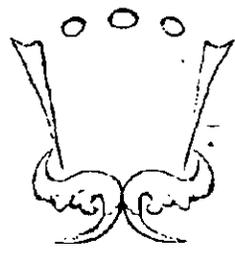


ARNA BONTEMPS FOUNDATION, INC.



Financial Statements

And

Single Audit Reports

For the year ended July 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

Donald L. Allen
~~9-18-96~~
~~Release Date~~
Certified Public Accountant

7739 Highway One South
Alexandria LA. 71302



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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
ARNA BONTEMPS FOUNDATION, INC.
Alexandria, LA

I have audited the accompanying balance sheet of Arna Bontemps Foundation, Inc. (a nonprofit organization) as of July 31, 1996, and the related statements of support and revenue, expenditures and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Organization's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. 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 Arna Bontemps Foundation, Inc. as of July 31, 1996 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Donald L. Allen

Alexandria, LA
September 9, 1996

ARNA BONTEMPS FOUNDATION, INC.

Statement of Position
For the year ended July 31, 1996

ASSETS

Cash and Equivalents (See Note 1)		
General Operations Grant (Note 5)	\$20,000	
Specified Grants Account (Note 5)	11,686	
Other Cash (Note 1)	<u>19,105</u>	
Total Cash on Hand		<u>50,791</u>
Land Improvements	-	14,414
Buildings and Improvements (Note 2)	163,133	
Less: (Accumulated Depreciation)	(27,787)	
Furniture and Fixtures (Note 2)	27,111	
Less: (Accumulated Depreciation)	(14,339)	
Office Equipment (Note 2)	57,463	
Less: (Accumulated Depreciation)	(21,624)	
Inventory of Supplies (Note 2)	<u>477</u>	
Net fixed Assets		<u>198,848</u>
TOTAL ASSETS		\$ <u>249,639</u>

LIABILITIES AND NET ASSETS

Unused Grant Balances-Deferred(Note 3)	\$31,686	
Assets on Loan (Note 4)	<u>3,409</u>	
Total Liabilities		<u>35,095</u>
Net Assets		<u>214,544</u>
TOTAL LIABILITIES AND NET ASSETS		\$ <u>249,639</u>

The accompanying notes to financial statements are an integral part of these financial statements

ARNA BONTEMPS FOUNDATION, INC.

Statement of Activities
For the year ended July 31, 1996

Support and Contributions

Grant (General Operations)(See Note 5)	\$ 50,000
Grants (Specified)(Note 5)	29,668
Jazz Festival Support	4,307
Gifts and Donations (Note 6)	1,941
Quiz Bowl	2,830
Membership Dues	1,225
Gift Shop Revenues (Note 7)	831
Earned Interest	<u>152</u>
Total Support and Revenues	90,954

Expenditures (See Functional Expenditures)

MONETARY (See Functional Expenditures)	<u>55,192</u>
NONMONETARY (Depreciations)	<u>15,439</u>
Total Expenditures	<u>70,631</u>

**EXCESS OF CONTRIBUTIONS & SUPPORTS OVER
EXPENDITURES** **\$ 20,323**

The accompanying notes to financial statements are an integral part of these financial statements

ARNA BONTEMPS FOUNDATION, INC.

Statement of Changes in Net Assets
For the year ended July 31, 1996

Beginning Net Assets	\$204,138
Net Residuals Committed to Deferred Accounts	
Total adjustments	<u>(9,917)</u>
Adjusted Net Assets	194,221
Excess of Contributions and Support Over Expenditures	<u>20,323</u>
Ending Net Assets	<u>\$214,544</u>

The accompanying notes to financial statements are an integral part of these financial statements

ARNA BONTEMPS FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENDITURES

For the year ended July 31, 1996

<u>DESCRIPTIONS</u>	<u>GENERAL OPERATIONS</u>	<u>SPECIFIED GRANTS</u>	<u>SUMMARY TOTALS</u>
Salaries	\$ 10,341	\$ 2,300	\$ 12,641
Consultants	960	2,500	3,460
Artists	708	6,863	7,571
Alarms/Cable	503	--	503
Administration of Grants	1,343	754	2,097
Dues & Subscriptions	150	1,150	1,300
Equipment *	1,062	1,100	2,162
Insurance	3,167	--	3,167
Maintenance/Repairs	3,080	--	3,080
Materials	474	701	1,175
Meetings	1,769	355	2,124
Professional Fees	2,708	--	2,708
Program Services	4,113	2,000	6,113
Supplies	1,195	412	1,607
Taxes & Fringe Benefits	1,323	--	1,323
Telephone	917	--	917
Utilities	<u>3,244</u>		<u>3,244</u>
TOTALS	\$ <u>37,057</u>	\$ <u>18,135</u>	\$ <u>55,192</u>

* Expendable

The accompanying notes to financial statements are an integral part of these financial statements

ARNA BONTEMPS FOUNDATION, INC.

