

**OUACHITA AFRICAN-AMERICAN  
HISTORICAL SOCIETY, INC.**

**MONROE, LA**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

**BY**

**JIMMIE SELF, CPA**

***A PROFESSIONAL ACCOUNTING CORPORATION***

**2908 CAMERON STREET, SUITE – C**

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# OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.

MONROE, LA

## FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2011

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*A PROFESSIONAL ACCOUNTING CORPORATION*  
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Monroe, Louisiana 71201  
Phone (318) 323-4656 Fax (318) 388-0724

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors of  
Ouachita African-American Historical Society, Inc.  
Monroe, LA

I have audited the accompanying statement of financial position of Ouachita African-American Historical Society, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 Controller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ouachita African-American Historical Society, Inc., as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated June 27, 2012, on my consideration of the Society's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 17 is presented for purposes of

additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole .

A handwritten signature in cursive script that reads "Jimmie Self, CPA".

Jimmie Self, CPA  
Monroe, Louisiana  
June 27, 2012

Financial Statements

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**  
**Statement of Financial Position**  
**December 31, 2011**

**EXHIBIT A**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 734
Grants Receivable	41,263
Total Current Assets	<u>41,997</u>

Property and Equipment:

Furniture and Equipmen	6,796
Arts, Artifacts, and Other Exhibits	16,390
Museum Building	2,844,173
Accumulated Depreciation	<u>(38,398)</u>
Total Property and Equipment	<u>2,828,961</u>

Total Assets	<u>\$ 2,870,958</u>
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**Liabilities and Net Assets**

Current Liabilities:

Accrued Liabilities	\$ 66,960
Payroll Liabilitaies	<u>85</u>
Total Current Liabilities/Total Liabilities	<u>67,045</u>

Net Assets:

Unrestricted Net Assets	<u>(25,048)</u>
Total Unrestricted Net Assets	<u>(25,048)</u>

Restricted Investment in Fixed Assets	<u>2,828,961</u>
Total Restricted Net Assets	<u>(25,048)</u>
Total Net Assets	<u>2,803,913</u>
Total Liabilities and Net Assets	<u>\$ 2,870,958</u>

See accompanying notes to financial statements

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**  
**Statement of Activities**  
**For the Year Ended December 31, 2011**

**EXHIBIT B**

**UNRESTRICTED NET ASSETS**

Support:

Contributions	\$ 175
Fundraising	16,189
Membership Dues	265
Other Revenue	127
<b>TOTAL UNRESTRICTED SUPPORT</b>	<u>16,756</u>

**Net Assets Released from Restrictions**

Restrictions Satisfied by Payments	<u>1,680,244</u>
<b>TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION</b>	<u>1,697,000</u>

**Expenses**

Program Expense	<u>90,667</u>
Total Expenses	<u>90,667</u>
Change in Unrestricted Net Assets	<u>1,606,333</u>

**TEMPORARILY RESTRICTED NET ASSETS**

Grants	
Local	225,801
State	1,454,443
Net Assets Released from Restrictions:	
Restrictions satisfied by payments	<u>(1,680,244)</u>
Change in Temporarily Restricted Net Assets	<u>1,606,333</u>
Change in Net Assets	1,606,333
Net Assets as of Beginning of Year	1,197,580
Net Assets as of End of Year	<u><u>\$ 2,803,913</u></u>

See accompanying notes to financial statements.

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year ended December 31, 2011**

**EXHIBIT C**

**Operating Activities**

Change in Net Assets	\$ 1,606,333
Adjustments to Reconcile change in Net Assets to	
Net Cash Provided by Operating Activities:	
Provision for Depreciation	38,398
Decrease in Receivables	196,647
Decrease in Accounts Payable/Accrued Liabilities	<u>(170,663)</u>
Total Adjustments	<u>64,382</u>
Net Cash Provided by Operating Activities	<u>1,670,715</u>

**Investing Activities**

Cash Paid for Construction in Progress	<u>(1,683,935)</u>
Net Cash Used by Investing Activities	<u>(1,683,935)</u>

Net Decrease in Cash (13,220)

Cash as of Beginning of Year 13,954

Cash as of End of Year \$ 734

See accompanying notes to financial statements.

## Notes to Financial Statements

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**  
**Monroe, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2011**

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**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Ouachita African-American Historical Society, Inc. is a private non-profit organization domiciled in the State of Louisiana at Monroe. The Society was chartered by the State of Louisiana on February 3, 1994. The Society is recognized as a tax-exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code, and is exempt from federal and state income taxes. The Society is formed for the purposes of preserving and increasing the availability of resources for research, study, and education about African-Americans; planning and implementing the preservation of programs and projects in education, religion, business, politics, civil rights, fine arts, health and medicine, sports, and youth; and providing the opportunity for educational growth and cultural awareness and development in the community. The Society seeks to provide a permanent exhibition on African-American heritage in Ouachita Parish by making historical information and artifacts available for public use. The Society is governed by a Board of Directors consisting of eighteen (18) members. The board members receive no compensation

**Basis of Presentation**

The Organization followed provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

**Public Support and Revenue**

Revenue and public support consists mainly of state, and local grants, fundraising, and contributions. Grants and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions received are considered to be unrestricted unless restricted by the donor and are recorded as unrestricted contributions.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**  
**Monroe, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2011**

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**Property and Equipment**

Capital assets of the Society are recorded at cost and depreciated over their useful lives. Donated assets are recorded at fair market value.

