

**VSA ARTS OF LOUISIANA, INC
INDEPENDENT ACCOUNTANT'S
COMPILATION AND ATTESTATION REPORT
ON THE STATE FUNDED PROGRAM**

For the Fiscal 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 Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-23-05

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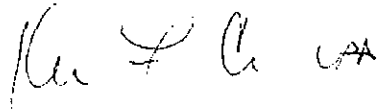
To The Governing Board of
VSA Arts of Louisiana, Inc
Baton Rouge, Louisiana

We have compiled the accompanying Statement of Cash Funding and Disbursements of VSA Arts of Louisiana, Inc program grant from the Louisiana Department of Education for the fiscal year ended June 30, 2004, 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. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the entity's financial position, results of operations and changes in cash flow. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,



Kevin F. Caire
Certified Public Accountant
November 30, 2004

VSA ARTS OF LOUISIANA, INC.
(FORMERLY VERY SPECIAL ARTS/LOUISIANA, INC.)
STATE FUNDED PROGRAM
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>PGM YR</u> <u>02/03</u>	<u>PGM YR</u> <u>03/04</u>	<u>FYE 6/30/04</u> <u>TOTAL</u>
Fund Balance - July 1, 2003	\$ 1,056	\$ 0	\$ 1,056
Funding Received - Current Fiscal Year			
Louisiana Department of Education - Grant Funding	83,800	100,000	183,800
Other Grant Funding	0	0	0
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
Total Funding Received - Current Fiscal Year	<u>83,800</u>	<u>100,000</u>	<u>183,800</u>
Total Funding Available	<u>84,856</u>	<u>100,000</u>	<u>184,856</u>
Cash Disbursements - Current Fiscal Year			
Program Costs			
Blues In the Schools	2,440	7,622	10,062
Festival	3,000	2,400	5,400
Artist-In-The-Classroom	44,458	33,865	78,323
School to Work Project	5,000	5,000	10,000
Start with the Arts	0	5,000	5,000
Summer Arts Camps	0	11,607	11,607
Summer Arts Institutes	9,261	9,926	19,187
Urban-Taking Notice/Cultural Access	0	4,958	4,958
Consultants	9,500	12,600	22,100
Other including Materials & Supplies	<u>0</u>	<u>1,035</u>	<u>1,035</u>
Total Program Costs	73,659	94,013	167,672
Other Expenses			
Travel	1,150	1,133	2,283
Administrative	2,000	0	2,000
Equipment	0	2,474	2,474
Office Supplies and Expenses	0	872	872
Professional Fees	2,000	0	2,000
Funding Returned	<u>6,004</u>	<u>0</u>	<u>6,004</u>
Total Cash Disbursements - Current Fiscal Year	<u>84,813</u>	<u>98,492</u>	<u>183,305</u>
Fund Balance - June 30, 2004	<u>\$ 43</u>	<u>\$ 1,508</u>	<u>\$ 1,551</u>

See Accountant's compilation letter
The accompanying notes are an integral part of this financial statement

**VSA ARTS OF LOUISIANA, INC.
(FORMERLY VERY SPECIAL ARTS/LOUISIANA, INC.)
STATE FUNDED PROGRAM**

**SCHEDULE 1
JULY 1, 2004 TO JULY 15, 2004**

(See Note 4)

	PGM YR 02/03	PGM YR 03/04	TOTAL
Fund Balance - July 1, 2004	\$ 43	\$ 1,508	\$ 1,551
Remaining Funding Received			
Louisiana Department of Education - Grant Funding	0	0	0
Other Grant Funding	0	0	0
Total Funding Received - After 6/30/03	0	0	0
Remaining Funding Available	43	1,508	1,551
Less Cash Disbursements - After 6/30/03			
Program Costs			
Blues In the Schools	0	0	0
Festival	0	0	0
Artist-In-The-Classroom	0	0	0
School to Work Project	0	0	0
Summer Arts Institutes	0	0	0
Consultants	0	(1,000)	(1,000)
Other including Materials & Supplies	0	0	0
Total Program Costs	0	(1,000)	(1,000)
Other Expenses			
Travel	0	455	455
Administrative	0	0	0
Professional Fees	0	2,000	2,000
Funding Returned	0	53	53
Total Cash Disbursements - After 6/30/03	0	1,508	1,508
Fund Balance - July 15, 2004	\$ 43	\$ 0	\$ 43

See Accountant's compilation letter
The accompanying notes are an integral part of this financial statement

VSA ARTS OF LOUISIANA, INC
STATE FUNDED PROGRAM
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Twelve Months Ended June 30, 2004

1) Summary of Program

VSA Arts of Louisiana, Inc was funded by a \$100,000 grant for both fiscal year 2003 and 2004 from the State of Louisiana Department of Education for the expansion of the Very Special Arts Programs statewide providing additional arts experiences to students with disabilities and exceptionalities. Included are art-based programs in creative writing, dance, drama, music and the visual arts implemented through a parish network throughout the State of Louisiana. VSA Arts of Louisiana's programs consist of Artist-in-the-Classroom, Summer Art Institutes for teachers, Start with the Arts, Art-To-Work and Art Exhibits. Very Special Arts programs are organized on the state and local level in collaboration with schools, hospitals, recreation facilities, and other community organizations.

