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**LOUISIANA ENDOWMENT FOR THE HUMANITIES
FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT**

October 31, 2000

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 State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-28-04

LOUISIANA ENDOVMENT FOR THE HUMANITIES

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Justin J. Scanlan, CPA

CERTIFIED PUBLIC ACCOUNTANT
1701 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70116
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana Endowment for the Humanities

I have audited the accompanying statement of financial position of the Louisiana Endowment for the Humanities (a non-profit corporation) as of October 31, 2003, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Louisiana Endowment for the Humanities' management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized information has been derived from the Corporation's 2002 financial statements and, in my report dated February 24, 2003, I expressed an unqualified opinion on these financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, 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. 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 Louisiana Endowment for the Humanities as of October 31, 2003, and the changes in 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 February 27, 2004, on my consideration of the Louisiana Endowment for the Humanities' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the basic financial statements of the Louisiana Endowment for the Humanities taken as a whole. The supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget Circular A-115, "Audit of States, Local Governments, and Non-Profit Organizations." Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Justin J. Scanlan, CPA

New Orleans, Louisiana
February 17, 2004

MEMBER

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

LOUISIANA ENDOWMENT FOR THE HUMANITIES

STATEMENT OF FINANCIAL POSITION

October 31, 2002

ASSETS

		TOTAL MEMORANDUM ONLY OCTOBER 31, 2002
Cash, including certificates of deposit of \$30,000	\$ 1,171,440	\$ 1,074,154
Receivables		
Grant (Plans A2 and B)	48,120	48,420
Other	415	7,040
Property, building, and equipment at cost (Plans A6 and C)	<u>1,718,109</u>	<u>1,307,605</u>
Total assets	<u>\$ 2,938,187</u>	<u>\$ 2,697,219</u>

LIABILITIES AND NET ASSETS

Notes Payable (Plan D)	\$ 1,260,289	\$ 1,268,945
Accounts payable and accrued liabilities	<u>281,385</u>	<u>189,814</u>
Total liabilities	<u>1,541,674</u>	<u>1,458,759</u>
Net assets		
Unrestricted		
General	\$ 844,908	\$ 768,476
Building	<u>393,725</u>	<u>239,229</u>
Temporarily restricted	<u>50,808</u>	<u>87,873</u>
Total net assets	<u>1,295,808</u>	<u>1,486,420</u>
Total liabilities and net assets	<u>\$ 2,838,182</u>	<u>\$ 2,945,179</u>

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

LOUISIANA EMPLOYMENT FOR THE HUMANITIES

STATEMENT OF ACTIVITIES

For the year ended October 31, 2003

	TOTAL MEMORANDUM-BASE			
	UNRESTRICTED	TEMPORARILY RESTRICTED	FOR THE YEAR ENDED OCTOBER 31, 2003	FOR THE YEAR ENDED OCTOBER 31, 2002
REVENUE				
Government grants	\$ -	\$1,164,000	\$1,164,000	\$ 1,781,230
Contributions	88,000	1,000	89,000	121,000
Program income	15,000	-	15,000	187,801
Interest income	12,240	-	12,240	26,340
Building income	280,000	-	280,000	275,701
Other	17,000	3,000	20,000	5,891
Net assets released from restrictions	1,175,000	(1,175,000)	-	-
Total revenue	<u>1,677,240</u>	<u>1,002,000</u>	<u>2,679,240</u>	<u>3,277,962</u>
EXPENSES				
Administration	202,000	-	202,000	302,000
Program development	458,000	-	458,000	556,814
Legislative activities	47,200	-	47,200	74,000
Fund raising	50,000	-	50,000	83,700
Special projects expense	1,155,000	-	1,155,000	974,430
Supplies	688,771	-	688,771	877,410
Building expense	155,000	-	155,000	231,204
Depreciation	31,300	-	31,300	36,642
Total expenses	<u>3,887,271</u>	<u>-</u>	<u>3,887,271</u>	<u>3,776,790</u>
Increase (decrease) in net assets	189,240	(1,007,871)	(818,631)	499,911
Net assets, beginning of year	1,488,600	407,871	1,896,471	896,500
Net assets, end of year	<u>\$ 1,677,840</u>	<u>\$ 407,871</u>	<u>\$ 1,289,840</u>	<u>\$ 1,396,411</u>

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

LOUISIANA ENDOWMENT FOR THE HUMANITIES

STATEMENT OF CASH FLOWS

For the year ended October 31, 1993

Increase (decrease) in cash and cash equivalents

Cash flows from operating activities:

