

**ACADIANA ARTS COUNCIL, INC.**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED 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 Bator Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-9-05

**ACADIANA ARTS COUNCIL, INC.**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Acadiana Arts Council, Inc.  
Lafayette, Louisiana

Gentlemen:

We have audited the accompanying Statement of Financial Position of the Acadiana Arts Council, Inc. as of June 30, 2004, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 Acadiana Arts Council, Inc. as of June 30, 2004, and the changes in net assets and cash flows for the year then ended in conformity with generally accepted accounting principles of the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 16, 2004, on our consideration of Acadiana Arts Council, Inc.'s internal control over financial reporting and on its compliance with laws and regulations.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

December 16, 2004



**ACADIANA ARTS COUNCIL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2004**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 173,085
Grants Receivable	44,716
Prepaid Expenses	<u>3,154</u>
Total Current Assets	220,955

**PROPERTY AND EQUIPMENT**

Furniture and Equipment	46,615
Less: Accumulated Depreciation	<u>(44,130)</u>
Total Net Property and Equipment	2,485

**OTHER ASSETS**

Marketable Securities - Stocks	<u>88,817</u>
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**TOTAL ASSETS** \$ 312,257

The Accompanying Notes are an Integral Part of These Statements.

**ACADIANA ARTS COUNCIL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2004**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 59,727	
Accrued Payroll Liabilities	<u>1,042</u>	
Total Current Liabilities		\$ 60,769

**NET ASSETS**

Net Assets - Unrestricted	<u>251,488</u>	
Total Net Assets		<u>251,488</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 312,257

The Accompanying Notes are an Integral Part of These Statements.

**ACADIANA ARTS COUNCIL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT, REVENUES AND RECLASSIFICATIONS</b>			
<u>GRANTS</u>			
State of Louisiana Division of the Arts	\$ 378,221	\$ -	\$ 378,221
Lafayette City-Parish Consolidated Government	73,510	-	73,510
Lafayette Parish School Board	86,226	-	86,226
Tommy Comeaux Memorial Fund	-	18,973	18,973
WIB	32,060	-	32,060
PACE	24,000	-	24,000
Grants - Other	120,091	-	120,091
Net Assets Released from Restrictions:			
Satisfaction of Purpose Restrictions	<u>70,803</u>	<u>(70,803)</u>	<u>-</u>
<b>TOTAL GRANTS</b>	<u>784,911</u>	<u>(51,830)</u>	<u>733,081</u>
<u>CONTRIBUTIONS AND REVENUE</u>			
General Contributions	16,715	-	16,715
Corporate	46,326	-	46,326
Donated Facilities	25,920	-	25,920
Facility Rentals	14,017	-	14,017
Special Projects & Miscellaneous	10,495	-	10,495
Interest Income	3,483	31	3,514
Loss on Disposal of Assets	<u>(4,941)</u>	<u>-</u>	<u>(4,941)</u>
<b>Total Contributions and Revenue</b>	<u>112,015</u>	<u>31</u>	<u>112,046</u>
Unrealized Loss on Marketable Securities	<u>(189)</u>	<u>-</u>	<u>(189)</u>
<b>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</b>	<u>896,737</u>	<u>(51,799)</u>	<u>844,938</u>

The Accompanying Notes are an Integral Part of These Statements.

ACADIANA ARTS COUNCIL, INC.

STATEMENT OF ACTIVITIES - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>EXPENSES</u>			
Program Services	\$ 831,970	\$ -	\$ 831,970
Administrative	<u>141,819</u>	<u>-</u>	<u>141,819</u>
Total Expenses	<u>973,789</u>	<u>-</u>	<u>973,789</u>
Change in Net Assets	(77,052)	(51,799)	(128,851)
Net Assets as of Beginning of Year	<u>328,540</u>	<u>51,799</u>	<u>380,339</u>
Net Assets as of End of Year	<u>\$ 251,488</u>	<u>\$ -</u>	<u>\$ 251,488</u>

The Accompanying Notes are an Integral Part of These Statements.

**ACADIANA ARTS COUNCIL, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2004**

	PROGRAM SERVICES			SUPPORTING SERVICES
	Community Arts	Arts In Education	Decentralized Arts Funding	Administrative
Grant Programs	\$ 67,991	\$ -	\$ 320,780	\$ -
Arts Grants For				
Teachers	-	17,839	-	-
Bright New Worlds	-	13,252	-	-
Louisiana Crossroads	31,674	-	-	-
Touring Companies	-	21,371	-	-
Summer Cultural Arts	16,797	-	-	-
Workshops and Special Events	-	36,584	-	-
Salaries, Benefits and Payroll Taxes	62,821	90,473	58,748	80,613
Accounting and Auditing	-	-	-	2,900
Depreciation	552	368	368	553
Dues and Subscriptions	-	-	-	5,094
Facilities Rent	7,791	5,194	5,194	7,791
Insurance	319	213	212	318
Marketing	-	-	-	4,425
Office Expense	10	-	-	18,362
Postage	26	102	733	775
Printing	-	2,077	-	1,835
Professional Fees	-	-	-	5,000
Repairs and Maintenance	2,976	1,984	1,984	2,976
Staff Development	-	3,092	-	1,193
Supplies	324	266	843	325
Telephone	1,253	835	835	1,253
Tommy Comeaux Memorial	40,951	-	-	-
Travel and Meals	13	880	2,362	3,313
Utilities	5,093	3,395	3,395	5,093
<b>TOTAL EXPENSES</b>	<b>\$ 238,591</b>	<b>\$ 197,925</b>	<b>\$ 395,454</b>	<b>\$ 141,819</b>

The Accompanying Notes are an Integral Part of These Statements.