Statement of Cash Flows
(Indirect)
For the year ended July 31, 1996

Cash Resources Generated from Operating Activities:

Excess of Support & Contributions Over Expenditures \$ 20,323

Adjustments to Reconcile Excess of Expenditures
over Supports and Contributions used by Operations:

Add Back:

Depreciation 15,439

Increase in Accounts Payable 5,316

Total Adjustments to Operations 20,755

Cash Resources Provided by Operating Activities 41,078

Net Financing type Activities

Cash Resources Used (9,917)

Net Cash Provided 31,161

Cash Balance, beginning of year 19,630

Cash Balance, end of year \$ 50,791

The accompanying notes to financial statements are an integral part of these financial statements

ARNA BONTEMPS FOUNDATION, INC.

Notes to Financial Statements
For the year ended July 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and background of the Organization

An organization of dedicated community members joined together in the immediate past and formed the Arna Bontemps Foundation, Inc. (ABF). Its chief 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 or any of its activities. The Museum, primarily showcases works by African-Americans, delivers artistic, historic and educational programs to the Central Louisiana area, so related. The historical significance of the Museum is enhanced by it being the "preserved", former home of Arna Bontemps. It is now open to all visitors to, and domiciled persons in the Central Louisiana, area.

Purpose and Operations

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 by other Louisianians in the fields of science, humanities, education and sports. Inductees from these areas are displayed in the ABF *HALL OF FAME*, maintained on the premises at Lower-Third and St. James Streets. Through its Junior Writers Guild, aided by donations, grants and contributions, ABF offers one-on-one training and workshops for interested Central Louisiana qualifying persons.

Summary of Significant Accounting Policies

The financial statements of ABF have been prepared on the modified-accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Cash and Equivalents

Refers to any monetary instrument drawn-on/subject-to ultimate negotiation and acceptance by the United States Treasury as tender of legal payment and resolution thereof. One account is maintained for General Operations of the Museum while the other, separate account, houses transactions and accounting for Specified Grants that require the reporting and dissolution of balances as reported at "Note 5." The second group is about smaller Grants that also houses the Governor's Office of Urban Affairs' Grant.

ABF is exempt from Federal Income Tax as an organization described in section 501 (c)(3) of the Internal Revenue Service Code.

NOTE 2- BUILDING IMPROVEMENTS, FIXTURES AND OTHER ASSETS

Buildings and Improvements

The buildings and improvements at ABF were completed by a sub recipient grant that is a pass-through from the City of Alexandria, Louisiana's Community Development Block Grant originally contracted @ **\$81,000**. When completed actual amount received was **\$80,803**. This Grant required a matching portion on the part of ABF in actual dollars and non monetary donations of capital service that were complied with by ABF, historically.

In subsequent fiscal years, additional improvements were made to the facility with **\$14,414** being allocated to non depreciable land improvements and **\$9,055** worth of improvements to the building and a significant portion being expended on a storage facility. These amounts were expensed and capitalized for record keeping purposes (substance over form).

The depreciation of the building takes place in a period of thirty (30) years, beginning in the year, 1992, on a straight-line basis, and is apportioned subject to other improvements, over the remaining years of its estimated duration as applicable for the entire allocation period. All improvements are enclosed within the remaining years of this duration and will be continued on this basis during coming years.

Furniture and Fixtures

This account category consists of basic furnishings in the Home (Museum) as well as artifacts, memorabilia, pictures and displays necessary to carry on the functions of ABF. These items were acquired by donations as well as purchase.

Depreciation, the "basket purchase type", is over a period of ten (10) years on the straight-line basis.

Office Equipment

Computers, copiers, typewriters and other office machines comprise items in this account. The depreciation policy for this account is exactly as furniture and fixtures, above. No additions were made during the current fiscal year even though amounts from the prior Governor's grant were expended from the equipment account as expendable equipment, supplies, materials and Program Services, completely.

Inventory of Supplies

No write-down or systematic rational allocation of this account is made. This amount, although made in the past serves as a model amount in much the same fashion as "ending inventory" on the balance sheet of a merchandising enterprise but is modified and constant.

NOTE 3 - UNUSED GRANT BALANCES-DEFERRED

Since ABF is on the modified accrual basis of accounting, and total Grant amounts have not been expended, the deferred (balances) portions are reported here. Of the \$50,000 Grant afforded ABF by the Mayor's Commission on Cultural Affairs by the City of Alexandria, Louisiana, **\$20,000** was received by ABF at near the close of its fiscal year and not been disbursed @ year-end. The balance in this account consists of Specified Grants (see Note 5) and their reported balances for the end of the period.

NOTE 4 - ASSETS ON LOAN

The entire portion, **\$ 3,409** represents furniture and fixtures on loan to ABF and are restricted as to ownership by the lender. In the event the "lender" becomes a "donor" the amount of the gift is debited out of this account and credited to the Net Assets account. The restrictions as to the use and display of these assets are on accepted terms by ABF, as dictated by the lending person or institution.

NOTE 5 - GRANTS

As shown in Note # 3, \$30,000 is earned while \$20,000 is deferred from the City of Alexandria, Louisiana. This entire Grant is designated and allocated for General operations by ABF.