Decrease in net assets \$ - 211,631

Adjustments to reconcile decrease in net assets to net cash provided by operating activities:

Depreciation \$ 11,338

Changes in assets and liabilities:

Decrease in grant receivables 368,304Decrease in other receivables - 6,008Increase in accounts payable and accrued liabilities 86,385 492,136Net cash provided by operating activities 568,914

Cash flows from investing activities:

Capitalization of building improvements = 17,116Acquisition of land - 215,712Net cash used in investing activities - 198,596

Cash flows from financing activities:

Proceeds from notes payable to bank 248,998Principal payments on notes payable to bank - 584,660Net cash provided by financing activities 161,304Net increase in cash and cash equivalents 97,196Cash and cash equivalents, beginning of year 1,029,158Cash and cash equivalents, end of year \$ 1,126,354

Cash paid during the year:

Interest \$ 25,002

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

LOUISIANA ENDOWMENT FOR THE HUMANITIES

NOTES TO FINANCIAL STATEMENTS

October 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Endowment's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Activities

The Louisiana Endowment for the Humanities is a non-profit corporation organized for the purpose of maintaining a state-based program in the Humanities in the State of Louisiana on behalf of its citizens in accordance with the regulations and guidelines established by the Congress of the United States and the National Endowment for the Humanities.

2. Presentation of Financial Statements

The corporation's financial statements are prepared in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations," dated June 1993. Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There are no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Revenue Recognition

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

Grant revenue is recognized as it is earned in accordance with approved contracts.

4. Investments

Investments are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 124, "Accounting for Certain Investments Held By Not-For-Profit Organizations." Under Statement of Financial Accounting Standards No. 124 investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

LOUISIANA ENDOWMENT FOR THE HUMANITIES

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. **Receivables**

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

6. **Property, Building and Equipment**

Louisiana Endowment for the Humanities records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Depreciation expense for the year ended October 31, 2003 totaled \$31,358.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

7. **Cash Equivalents**

For purposes of the statement of cash flows, the Louisiana Endowment for the Humanities considers all investments with original maturities of three months or less to be cash equivalents.

8. **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. **Fair Values of Financial Investments**

Cash, cash equivalents, and temporary investments-carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments. The fair values of marketable securities are based on quoted market prices for those or similar investments.

**LOUISIANA ENDOWMENT FOR THE HUMANITIES
NOTES TO FINANCIAL STATEMENTS - CONTINUED**

October 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

18. Total Columns of Combined Statements - Overview

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - GRANTS RECEIVABLE

Grants receivable represents the amount of funds awarded but not received as of October 31, 2003, as scheduled below:

	<u>Amount</u>
U. S. Department of Education	
FE Research Grant	<u>\$44,121</u>

NOTE C - PROPERTY, BUILDING, AND EQUIPMENT

Property, building, and equipment as of October 31, 2003 consists of the following:

Building	\$ 519,030
Building improvements	309,110
Equipment	<u>30,215</u>
	1,118,415
Less accumulated depreciation	<u>< 355,960</u>
	1,112,315
Land	606,078
	<u>\$1,718,393</u>

LOUISIANA ENDOWMENT FOR THE HUMANITIES
NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2003

NOTE B - NOTES PAYABLE

The notes payable at October 31, 2003 consist of the following:

Note payable to a financial institution is due in monthly payments of approximately \$5,549, including interest at 1 percentage point over the London Inter-Bank Offered Rate (LIBOR) at October 31, 2003 with a balloon payment due December, 2005, secured by land and building costing \$1,200,000. \$ 983,682

Note payable to a financial institution is due in monthly payments of approximately \$2,183, including interest at 1.9% with a balloon payment due December, 2006. The note payable is secured by land costing \$334,793. 258,607

Note payable to a Louisiana Partnership due December, 2005, interest at 6%. Interest paid semi-annually with principal due December, 2003. 150,000
\$ 1,392,289

The aggregate maturities of the notes payable as of October 31 are as follows:

Schedule B1

2004	\$ 29,689
2005	41,633
2006	1,089,636
2007	231,731
	<u>\$ 1,392,289</u>

The interest expense for the year ended October 31, 2003 totaled \$29,053.

NOTE C - RETIREMENT PLAN

The Louisiana Endowment for the Humanities sponsors a defined contribution plan covering all employees twenty-one years of age or older who have worked a minimum of 1000 hours during the fiscal year. The participant becomes fully vested after five years. The corporation decides the amount, if any, to contribute each year to the individual retirement accounts for eligible employees based on a percentage of annual compensation. The percentage for the year ended October 31, 2003 was 8% of each participant's salary, and a matching contribution of employee elective deferrals of 6%. Contributions to the plan for the year ended October 31, 2003 totaled \$65,698.