ACADIANA ARTS COUNCIL, INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in Net Assets		\$ (128,851)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used In Operating Activities:		
Depreciation	\$ 1,841	
(Increase) Decrease in Certificates of Deposit	125,031	
(Increase) Decrease in Receivables	(464)	
(Increase) Decrease in Prepaid Expenses	216	
Increase (Decrease) in Accounts Payable	52,830	
Unrealized Loss on Marketable Securities	<u>189</u>	
 Total Adjustments		<u>179,643</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES		 50,792

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Sale of Securities	11,088	
Purchases of Securities	(75,984)	
Purchas of Property and Equipment	(1,121)	
Net Loss on Disposal of Assets	<u>4,942</u>	
 NET CASH USED BY INVESTING ACTIVITIES		 <u>(61,075)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS		 (10,283)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		 <u>183,368</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR		 <u>\$ 173,085</u>

The Accompanying Notes are an Integral Part of These Statements.

ACADIANA ARTS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization and Nature of Activities** - The Acadiana Arts Council, Inc. (the Council) serves an eight-parish region of Southwestern Louisiana, known collectively as Acadiana. The Council serves a pivotal role in promoting the arts of the eight-parish service area, enhancing the organizational development of the various cultural organizations, and creating new programs, projects, and opportunities for the arts to develop in southwest Louisiana. Serving as cultural environmentalists, the Council seeks to foster and nurture an atmosphere where the arts and artists can flourish locally.

The Council is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**Public Support and Revenue** - Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as "Net Assets Released from Restrictions." Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**Fair Values of Financial Instruments** - The following methods and assumptions were used by the Council in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents: The carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.

Short-Term Investments: The fair values of investments are based on quoted market prices for those or similar investments.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America 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 support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

ACADIANA ARTS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**Cash and Cash Equivalents** - The Council considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents. Cash and cash equivalents for purposes of the Statement of Cash Flows exclude permanently restricted cash and cash equivalents.

**Marketable Securities** - Marketable securities are composed of equity securities and are carried at fair value.

**Property and Equipment** - Property and equipment are valued at historical cost if purchased. Donated assets are valued at their estimated fair value on the date donated. All acquisitions of property and equipment in excess of \$1,000 are capitalized.

Property and equipment are being depreciated over estimated useful lives of five to ten years using a straight-line method, with one-half of a year's depreciation recognized in the years of acquisition and disposal.

(B) TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:	
State of Louisiana Division of the Arts	\$51,830
Tommy Comeaux Memorial Fund	<u>18,973</u>
Total Restrictions Released	<u>\$70,803</u>

(C) ACCOUNTS RECEIVABLE – GRANTS

As of June 30, 2004, grants receivable was composed of:

Lafayette City--Parish Government	\$18,907
State of LA – Division of the Arts	14,809
LEH	<u>11,000</u>
Total	<u>\$44,716</u>

**ACADIANA ARTS COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**(D) DONATED SERVICES AND FACILITIES**

The Council receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the Statement of Activities because the criteria for recognition under SFAS No. 116 have not been satisfied. The use of the Council's facilities has been donated. The estimated rental in the amount of \$25,920 has been reflected in the accompanying financial statements as contributions with a like amount shown as facilities rent.

**(E) FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**(F) CONCENTRATIONS**

The Council receives a substantial portion of its revenues from City, Parish and State grants. Any substantial change in any of these components could have adverse effects on the Council's financial condition.

**(G) PENSION PLAN**

On October 1, 1999, the Organization adopted a Simplified Employee Pension Plan. The plan covers all full-time employees who have three years of service and are age 21 or older. Contributions to the plan each year are determined by the Board of Directors. The contribution cannot exceed fifteen percent of the employees' compensation or \$30,000, whichever is less. The contributions to the plan for the year ended June 30, 2004 were \$6,302.

**(H) COMPENSATED ABSENCES**

The amounts for accrued vacation and sick pay are not reasonably estimable. Therefore, no accrual has been recorded in the financial statements.

**(I) COMMITMENT AND CONTINGENCIES**

On December 2, 2003 the Council executed a lease with the Lafayette Consolidated Government to begin upon occupation of a newly constructed facility. The lease period is ten years with the right to renew for three consecutive periods of five years each. Under the agreement, the Council will pay rent at the rate of \$100 per year, as well as be responsible for payment of all insurance and maintenance, including roof, heating and cooling and elevator systems. The rental payments will represent a discounted price, however, the value of the donated facilities is not readily determinable. The Council did not occupy the building during the year June 30, 2004.

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

Board of Directors  
Acadiana Arts Council, Inc.  
Lafayette, Louisiana

We have audited the financial statements of Acadiana Arts Council, Inc. as of and for the year ended June 30, 2004, and have issued our report thereon dated December 16, 2004. We conducted our audit in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Acadiana Arts Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Acadiana Arts Council, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited 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 over financial reporting and its operation that we consider to be material weaknesses.



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

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

December 16, 2004

ACADIANA ARTS COUNCIL, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004

We have audited the financial statements of the Acadiana Arts Council, Inc. as of and for the year ended June 30, 2004, and have issued our report thereon dated December 16, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements of June 30, 2004 resulted in an unqualified opinion.

**Section I – Summary of Auditors’ Reports**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control		
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable Conditions	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Compliance		
Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs.**

This section is not applicable for the year ended June 30, 2004.

**ACADIANA ARTS COUNCIL, INC.**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004**

**PART I: FINANCIAL STATEMENT FINDINGS**

There were no prior year findings.