

7091

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

FINANCIAL REPORT

(Compiled)

June 30, 2008

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 12/24/08

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
River Road African American Museum & Gallery
Donaldsonville, Louisiana

We have compiled the accompanying statement of assets and net assets - modified cash basis of **RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY** (a nonprofit organization) as of June 30, 2008, and the related statement of revenues, expenses and net assets - modified cash basis 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. 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.

The Schedule of Functional Expenses on page 7 is not a required part of the basic financial statement but is supplementary information. We have compiled the Schedule of Functional Expenses from information that is the representation of management of the organization without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
December 5, 2008

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

STATEMENT OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS

June 30, 2008

(See Independent Accountants' Compilation Report)

ASSETS

CURRENT

Cash and cash equivalents \$ 111,253

OTHER ASSETS

Artifacts 15,571

Design plan 12,226

PROPERTY - net of accumulated depreciation 111,156

Total assets \$ 250,206

NET ASSETS

NET ASSETS - UNRESTRICTED \$ 250,206

The accompanying notes to the financial statements
are an integral part of this statement.

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

STATEMENT OF REVENUES, EXPENSES AND NET ASSETS - MODIFIED CASH BASIS

For the year ended June 30, 2008

(See Independent Accountants' Compilation Report)

REVENUES AND SUPPORT

Contributions and grants	\$ 155,067
Fundraising	12,733
Tours	5,264
Membership and board dues	1,040
Interest	<u>1,715</u>
 Total revenues and support	 <u>175,818</u>

EXPENSES

Program services	116,215
Administrative	42,820
Fundraising	<u>33,443</u>
 Total expenses	 <u>192,477</u>
 Decrease in net assets	 (16,659)

NET ASSETS

Beginning of year	<u>266,865</u>
 End of year	 <u>\$ 250,206</u>

The accompanying notes to the financial statements
are an integral part of this statement.

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS

(See Independent Accountants' Compilation Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

River Road African American Museum & Gallery (Museum) is a non-profit corporation within the meaning of Section 501(c)(3) of the Internal Revenue Code. The purpose of the Museum is to collect and preserve art, artifacts and buildings for the purpose of promoting education about African American history and culture in the United States and Louisiana.

Basis of accounting

The Museum prepares its financial statements on the modified cash basis of accounting but includes depreciation of capitalized assets. Under this basis, revenues are recognized when received rather than when earned, and expenses are recognized when cash is disbursed rather than when the obligation is incurred.

The Museum reports 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. The Museum does not have any temporarily restricted or permanently restricted net assets.

The statement of activities presents expenses of the Museum's operations functionally between program service, administrative and fundraising.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts and related disclosures of the financial statements. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation in these financial statements.

Revenue

The Museum is primarily funded by contributions and grant proceeds from governmental sources. Since the Museum derives a significant portion of its revenues from governmental sources (85%), the loss of such funding would have a material adverse affect on the organization. Supplementary funding is provided by fundraising activities.

The Museum primarily receives support from contributors that are in Ascension Parish.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

The Museum considers cash in bank accounts as cash. Cash equivalents include investments with original maturities of three months or less. The Museum typically maintains cash at a local bank that may, at times, exceed the FDIC limits. Management believes the risk is limited.

Equipment and depreciation

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

Advertising

The Museum incurred \$9,985 in advertising costs during the year ended June 30, 2008. The Museum expenses advertising costs as incurred.

Volunteer services

A substantial number of unpaid volunteers have made a significant contribution of service to develop the Museum's programs, principally in fund raising activities, educational projects, operations, and board participation. The value of these services is not reflected in these statements since there is no objective basis for measurement or valuation.

Income tax status

The Museum qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - PROPERTY

A summary of property, related service lives, and accumulated depreciation at June 30, 2008 is as follows:

<u>Equipment</u>	<u>Estimated Service Life</u>	
Land	-	\$ 25,635
Buildings	-	60,801
Construction in progress	-	25,598
Furniture and equipment	5 years	4,210
Research library	5 years	<u>731</u>
		116,975
Less accumulated depreciation		<u>(5,819)</u>
Property, net of accumulated depreciation		<u>\$ 111,156</u>

Depreciation expense was \$300 for the year ended June 30, 2008. The buildings owned by the Museum have not been placed in service and are currently idle property. As such, no depreciation has been recorded on this property. The building that houses the museum is being leased. See Note 3.

NOTE 3 - LEASES

The Museum leases a building for museum space under a 25 year tenant/landlord lease with the City of Donaldsonville. The lease is for \$1 per year through 2028. Additionally, the Museum also leases land from the City where a historic building owned by the Museum is maintained. The lease is for \$1 per year through 2023.

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2008

(See Independent Accountants' Compilation Report)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Totals 2008</u>
Program	\$ 28,004	\$ -	\$ 28,004	\$ 56,009
Salaries	22,433	3,739	3,739	29,911
Grants	23,953	-	-	23,953
Professional fees	-	14,833	-	14,833
Repairs	10,107	-	-	10,107
Advertising	4,993	4,993	-	9,985
Supplies	4,716	4,716	-	9,433
Payroll taxes	6,162	1,027	1,027	8,216
Telephone	4,445	1,482	-	5,926
Education	-	5,319	-	5,319
Utilities	3,761	1,254	-	5,015
Employee benefits	2,925	488	488	3,900
Travel	3,170	-	-	3,170
Insurance	-	2,403	-	2,403
Bank service charges	-	1,510	-	1,510
Printing and publications	570	570	-	1,139
Dues and subscriptions	976	-	-	976
Postage and shipping	-	186	186	372
Depreciation	-	300	-	300
Total expenses	<u>\$ 116,215</u>	<u>\$ 42,820</u>	<u>\$ 33,443</u>	<u>\$ 192,477</u>