JUNE 30, 2003

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# FINANCIAL REPORT

**CITE' DES ARTS** 

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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

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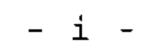
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appropriate, at the office of the parish clerk of court. Release Date  $u^2 2 0^4$ 

# CONTENTS

	Page
ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of financial position	2
Statement of activities	3
Statement of cash flows	4
Notes to financial statements	5 - 7

NOTES TO FINANCIAL STATEMENTS	5 - 7
INDEPENDENT ACCOUNTANTS' REPORT	
ON APPLYING AGREED-UPON PROCEDURES	9 - 11





# BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.

# CERTIFIED PUBLIC ACCOUNTANTS

4112 West Congress P. O. Box 61400 Lafayette, Louisiana 70596-1400 phone: (337) 988-4930 fax: (337) 984-4574

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Church Point, LA

ACCOUNTANTS' COMPILATION REPORT

To the Management Cite' Des Arts Lafayette, Louisiana

We have compiled the accompanying statement of financial position of Cite' Des Arts as of June 30, 2003 and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

#### (337) 684-2855

Eugene C. Gilder, CPA\* Donald W. Kelley, CPA\* Herbert Lemoine II, CPA\* Frank A. Stagno, CPA\* Scott J. Broussard, CPA\* L. Charles Abshire, CPA\* Kenneth R. Dugas, CPA\* P. John Blanchet III, CPA\* Stephen L. Lambousy, CPA\* Craig C. Babineaux, CPA\* Peter C. Borrello, CPA\* George J. Trappey III, CPA\* Gregory B. Milton, CPA\* S. Scott Soileau, CPA\* Patrick D. McCarthy, CPA\* Martha B. Wyatt, CPA\* Troy J. Breaux, CPA\* Fayetta T. Dupré, CPA\* Mary A. Castille, CPA\* Joey Breaux, CPA\* Terrel P. Dressel, CPA\*

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Broneserd, Poche', Lewis of Dream, LLP

Lafayette, Louisiana May 18, 2004

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- 1 -

**\*A Professional Accounting Corporation** 

# STATEMENT OF FINANCIAL POSITION June 30, 2003

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ASSETS

CURRENT ASSETS Due from other agencies	\$ 60,000
FIXED ASSETS, net	301,927
Total assets	<u>\$ 361,927</u>

#### LIABILITIES AND NET ASSETS

Overdraft\$ 13,352Current portion of note payable4,710Due to executive director14,801Total current liabilities\$ 32,863LONG-TERM LIABILITIES Note payable\$ 135,671Total liabilities\$ 168,534NET ASSETS Unrestricted\$ 193,393Total liabilities and net assets\$ 361,927	CURRENT LIABILITIES	
Due to executive director14,801Total current liabilities\$ 32,863LONG-TERM LIABILITIES Note payable\$ 135,671Total liablities\$ 168,534NET ASSETS Unrestricted\$ 193,393	Overdraft	\$ 13,352
Total current liabilities\$ 32,863LONG-TERM LIABILITIES Note payable\$ 135,671Total liablities\$ 168,534NET ASSETS Unrestricted\$ 193,393	Current portion of note payable	4,710
LONG-TERM LIABILITIES Note payable \$ 135,671 Total liablities \$ 168,534 NET ASSETS Unrestricted \$ 193,393	Due to executive director	14,801
LONG-TERM LIABILITIES Note payable \$ 135,671 Total liablities \$ 168,534 NET ASSETS Unrestricted \$ 193,393		
Note payable\$ 135,671Total liablities\$ 168,534NET ASSETS Unrestricted\$ 193,393	Total current liabilities	\$ 32,863
Note payable\$ 135,671Total liablities\$ 168,534NET ASSETS Unrestricted\$ 193,393		
Total liablities \$ 168,534 NET ASSETS Unrestricted \$ 193,393		
NET ASSETS Unrestricted \$ 193,393	Note payable	\$ 135,671
NET ASSETS Unrestricted \$ 193,393		
Unrestricted \$ 193,393	Total liablities	\$ 168,534
Unrestricted \$ 193,393		
Total liabilities and net assets	Unrestricted	\$ 193,393
Total liabilities and net assets		
	Total liabilities and net assets	<u>\$ 361,927</u>

See Accompanying Notes and Accountants' Report.

- 2 -

STATEMENT OF ACTIVITIES Year Ended June 30, 2003

#### REVENUES

Grant revenues	\$ 98,569
Production and class fees	44,522
Contributions	18,960
Total revenues	\$ 162,051
EXPENSES	
Program expenses:	
Community theater and arts	
center operation	\$ 77,664
General and administrative expenses	29,023

Total expenses	\$ 106,687
Change in net assets	\$ 55,364
Net assets at beginning of year	138,029
Net assets at end of year	\$ 193,393

See Accompanying Notes and Accountants' Report.

- 3 -

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STATEMENT OF CASH FLOWS Year Ended June 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 55,364
Adjustments to reconcile change in net assets	
to net cash provided by (used in) operating	
activities:	
Depreciation	15,572
Increase in accounts receivable	(60,000)
Increase in due to executive director	 14,801
Net cash provided by operating activities	\$ 25,737

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	\$ (112,761)
CASH FLOWS FROM FINANCING ACTIVITIES Increase in overdraft Principal payments on notes payable	\$ 13,352 (9,619)
Net cash provided by financing activities	\$ 3,733
Net decrease in cash	\$ (83,291)
Cash at beginning of year	83,291
Cash at end of year	\$

See Accompanying Notes and Accountants' Report.

