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THEATRE OF PERFORMING ARTS IN SHREVEPORT

FINANCIAL STATEMENTS

June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12-8-04

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

THEATRE OF PERFORMING ARTS IN SHREVEPORT

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Marsha O. Millican

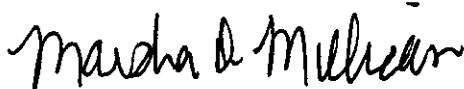
CERTIFIED PUBLIC ACCOUNTANT

The Board of Directors
Theatre of Performing Arts
Shreveport, Louisiana

I have compiled the accompanying statement of financial position of Theatre of Performing Arts (a nonprofit corporation) as of June 30, 2004, 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.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Audit Guide and the provisions of state law, I have issued a report, dated November 1, 2004, on the results of my agreed-upon procedures.



Certified Public Accountant
November 1, 2004

THEATRE OF PERFORMING ARTS IN SHREVEPORT

Statement of Financial Position

June 30, 2004

ASSETS

Cash and cash equivalents	\$ 30,824
Property and equipment (net)	<u>674</u>

Total Assets	<u>\$ 31,498</u>
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LIABILITIES

Accounts payable	\$ 300
Payroll taxes payable	<u>313</u>

Total Liabilities	<u>613</u>
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Net Assets:

Unrestricted	30,885
Temporarily restricted	<u>-</u>

Total net assets	<u>30,885</u>
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Total liabilities and net assets	<u>\$ 31,498</u>
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See accountant's compilation report.

THEATRE OF PERFORMING ARTS IN SHREVEPORT

Statement of Activities

For the Year Ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
CHANGES IN NET ASSETS				
SUPPORT AND REVENUE:				
Donations	\$ 5,850	\$ -	\$ -	\$ 5,840
Grants	10,000	-	-	10,000
Hotel/Motel Tax	68,729	-	-	68,729
Miscellaneous	482	-	-	482
Total Revenue	<u>85,061</u>	<u>-</u>	<u>-</u>	<u>85,061</u>
Net Assets Released from Restrictions:				
Satisfaction of usage restrictions	<u>-</u>	<u>(-)</u>	<u>(-)</u>	<u>-</u>
Total Public Support and Revenue	85,061	-	-	85,061
EXPENSES:				
Program Expenses	52,264	-	-	52,264
Management and General	<u>2,685</u>	<u>-</u>	<u>-</u>	<u>2,685</u>
Total Expenses	<u>54,949</u>	<u>-</u>	<u>-</u>	<u>54,949</u>
Change in Net Assets	30,112	-	-	30,112
Net assets, July 1,	<u>773</u>	<u>-</u>	<u>-</u>	<u>773</u>
Net assets, June 30,	<u>\$ 30,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,885</u>

See accountant's compilation report.

THEATRE OF PERFORMING ARTS IN SHREVEPORT

Statement of Financial Position

For the Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 30,112
Adjustments to reconcile change in net assets To net cash provided by operating activities;	
Depreciation	336
Changes in assets and liabilities:	
Increase in accounts payable	<u>200</u>
Net cash provided by operating activities	<u>30,648</u>
Net increase in cash	30,648
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>176</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 30,824</u>

See accountant's compilation report.

THEATRE OF PERFORMING ARTS IN SHREVEPORT

Notes to Financial Statements

June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Theatre of Performing Arts in Shreveport is a nonprofit organization exempt for Federal income tax purposes under Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

B. Nature of Activities:

The Theatre's primary function is to provide actors, dances, musicians, directors and playwrights of every hue with a theatrical environment wherein their talents can reach realistic fruition.

C. Basis of Accounting:

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

D. Basis of Presentation:

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 Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

E. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to ten years.

(Continued)

THEATRE OF PERFORMING ARTS IN SHREVEPORT

Notes to Financial Statements

June 30, 2004

G. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net asset are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

H. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Source of Revenue:

The Theatre receives revenue from hotel/motel sales tax collected by the State of Louisiana through the "Shreveport Riverfront Convention enter and Independence Stadium Fund". Act 1071 appropriated 3% of this fund to the Theatre. The provisions of Act 1071 creating the "Fund" will terminate on June 30, 2025. After June 30, 2025, funds formerly paid into this fund will be paid into the state general fund. Revenue from this "Fund" accounted for fifty seven percent of total revenue for the year ended June 30, 2004.

2. Property and Equipment:

Property and Equipment consists of the following:

Furniture and Equipment	\$ 1,682
Less Accumulated Depreciation	<u>(1,008)</u>
Property and Equipment - Net	<u>\$ 674</u>

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Directors
Theater of Performing Arts in Shreveport
Shreveport, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Theatre of Performing Arts in Shreveport, Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluation management's assertions about Theatre of Performing Arts in Shreveport's compliance with certain laws and regulations during the year ended June 30, 2004 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, I 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.

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.

Theatre for Performing Arts in Shreveport's state and local awards are as follows:

Hotel/Motel Tax for the year ended June 30, 2004 -	\$ 68,729
City of Shreveport -	\$ 10,000

2. For each Federal, state, and local award, I randomly selected 6 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, I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

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

5. For the items selected in procedure 2, I determined whether the six disbursements received proper approval from proper authorities.
6. There were no federal awards for the year ended June 30, 2004.
7. No programs were closed out for the year ended June 30, 2004.
8. The Theatre did not post agendas as open meetings as required by under LSA-RS 42:1.
9. For all grants exceeding five thousand dollars, I determined that each applicable state and local grantor 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.

Theatre of the Performing Arts of Shreveport prepared comprehensive budgets for state and local grants that specified the anticipated uses of the funds, estimations of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

10. There were no prior-year suggestions.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Theatre of Performing Arts in Shreveport, 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 Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mauda O. Millican

Certified Public Accountant
November 1, 2004

THEATRE OF PERFORMING ARTS IN SHREVEPORT

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2004

FINDING # 1:

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Status: No action was recommended and none was taken.

THEATRE OF PERFORMING ARTS IN SHREVEPORT

Schedule of Findings

For the Year Ended June 30, 2004

FINDING # 1:

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Cause:

The condition is due to space and economic limitations.

Recommendation:

No action is recommended.

Management's Response and Corrective Action Plan:

We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

FINDING # 2:

Condition: The Theatre did not post agendas for meetings as open meetings as required by LSA-RS 42:1.

Cause:

Management was unaware of the requirements of LSA-RS 42:1.

Recommendation:

I recommend agendas of meetings be posted as required by LSA -RS 42:1.

Management's Response and Corrective Action Plan:

We agree with the finding. We will post meeting agendas in accordance with LSA-RS 42:1.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

11/01/2004 (Date Transmitted)

Marsha O. Millican, CPA

810 Wilkinson

Shreveport, La.

(Auditors)

In connection with your review of our financial statements as of June 30, 2004 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

November 1, 2004

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [] No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Harold C. Meyers Ex Dir November 1-04 Date