of revenue and support over expenses	\$ (13,000)	\$ 21,348
ADJUSTMENTS TO RECONCILE CHANGE IN amount of revenue and support over expenses to net cash provided by operating activities:		
Depreciation	3,043	1,935
(Increase) in fixed assets	(288)	(8,832)
Increase in grants receivable	-	1,639
Increase (decrease) in prepaid expenses	(32)	282
Increase (decrease) in accounts and payroll taxes payable	3,779	(3,064)
Increase in reprints payable	7,187	18,498
Increase (decrease) in capital leases payable	(3,327)	(3,328)
Net Cash Provided by Operating Activities	\$ 1,962	\$ 48,322

See NOTES to Financial Statements.

STATE & UNIVERSITY COUNCIL OF SOUTHWEST LOUISIANA
Lake Charles, Louisiana

Statement of Functional Expenses
Years Ended August 31.

	Program Services	General and Administration	Fund Balance	1993 Total	1994 Total
Salaries	\$ 38,464	\$ 38,923	\$ 4,733	\$ 82,120	\$ 88,373
Pigrois Taxes	2,889	1,355	313	4,557	4,337
Auto exp	42,568	-	-	42,568	38,568
Bank charges	-	62	-	62	143
Depreciation	-	2,047	-	2,047	1,930
Fund raising	-	-	3,188	3,188	3,328
Insurance	-	1,684	-	1,684	864
Interest	-	785	-	785	588
Legal and professional	280	2,520	-	2,800	4,571
Market Exp	-	-	485	485	328
Membership subscriptions	2,322	438	-	2,760	1,758
Miscellaneous	-	282	-	282	81
Panel meetings	433	-	-	433	480
Printing	2,685	372	1,828	4,885	3,788
Professional development	797	80	-	797	2,138
Postage	2,087	522	-	2,609	2,580
Reprints	188,483	-	-	188,483	242,318
Public relations	-	390	-	390	148
Repairs and maintenance	2,072	843	628	3,543	388
Special projects	181	-	-	181	494
Supplies	2,924	882	804	4,610	1,792
Telephone	2,028	1,029	-	3,057	2,182
Travel	2,322	-	-	2,322	2,248
TOTAL EXPENSES	\$ 288,222	\$ 28,288	\$ 13,702	\$ 329,212	\$ 274,282

See Notes to Financial Statements.

ARTS & HERITAGES COUNCIL OF SOUTHWEST LOUISIANA
 Lake Charles, Louisiana

Statement of Activity
 Years Ended August 31,

	<u>1997</u>	<u>1996</u>
REVENUE AND OTHER SUPPORT		
Memberships	\$ 28,184	\$ 28,124
Contributions	3,022	3,712
Fund raising	7,427	7,422
Rents camp	42,000	38,628
Grants	224,242	216,249
Interest Income	112	282
Total Revenue and Other Support	<u>305,187</u>	<u>298,717</u>
EXPENSES		
Program Expenses:		
Arts & Humanities Program	88,555	88,524
Educational Arts Program	185,462	141,419
Special projects	281	271
Total Program Expenses	<u>274,298</u>	<u>230,214</u>
Fund raising	11,787	9,380
General and administrative	<u>26,180</u>	<u>27,821</u>
Total Expenses	<u>312,265</u>	<u>267,415</u>
Increase (decrease) in Unrestricted Net Assets	\$ 13,602	\$ 21,349
NET ASSETS, beginning	<u>61,778</u>	<u>40,429</u>
NET ASSETS, ending	<u>\$ 75,380</u>	<u>\$ 61,778</u>

BOYS & GIRLS COUNCIL OF SOUTHWEST LOUISIANA
Lake Charles, Louisiana

Statement of Financial Position
August 31,

	1987	1986
ASSETS		
CURRENT ASSETS		
Cash	\$ 80,308	\$ 73,333
Prepaid expenses	421	489
Total Current Assets	80,729	73,822
NONCURRENT ASSETS		
Office furniture and equipment	22,787	22,281
Accumulated depreciation	(8,225)	(8,228)
Total Noncurrent Assets	14,562	14,053
TOTAL ASSETS	\$ 95,291	\$ 87,875
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of obligations under capital lease	\$ 1,000	\$ 1,725
Accounts payable	28,105	23,888
Accrued payroll payable	3,418	1,874
Payroll taxes payable	4,313	4,413
Total Current Liabilities	36,836	31,900
LONG-TERM DEBT		
Obligations under capital lease, less current portion	-	2,373
Total Liabilities	36,836	34,273
NET ASSETS		
Restricted	58,455	53,602
TOTAL LIABILITIES AND NET ASSETS	\$ 95,291	\$ 87,875



BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Arts & Humanities Council of
Southwest Louisiana
Lake Charles, Louisiana

We have audited the accompanying statement of financial position of Arts & Humanities Council of Southwest Louisiana (a nonprofit organization), as of August 31, 1997 and 1996, and the statements of operating, functional expenses and cash flows for the years then ended. 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 audit in accordance with generally accepted auditing standards, government auditing standards, issued by the Comptroller General of the United States, and the provisions of OMB's Circular A-133, "Audits of Institutions of Higher Education and Other Non-Profit Institutions". These 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 Arts & Humanities Council of Southwest Louisiana (a nonprofit organization), as of August 31, 1997 and 1996, and the changes in its net assets and cash flows for the years then ended, in conformity with generally accepted accounting principles.

Broussard & Company

December 31, 1997
/s/ta

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**ARTS & HUMANITIES COUNCIL OF
SOUTHWEST LOUISIANA**
Lake Charles, Louisiana

Financial Statements
August 31, 1997 and 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 MAR 04 1998 2