LOUISIANA ENDOWMENT FOR THE HUMANITIES
NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2003

NOTE F - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

NOTE G - INCOME TAXES

The Louisiana Endowment for the Humanities is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE H - CONCENTRATIONS OF CREDIT RISKS

The corporation's cash balance as of October 31, 2003, before deducting outstanding checks, consists of the following:

Financial institutions	\$ 1,271,738
Less: FDIC insurance	- 2,980,000
Unsecured balance	<u>\$ 1,627,738</u>

NOTE I - ECONOMIC DEPENDENCY

The corporation receives the majority of its revenue from funds provided through grants administered by the National Endowment for the Humanities and the State of Louisiana. The grant amounts are appropriated each year by the federal government and the State of Louisiana. If significant budget cuts are made at the federal or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operation. At the time of completion of the examination of the corporation's financial statements, management was not aware of any action taken that would adversely affect the amount of funds the corporation will receive the next fiscal year.

The corporation is supported primarily through grants from the National Endowment for the Humanities and the State of Louisiana, Department of Culture, Recreation and Tourism. Approximately 52% of the corporation support was received from the National Endowment for the Humanities and 48% from the State of Louisiana during the year ended October 31, 2003.

SUPPLEMENTAL INFORMATION

LOUISIANA ENDOWMENT FOR THE BLIND/BLINDED

STATEMENT OF ACTIVITIES
UNRESTRICTED AND TEMPORARILY RESTRICTED ASSETS

For the year ended October 31, 2000

	PER CENT (6-11-2000)	PER CENT (6-30-01)	PER CENT (6-30-02)	PER CENT (6-30-03)	U.S. DEPARTMENT OF EDUCATION ILLIUMINABLE (6-30-03)	STATE OF LOUISIANA TASK PROGRAM	RESTRICTED CONTRIBUTIONS
REVENUE:							
Grants	\$ -	\$ 6,208	\$ -	\$ 563,218	\$ -	\$ -	\$ 1,000
Contributions	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
Building Income	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-
Total Revenue		<u>6,208</u>		<u>563,218</u>			<u>1,000</u>
EXPENSES:							
Administrative and program							
Administrative				488,002		15,000	-
Special projects expense	21,000	6,070	142,000	30,000	46,700	120,200	-
Program	-	-	-	30,216	-	-	4,700
Building expense	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total Expenses		<u>21,000</u>		<u>563,218</u>		<u>145,200</u>	<u>4,700</u>
Income - temporary in net assets		1,607		1,607		1,607	-
Transfers within general		-		-		-	-
Net assets, beginning of year		21,000		141,000		141,000	-
Net assets, end of year		<u>1,607</u>		<u>1,607</u>		<u>1,607</u>	<u>1,607</u>

LOUISIANA ENDOWMENT FOR THE REMAINDER

STATEMENT OF ACTIVITIES
 UNRESTRICTED AND TEMPORARILY RESTRICTED ASSETS - CONTINUED

For the year ended October 31, 2015

	STATE OF LOUISIANA	STATE OF LOUISIANA COOPERATIVE	LOUISIANA COOPERATIVE	GENERAL	UNRESTRICTED	ELIMINATIONS	TOTAL
	LEB-01-01-01	LEB-01-01-01	LEB-01-01-01	LEB-01-01-01	LEB-01-01-01	LEB-01-01-01	LEB-01-01-01
REVENUE	\$ 57,258	\$ 1,050,000	\$ -	\$ -	\$ -	\$ -	\$ 1,107,258
Grants	-	-	48,881	-	-	-	48,881
Contributions	-	-	95,612	-	-	-	95,612
Program income	-	-	12,210	-	-	-	12,210
Investment income	-	-	-	348,600	-	-	348,600
Building income	-	-	-	-	-	< 60,000	< 60,000
Other income	-	-	-	-	-	-	-
Total Revenue	57,258	1,050,000	176,703	348,600	-	< 60,000	1,582,561
EXPENSES							
Administration and program development	42,488	281,674	67,708	-	-	< 60,000	762,870
Special programs expense	280,629	614,341	-	-	-	-	894,970
Programs	281,540	490,280	-	-	-	-	771,820
Building expenses	-	-	-	155,452	-	-	155,452
Depreciation	-	-	-	1,118	-	-	1,118
Total Expenses	503,657	1,386,295	67,708	156,570	-	< 60,000	1,974,230
Increase (decrease) in net assets	2,000	< 37,661	108,995	192,030	-	-	< 211,652
Temporarily restricted	-	-	< 60,000	60,000	-	-	-
Net assets, beginning of year	-	37,661	768,455	158,578	-	-	1,064,704
Net assets, end of year	2,000	-	1,044,859	350,608	-	-	1,497,467