**Financial Statement Presentation**

The Society 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.

**Investments**

There are no investments.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Society considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Total Columns**

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations, and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable

**NOTE 2. CASH AND CASH EQUIVALENTS**

Cash at December 31, 2011, consisted of the following:

Cash and Cash Equivalents	\$ 734
TOTAL	<u>\$ 734</u>

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**  
**Monroe, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2011**

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**NOTE 3. PROPERTY AND EQUIPMENT**

A summary of changes in general fixed assets for the year ended December 31, 2011 is as follows:

January 1, 2011	\$ 1,183,423
Additions	1,683,936
Depreciation	<u>(38,398)</u>
December 31, 2011	<u>\$2,828,961</u>

**NOTE 4. 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.

**NOTE 5. PENSION PLAN**

The Society does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. All employees of the Society are members of the Social Security System. In addition to the employees' contribution of 7.65 percent, the agency contributes an equal amount to the Social Security System. The Society does not guarantee the benefits granted by the Social Security System.

**NOTE 6. ACCRUED LIABILITIES**

At December 31, 2011, the Society had accrued liabilities totaling \$67,045

**NOTE 7. INTERFUND TRANSACTIONS**

The Society maintained the following funds for the period ending December 31, 2011:

General Fund

All assets over which the Board of Commissioners has discretionary control have been included in the general fund.

State Grant Capital Projects Fund

The State Grant Capital Projects Fund is used to account for all assets that are restricted for special projects and programs of the museum.

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**  
**Monroe, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2011**

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Convention and Tourism Bureau Fund

The Convention and Tourism Bureau Fund is used to account for all assets that are restricted for special projects and programs of the museum.

**NOTE 8. RISK MANAGEMENT**

The Society is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets, and injuries to employees. To handle such risk of loss, the Society carries insurance coverage with HTB Small Museum Insurance Program, Huntington T. Block Insurance Agency, Inc. The policy covers property, liability, crime and fidelity, employee liability, and others. No claims have been paid on any of the policies during the past three years that exceeds the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2011.

**NOTE 9. SUBSEQUENT EVENTS**

Subsequent events were evaluated by management up to and including the issue date of this report, June 27, 2012. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2011.

**NOTE 10. COMMITMENTS**

In 1994, the Society entered into a cooperative endeavor with the State of Louisiana Office of Facility Planning and Control of the Division of Administration for the construction of a new museum, which is located in Chennault Park of Monroe, Louisiana, at 1051 Chennault Park Drive in 2011. The new museum will be utilized to provide the diverse Northeast Louisiana with opportunity to engage in reciprocal cultural events, to ensure that the history and contributions of African-Americans are accurately explicated, and to build unity between different cultural groups. The total project cost \$2,844,173. The balance remaining in the contract of payments is \$ 0. The museum was completed in September, 2011.

## Supplementary Information

**OUACHITA AFRICAN-AMERICAN HISTORICAL  
SOCIETY, INC.**

Schedule of Compensation Paid to the Members of the Board of Directors  
For the Year Ended December 31, 2011



The members of the board of directors are listed on the following page titled  
“2010-2011 Board of Directors.”

The members of the Board of Directors as listed on the following page do not receive  
any compensation from the Society.

# 2010 – 2011

## Board of Directors

Mrs. Addie Bolton  
911 Second Street  
Winnsboro, LA 71295  
(318) 435-4615  
Non-Profit Director

Mrs. Emma Jones  
1202 Crescent Drive  
Monroe, LA 71202  
(318) 325-8897  
(318) 381-4213  
Educator  
**Secretary/Treasurer**

Ms. Joyce Powell  
P. O. Box 9233  
Monroe, LA 71211-9233  
(318) 387-7565  
Educator/Librarian  
**Assistant Secretary**

Ms. Terrie Wright  
449 Birchwood Drive  
Monroe, LA 71201  
(318) 323-0073  
(318) 512-5872  
Director of AM Library

Mrs. Lakeisha Bosworth  
49 Magnolia Drive  
Monroe, LA 71203  
(318) 345-2130  
Educator  
**President**

Mrs. Vivian Hester  
2927 Jackson Street  
Monroe, LA 71202  
(318) 322-4574  
Retired Director NPO

Mr. Kenny Menyweather  
609 Oregon Trail  
Monroe, LA 71202  
(318) 323-8399  
(318) 680-8014  
MC Captain Fire Fighter  
Respiratory Technician  
**Financial Secretary**