- 4 -

#### NOTES TO FINANCIAL STATEMENTS See Accountants' Compilation Report

#### Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Cite Des Arts is a multi-use arts facility and French Cultural Center developed to promote and support the local arts and culture. The Organization's facility houses gallery space, classroom/workshop space, a reception area and a 100 seat performance space. The facility is available to local and touring artists, providing a variety of programming.

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization is an exempt organization for Federal income tax purposes

under Section 501(c) (3) of the Internal Revenue Code.

Significant accounting policies:

Fixed assets -

Purchased fixed assets are recorded at cost at the date of acquisition. Depreciation is computed using the straight-line method over the following useful lives:

	Years
Leasehold improvements	20
Equipment	7-10

Donated services:

The Organization receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under SFAS No. 116 have not been satisfied.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those

estimates.

- 5 -

# NOTES TO FINANCIAL STATEMENTS See Accountants' Compilation Report

Note 2. Fixed Assets

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Fixed assets consisted of the following at June 30, 2003:

Leasehold improvements	\$ 308,568
Equipment	8,931
- <b>7</b> ,	\$ 317,499
Less accumulated depreciation	15,572

<u>\$ 301,927</u>

Depreciation expense for the year ended June 30, 2003 was \$15,572.

Note 3. Note Payable

The Organization had the following note payable at June 30, 2003:

Note payable to individual in monthly installments of \$990, including interest at 5.00%, due June 14, 2012. <u>\$140,381</u>

Future principal payments at June 30, 2003 were as follows:

2004	\$	4,710
2005	•	4,951
2006		5,205
2007		5,471
2008		5,751
2009 - 2012	1	14,293

## \$140,381

Interest expense for the year ended June 30, 2003 was \$7,312.

# Note 4. Natural Classification of Expenses

		General and	
	Program	Administrative	Total
Production/classes	\$ 47,075	\$ –	\$ 47,075
Wages	7,600	7,600	15,200
Payroll taxes	1,280	1,280	2,560
Depreciation	15,572	_	15,572
Insurance	-	5,373	5,373
Interest	_	7,312	7,312
Legal fees	-	1,457	1,457
Utilities	5,622	3,748	9,370
Telephone	407	1,628	2,035
Other	108	625	733

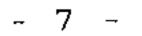
<u>\$ 77,664</u>	<u>\$ 29,023</u>	<u>\$ 106,687</u>
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- 6 -

# NOTES TO FINANCIAL STATEMENTS See Accountants' Compilation Report

Note 5. Operating Lease

On March 1, 2002, the Organization entered into an agreement to lease the premises occupied by the Organization. The agreement expires February 28, 2012 and allows the Organization to use the premises rent free.



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# INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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Church Point, LA

To the Management Cite' Des Arts Lafayette, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Cite' Des Arts, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Cite' Des Arts compliance with certain laws and regulations during the year ended June 30, 2003 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

(337) 684-2855

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#### Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Cite' Des Arts federal award expenditures for all federal programs for the fiscal year follow:

Federal Grant Name			EDA NC	Amount
N/A		-		
		† 	··	 
Total Expenditures	 	I		 

- 9 -

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- 2. For each federal, state, and local award, we randomly selected six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
- 3. For the items selected in procedure 2, we traced the disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the selected disbursements and found that all but one of the payment were for the proper amounts and made to the correct payees. One payment (check no. 166) did not have any supporting documentation; thus, we were unable to verify that it was for the proper amount or to the correct payee.

For the items selected in procedure 2, we determined if the disbursements were 4. properly coded to the correct fund and general ledger account.

The payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements

- indicated approvals from proper authorities.
- 6. For the items selected in procedure 2, for federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to the following:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed The disbursements complied with the allowability or not allowed. requirements.

Eligibility:

We reviewed the previously listed disbursements for eligibility requirements. The disbursements complied with eligibility requirements.

Reporting:

We reviewed the previously listed disbursements for reporting requirements. The disbursements complied with reporting requirements.

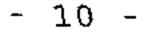
For the programs selected for testing in item (2) that had been closed out during 7. the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The six disbursements selected included no programs that were closed out during the period of our review.

Meetings



We examined evidence indicating that agendas for meetings recorded in the minute 8. book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).



Cite' Des Arts is only required to post a notice of each meeting and the accompanying agenda on the door of the Cite' Des Arts office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

#### Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Cite' Des Arts provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Other Findings

10. Cite' Des Arts did not comply with applicable state law in the timely submission of the Compilation Report and Agreed-Upon Procedures report to the Legislative Auditor's Office. Under Louisiana Law, such submission of the financial statements and other data should have been submitted no later than December 31, 2003.

#### Prior Comments and Recommendations

11. We reviewed any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There was no agreed-upon procedures engagement performed for the year ended June 30, 2002; thus, there were no prior comments and recommendations.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Cite' Des Arts, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bransened, Vocha', J

Lafayette, Louisiana May 3, 2004