2) Basis of Presentation

The accompanying statement of cash receipts and disbursements is a summary of cash activity of VSA Arts of Louisiana, Inc for the state funded grant. This financial statement does not present transactions that would be included in financial statements presented on the accrual basis of accounting, as contemplated by generally accepted accounting principles. Revenue and support are reported when received, and expenses are reported when paid. Grants received and expenses after this statement date were received/paid within a reasonable period of time after statement date and are shown on Schedule 1.

3) Board of Directors - Compensation & Per Diem

No compensation or per diem expenses were paid to any board member from this program.

4) Carry Over Funding/Additional Activity/Fund Balance

There was a balance of funds from a previous program year received in this fiscal year. For the current program year, expenditures were made after the fiscal year ended. Schedule 1 is provided to report the remaining financial activity for these programs after the end of this fiscal year. All programs were closed as of July 31, 2004. Due to a recording error, the program year 02/03 still has a remaining excess of \$43.00.

5) Outside Services/Consultants

VSA Arts of Louisiana Inc contracts with two administrative consultants to administer and oversee the programs. These amounts are reported in Consultant Expenses and totaled \$9,000.00 for the fiscal year.

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Management of VSA Arts of Louisiana, Inc:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of VSA Arts of Louisiana, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about VSA Arts of Louisiana, Inc. 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, 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.

Federal, State, and Local Awards

1. Determine the amount of only the state award expenditures for the fiscal year, by grant and grant year. Federal awards were not included in this engagement.
2. For each state award, we 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 item selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We 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, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the president.

6. For the items selected in procedure 2: We determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. All the disbursements were in compliance.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. All disbursements were in compliance.

Reporting

We reviewed the previously listed disbursements for reporting requirements. All disbursements were in compliance.

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

Meetings

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

VSA Arts of Louisiana, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of the VSA Arts of Louisiana, Inc. office. 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 state grantor agency/agencies 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.

VSA Arts of Louisiana, Inc. 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.

Prior Comments and Recommendations

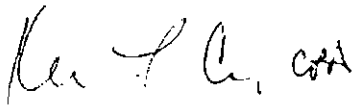
10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

which such matters have been resolved.

There were no prior-year findings.

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 VSA Arts of Louisiana, Inc., 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.



November 30, 2004



**2758-D Brightside Lane
Baton Rouge, LA 70820
Voice/ Fax: 225-761-4243**

November 5, 2004

Kevin F. Caire
Certified Public Accountant
8658 Quarters Lake Road
Baton Rouge, LA 70809

Dear Mr. Caire:

In connection with your compilation of our financial statements as of June 30, 2004 and for the year 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 11/11/04.

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 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 purposes 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 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 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.

Secretary	<u>Pamela B. Ross</u>	Date	10/15/04
Treasurer	<u>Andy P. Zivins</u>	Date	11/15/04
President	<u>Deborah A. Lynch</u>	Date	11/15/04

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MANAGEMENT LETTER

To The Governing Board of
VSA Arts of Louisiana, Inc
Baton Rouge, Louisiana

This letter is issued to inform management of compliance issues that arise during our engagement to compile your statements for the fiscal year ending June 30, 2004. There were no compliance issues encountered during the engagement. However, the accounting data did not include balances from the prior program year, and the bank reconciliation was not complete as it did not include outstanding items from the prior program period.

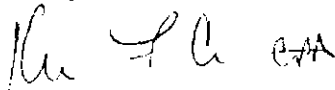
You need to maintain one bank account that continues from program year to program year – unless you actually open a separate account. There are items still outstanding from the 02/03 program year that is not included in your current data file. We are providing you separately a listing of two checks that remain outstanding from the 02/03 program year. You should research your records and reissue the checks or reimburse the grantor.

There remains an excess of \$43.00 from the 02/03 program year. You should reimburse these funds to the grantor agency per the grant agreement. The excess is due to the fact that an expenditure was issued for an amount different than the amount recorded on the books.

These items would be timely discovered with a proper bank reconciliation that includes verification against both the bank statement and general ledger.

A copy of this letter is being forwarded with the report to the Legislative Auditor as required by law. If you have any questions, please do not hesitate to contact us to discuss.

Sincerely,



Kevin F. Caire, CPA
November 30, 2004



**2758-D Brightside Lane
Baton Rouge, LA 70820
Voice/ Fax: 225-761-4243**

February 1, 2005

Mr. Kevin F. Caire
Certified Public Accountant
8658 Quarters Lake Road
Baton Rouge, LA 70809

Re: Management Response of Corrective Action
Compilation – Fiscal Year ended June 30, 2004

Dear Mr. Caire:

Based on the issues stated in your management letter dated November 30, 2004, this letter is to advise you that corrective action has been taken to address those issues. Mainly, we have begun maintaining one complete set of books in a Quickbooks datafile that we will continue forward. We have properly separated the bank accounts and put in the missing detail. These procedures will eliminate all issues addressed in your letter.

We are also in the process of reconciling the bank accounts using the Quickbooks automated feature per your instructions. We are researching the unreconciled items and will promptly replace any items that have been lost. We will also remit the excess balance (\$43.00) from the prior program year to the state.

Sincerely,

A handwritten signature in cursive script, appearing to read "Everett G. Parker", with a long horizontal flourish extending to the right.

Everett G. Parker
Executive Director