Mrs. Lorraine Slacks  
801 Jason Drive  
Monroe, LA 71202  
(318) 387-2914  
Retired Educator  
**Executive Director of AAM**

Mr. Ross Slacks  
311 King Oaks Drive  
Monroe, LA 71202  
(318) 235-7090  
Museum Representative

Mrs. Nora Brown  
2114 Weaver Circle  
Monroe, LA 71202  
(318) 387-0828  
Retired Educator

Rev. James B. Johnson  
P. O. Box 28  
Monroe, LA 71210-028  
(318) 387-5567  
(318) 547-5827  
Retired Educator and Minister

Mrs. Clara Morrison  
118 Sunflower Lane  
Ferriday, LA 71334  
(318) 757-8708  
Non-Profit  
Administrator/Minister

Mrs. Josephine Webster  
411 Gillespie  
Vidalia, LA 71374  
(318) 336-8504  
(318) 336-4395  
(601) 870-8733  
Retired Educator  
Director of NPO

Jimmie Self, CPA  
A Professional Accounting Corporation  
2908 Cameron St, Suite C  
Monroe, LA 71201  
Phone (318)-323-4656 • Fax (318)388-0724

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

Board of Directors  
Ouachita African-American Historical Society, Inc  
Monroe, Louisiana

I have audited the financial statements of the Ouachita African-American Historical Society, Inc., (the Society), (a non profit organization) as of and for the year ended December 31, 2011, and have issued my report thereon dated June 27, 2011. I conducted my audit in accordance with 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.

Internal Control Over Financial Reporting

Management of Ouachita African-American Historical Society, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the Society's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Society's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, I identified a certain

deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses that I consider to be a significant deficiency in internal control over financial reporting, as item #2011-01. A *significant* deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Society's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items #2011-01. The Society's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. I did not audit the Society's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management of the Society, others within the Society, and the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Jimmie Self, CPA  
Monroe, Louisiana  
June 27, 2012

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**  
**Schedule of Functional Expenses**  
**For the Year Ended December 31, 2011**

Program Expense	
Personnel Costs:	
Salaries and Wages	\$ 1,575
Payroll Taxes and Other Fringe Benefits	120
Total Personnel Costs	<u>1,695</u>
Other Expenses:	
Advertisement	1,221
Awards	230
Bank Service Charges	367
Catering	1,938
Courtesies	481
Depreciation Expense	38,398
Dues and Subscriptions	205
Equipment Rental	303
Lawncare	1,545
Licenses & Permits	55
Office Supplies	2,664
Postage	426
Printing and Reproduction	3,467
Professional Fees	9,105
Rent	550
Repairs and Maintenance	2,541
Security	3,184
Supplies	2,683
Telephone	6,251
Travel	300
Utilities	13,058
Total Other Expenses	<u>88,972</u>
Total Functional Expense:	<u><u>\$ 90,667</u></u>

See accompanying notes to financial statements.

**OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC.**

**Monroe, Louisiana**

**SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended December 31, 2011

**Finding 2011-1**

CONDITION: Inadequate segregation of duties

CRITERIA: Duties should be distributed among employees.

CAUSE OF CONDITION: The staff consists of only one clerk.

EFFECT OF CONDITION: Internal control is weakened by the limited staff.

RECOMMENDATION: Hire more employees and redistribute duties.

CLIENT RESPONSE: Management has stated that new personnel have been added to satisfy the requirements of the new museum facility which opened its doors in September of 2011. There are also changes being made in the flow of managerial oversight over check writing approval and signatures. In addition to these changes, a Policies and Procedures Manual is being issued for the training, instruction, and guidance of all personnel, in compliance with the wishes of management and the Board of Directors.

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

For the Year Ended December 31, 2010

**Finding 2010-1**

CONDITION: No segregation of duties

CRITERIA: Duties should be distributed among employees.

CAUSE OF CONDITION: The staff consists of only one clerk.

EFFECT OF CONDITION: Internal control is weakened by the limited staff.

RECOMMENDATION: Hire more employees and redistribute duties.

CLIENT RESPONSE: Management concurs with the finding and recommendation. In those instances where duties cannot be fully segregated, mitigating or compensating controls will be established.

**Jimmie Self, CPA**  
*A Professional Accounting Corporation*  
2908 Cameron Street, Suite C  
Monroe, Louisiana 71201  
Phone (318) 323-4656 Fax (318) 388-0724

**SUMMARY SCHEDULE OF FINDINGS AND**  
**RESPONSES**

For the Year Ended December 31, 2011

I have audited the financial statements of OUACHITA AFRICAN-AMERICAN HISTORICAL SOCIETY, INC. and have issued my report dated June 27, 2011. My audit of the financial statements resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses  yes  no    Control Deficiency  yes  no

Compliance

Compliance material to Financial Statements  yes  no