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**Arna Bontemps Foundation, Inc.
Audited Financial Statements**

July 31, 1997

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Release Date 7-1-98

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Arna Bontemps Foundation, Inc.
Alexandria, Louisiana

We have audited the accompanying statement of financial position of Arna Bontemps Foundation, Inc. as of July 31, 1997, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the corporation'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. 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 Arna Bontemps Foundation, Inc. as of July 31, 1997, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.


OESTRIECHER & COMPANY
January 17, 1998



Financial Statements

**Arna Bontemps Foundation, Inc.
Statement of Financial Position**

July 31, 1997

Assets

Current assets:

Cash	\$ 44,244
Supplies on hand	<u>475</u>
Total current assets	44,719
Property, Plant, and Equipment, net	<u>193,846</u>
Total assets	<u>\$ 238,565</u>

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 1,106
Payroll taxes payable	<u>167</u>
Total current liabilities	<u>1,273</u>
Net assets	
Unrestricted	213,883
Temporarily restricted	20,000
Permanently restricted	<u>3,409</u>
Total net assets	<u>237,292</u>
Total liabilities and net assets	<u>\$ 238,565</u>

Arna Bontemps Foundation, Inc.
Statement of Activities
For the Year Ended July 31, 1997

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Revenue and support:			
Grants	\$ -0-	\$ 82,811	-0-
Jazz festival revenues	6,237	-0-	-0-
Gifts	1,978	-0-	-0-
Quiz bowl	1,528	-0-	-0-
Dues	1,325	-0-	-0-
Gift shop sales	1,882	-0-	-0-
Interest	125	-0-	-0-
Other revenues	1,040	-0-	-0-
Donated assets	-0-	-0-	3,409
Net assets released from restrictions	<u>62,811</u>	<u>(62,811)</u>	<u>-0-</u>
Total revenue and support	<u>76,926</u>	<u>20,000</u>	<u>3,409</u>
Expenditures-museum:			
Salaries	15,415	-0-	-0-
Consultants	100	-0-	-0-
Artists	7,000	-0-	-0-
Alarm system	240	-0-	-0-
Dues and subscriptions	1,251	-0-	-0-
Gifts	1,265	-0-	-0-
Gift shop merchandise	979	-0-	-0-
Insurance	2,167	-0-	-0-
Repairs and maintenance	3,712	-0-	-0-
Meetings	1,956	-0-	-0-
Penalties	380	-0-	-0-
Depreciation	14,588	-0-	-0-
Professional fees	7,166	-0-	-0-
Contract labor	2,588	-0-	-0-
Program services	3,344	-0-	-0-
Supplies	4,090	-0-	-0-
Employee benefits	1,717	-0-	-0-
Travel	1,002	-0-	-0-
Telephone	1,692	-0-	-0-
Utilities	3,605	-0-	-0-
Miscellaneous	1,047	-0-	-0-
Postage	644	-0-	-0-
Printing	<u>1,639</u>	<u>-0-</u>	<u>-0-</u>
Total expenses	<u>\$ 77,587</u>	<u>-0-</u>	<u>-0-</u>

**Arna Bontemps Foundation, Inc.
Statement of Activities (continued)**

For the Year Ended July 31, 1997

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Total expenses	\$ <u>77,587</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Change in net assets	(661)	20,000	3,409
Net assets, beginning	<u>214,544</u>	<u>-0-</u>	<u>-0-</u>
Net assets, ending	<u>\$ 213,883</u>	<u>\$ 20,000</u>	<u>\$ 3,409</u>

Arna Bontemps Foundation, Inc.
Statement of Cash Flows
For the Year Ended July 31, 1997

Cash flows from operating activities

Increase in net assets		\$ 22,748
 <i>Adjustments to reconcile increase in net assets to cash provided by operating activities</i>		
Depreciation expense	\$ 14,588	
Increase in accrued liabilities	167	
Increase in accounts payable	1,106	
Decrease in accrued revenues	(31,686)	
Contributions restricted for long-term use by the organization	<u>(3,409)</u>	
Net adjustments		<u>(19,234)</u>
Net cash provided by operating activities		3,514
 <u>Net cash used by investing activities</u>		
Purchase of fixed assets		<u>(10,061)</u>
Net decrease in cash		(6,547)
Cash, beginning of year		<u>50,791</u>
Cash, end of year		<u>\$ 44,244</u>

Supplementary Information

Interest paid		\$ -0-
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Arna Bontemps Foundation, Inc.
Notes to Financial Statements
July 31, 1997

Note 1. Summary of Significant Accounting Policies

Nature of Organization

An organization of dedicated community members joined together and formed the Arna Bontemps Foundation, Inc. (ABF). Its purpose was to uplift the Central Louisiana area and create awareness while extolling the literary talents of Arna Bontemps, a native of Alexandria, Louisiana and one of the most prolific American writers in modern times. A museum resulted that showcases the talents of Mr. Bontemps as well as others who have accomplished great artistic and historic works to the general community to serve as models to those who visit the museum. The museum primarily showcases the work of African Americans, and delivers artistic, historical, and educational programs to the Central Louisiana area. The historical significance of the museum is enhanced by being the preserved former home of Arna Bontemps. It is open to the general public.

ABF provides exposure to career opportunities and cultural advancement to low and moderate income youth through literary, dramatic, and artistic training. ABF displays artifacts, memorabilia, and works of Arna Bontemps and many of his contemporaries as well as works and accomplishments of other Louisianians in the field of science, humanities, education, and sports. Inductees from these areas are displayed in the ABF Hall of Fame, maintained on the premises. Through its Junior Writers Guild ABF offers one on one training and workshops for interested and qualifying persons.

Financial Statement Presentation

The organization has adopted FAS-117 "Financial Statement of Not-for-Profit Organizations". Under FAS-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. Management has determined that ABF does not meet the definition of a "Voluntary Health and Welfare Organization" and is therefore not required to present a statement of functional expenses.

Contributions

The organization has adopted FAS-116 "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose of restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as unrestricted.

Arna Bontemps Foundation, Inc.
Notes to Financial Statements
July 31, 1997

Method of accounting

The financial statements of the organization have been prepared on the accrual basis in accordance with generally accepted accounting principles.

Property and equipment

Fixed assets are recorded at cost or fair market value at the time of donation and are depreciated over their estimated useful lives using the straight-line method.

Contributions

Contributions are recognized as revenue in the period received. All contributions are available for unrestricted use unless specifically restricted by the donor.

Cash equivalents

Cash equivalents consist of demand deposit accounts that are available for use in current operations.

Income taxes

The organization is exempt from taxes under Internal Revenue Code Section 501(c)(3), therefore no provision for taxes is recorded.

Use of estimates

The organization uses estimates and assumptions in preparing the financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses.

Arna Bontemps Foundation, Inc.
Notes to Financial Statements
July 31, 1997

Note 2. Fixed assets

The fixed assets and accumulated depreciation of the organization are as follows:

Land improvements	\$ 14,414
Building and improvements	167,846
Furniture and fixtures	28,659
Equipment	<u>61,265</u>
Total fixed assets	272,184
Less: accumulated depreciation	<u>(78,338)</u>
Net fixed assets	<u>\$ 193,846</u>

Depreciation expense for the period is \$ 14,588.

Note 3. Concentrations

The revenues and support of ABF is dependent on agencies and individuals in the Central Louisiana area.

Note 4. Temporarily Restricted Net Assets

The temporarily restricted net assets of ABF are contributions and grants with donor imposed restrictions. These restrictions are removed when ABF expends the donated funds for the purpose specified.