The Specified (for purposes defined) Grants are modified and reported at the *receipt* amounts rather than the listed amount of the original grant due to uncertainty of the *earned* period as it relates to ABF. In some cases, this method represents the entire Grant. In others, like the Decentralized Grants from the Office of Cultural Development from the State of Louisiana, designated amounts totaled, \$8,825 and respectively, \$4,412.50. To date ABF has only received amounts as shown in the Specified Grants depicted, here.

All Specified Grants are reported as follows:

ARNA BONTEMPS FOUNDATION, INC.
SPECIFIED GRANTS
for year-ended July 31, 1996

DESCRIPTIONS	Community Outreach	IMS/MAP I Program	Govenor's Office	Mayor's Office	Decentr Arts Fund	Decentr Arts Fund	Exploring The Arts	TOTALS
Cash Grants Received	10,000.00	1,975.00	5,000.00	709.50	4,825.14	4,285.35	2,872.88	\$29,667.87
Interest	152.49							152.49
TOTAL SUPPORTS	10,152.49	1,975.00	5,000.00	709.50	4,825.14	4,285.35	2,872.88	29,820.36
EXPENDITURES								
Salaries	2,000.00						300.00	2,300.00
Artists	1,798.20				2,801.80	444.12	1,818.62	6,862.74
Consultants	1,050.00			709.50		740.40		2,499.90
Administration/Grants							754.26	754.26
Dues & Subscriptions		1,150.00						1,150.00
Equipment					1,100.00			1,100.00
Materials	459.51				241.84			701.35
Meetings	354.92							354.92
Program Services	2,000.00							2,000.00
Supplies	175.00				236.50			411.50
TOTAL EXP.	7,837.63	1,150.00	0.00	709.50	4,380.14	1,184.52	2,872.88	18,134.67
GRANT BALANCES	2,314.86	825.00	5,000.00	0.00	445.00	3,100.83	0.00	\$11,685.69

NOTE 6 - GIFTS AND DONATIONS

This account consists of general donations from the public in the amount of **\$1,941** from attendees to the Museum and functions of Bontemps as well as other functions carried on by the organization.

NOTE 7 - GIFT SHOP REVENUES

Sales of T-shirts, Posters, Books, Caps, Pencils, Cards, Journals and various other Gift Shop sales are reported in this category. ABF anticipates these sales will increase in amount, in the future.

SUPPLEMENTARY INFORMATION

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Certified Public Accountant

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**INDEPENDENT ACCOUNTANT'S REPORT ON INTERNAL
CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Board of Directors
ARNA BONTEMPS FOUNDATION, INC.
Alexandria, Louisiana

I have audited the financial statements of Arna Bontemps Foundation, Inc. (a nonprofit organization) as of and for the year ended July 31, 1996 and have issued my report thereon dated September 9, 1996.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit for the year ended July 31, 1996, I considered the internal control structure of Arna Bontemps Foundation, Inc., in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

The management of Arna Bontemps Foundation, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk

that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Activity Cycles

- *Treasury/financing
- *Revenue/Receipts
- *Purchase/Disbursements
- *External/financial reporting
- *Payroll/Personnel

Financial Statement Captions

- *Cash
- *Receivables
- *Building and Improvements
- *Furniture, Fixtures and Equipment
- *Accrued Liabilities
- *Fund Balance

Accounting Applications

- *Receivables
- *Cash (Donation) Receipts
- *Accounts Payable
- *Cash Disbursements
- *Payroll
- *Assets
- *General Ledger

General Requirements

- *Political Activity
- *Davis-Bacon Act
- *Civil Rights
- *Cash Management
- *Federal Financial Reports
- *Allowable Costs/Cost Principles
- *Drug Free Workplace
- *Administrative Requirements

Specific Requirements

- *Types of Services
- *Eligibility
- *Matching, Level of effort, or Earmarking
- *Reporting
- *Cost Allocation
- *Special Requirements

Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above, I obtained and understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation the 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. I noted no matters involving control structure that I consider to be material weaknesses as defined above.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

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

Ronald L. Allen

Certified Public Accountant
Alexandria, LA
September 9, 1996

Donald L. Allen
Certified Public Accountant

Member:
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Alexandria, LA 71309-1670
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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH "GOVERNMENT AUDITING STANDARDS"**

To the Board of Directors
ARNA BONTEMPS FOUNDATION, INC.
Alexandria, LA

I have audited the financial statements of Arna Bontemps Foundation, Inc. (a nonprofit organization) as of and for the year ended July 31, 1996 and have issued by report thereon dated September 9, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller 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.

Compliance with laws, regulations, contracts and grants applicable to Arna Bontemps Foundation, Inc. is the responsibility of Arna Bontemps' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Arna Bontemps' compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of the audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, Arna Bontemps Foundation, Inc. complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Arna Bontemps Foundation, Inc., had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Directors, Management, the Legislative Auditor's Office of the State of Louisiana, The Governor's Office on Urban Affairs of the State of Louisiana and respective oversight agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script that reads "Ronald L. Allen".

Certified Public Accountant
Alexandria, Louisiana
September 9, 1996