Eliminations

1. Intragroup rental income and expenses were eliminated

LOUISIANA ENDOWMENT FOR THE HUMANITIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended October 31, 2000

	Grant No.	Federal CFDA Number	Total Federal Expenditures	Subrecipient Costs
National Endowment for the Humanities	OL-21586-00	45-168	\$ 20,410	\$ -
	OL-21649-01	45-168	142,925	-
	OL-20027-03	45-168	9,893	-
	OL-21770-02	45-129	<u>368,122</u>	<u>38,120</u>
Total National Endowment for the Humanities			<u>540,350</u>	<u>38,120</u>
U. S. Department of Education				
FBI Grants/Grant Awards	82128220077	84-2100	<u>6,700</u>	<u>-</u>
Total U. S. Department of Education			<u>6,700</u>	<u>-</u>
U. S. Department of Health and Human Services				
Funds passed through State of Louisiana TANF Program		10-558	<u>152,000</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>152,000</u>	<u>-</u>
Total Federal Awards			<u>\$ 699,050</u>	<u>\$ 38,120</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Presentation of Financial Statements

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when the Louisiana Endowment for the Humanities has met the cost reimbursement or funding qualifications for the respective grants.

B. Non-Federal Contributions

The non-federal contributions relative to the National Endowment for the Humanities grant totaled \$1,641,861 for the year ended October 31, 2000.

Justin J. Scudlark, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
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NEW ORLEANS, LOUISIANA 70112
(504) 586-1100 (Fing) 586-1100

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

Board of Directors

Louisiana Endowment for the Humanities

I have audited the financial statements of the Louisiana Endowment for the Humanities (a nonprofit corporation) as of and for the year ended October 31, 2003, and have issued my report thereon dated February 17, 2004. 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 Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Endowment for the Humanities's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, inconspicuous 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Louisiana Endowment for the Humanities's internal control over financial reporting 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 over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material 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 the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, Louisiana Legislative Auditor, others within the organization and federal granting agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:503, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scudlark, CPA

New Orleans, Louisiana
February 17, 2004

Justin J. Scannlan, c.p.a.

CERTIFIED PUBLIC ACCOUNTANT
408 ST. ROCH AVENUE NEW ORLEANS, LOUISIANA 70112
TELEPHONE (504) 382-0807

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-110

Board of Directors
Louisiana Endowment for the Humanities

Compliance

I have audited the financial statements of the Louisiana Endowment for the Humanities (a non-profit corporation) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-110 Compliance Supplement" that are applicable to each of its major federal programs for the year ended October 31, 2000. The Louisiana Endowment for the Humanities's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Louisiana Endowment for the Humanities's management. My responsibility is to express an opinion on the Louisiana Endowment for the Humanities's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-110, "Audit of the States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-110 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Louisiana Endowment for the Humanities's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Louisiana Endowment for the Humanities's compliance with those requirements.

In my opinion, the Louisiana Endowment for the Humanities complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended October 31, 2000.

Internal Control Over Compliance

The management of the Louisiana Endowment for the Humanities is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Louisiana Endowment for the Humanities's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-110.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contract and grants that would be material in relation to a major federal program 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 the internal control over compliance and its operation that I consider to be material weaknesses.

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

Justin J. Scudder, CPA

New Orleans, Louisiana
February 07, 2014

**LOUISIANA ENDOWMENT FOR THE HUMANITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the year ended October 31, 2003

SUMMARY OF THE AUDITOR'S REPORT

1. An unqualified opinion was issued on the financial statements of the auditee.
2. The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses is not applicable.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of the auditee.
4. The statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses is not applicable.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit disclosed no findings which are required to be reported under Section 110(a) of Chapter A-133.
7. Major program for the fiscal year ended October 31, 2003 was National Endowment for the Humanities, Grant No. 90-11773-03 (CFDA 845.119).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$500,000.
9. The auditee did not qualify as a low-risk auditee.

SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended October 31, 2003.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

There were no items identified in the course of our testing during the current year required to be reported.

STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.