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

October 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or designated and other appropriate public officials. The report is available for public inspection at the Honorable office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAY 12 2009

LOUISIANA ENDORSEMENT FOR THE HUMANITIES**TABLE OF CONTENTS**

	PAGE
ENDORSEMENT AGENCY'S REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	
STATEMENT OF FINANCIAL POSITION - UNRESTRICTED AND TEMPORARILY RESTRICTED ASSETS	15
STATEMENT OF ACTIVITIES - UNRESTRICTED AND TEMPORARILY RESTRICTED PROGRAMS	15
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	17
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	18
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	19
SCHEDULE OF FINANCE AND QUESTIONED COSTS	21

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana Endowment for the Humanities

I have audited the accompanying statements of financial position of the Louisiana Endowment for the Humanities in complete organization as of October 31, 1998, 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.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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, 1998, and the changes to its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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-133, "Audits of State, 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.

In accordance with Government Auditing Standards, I have also issued my report dated March 11, 1999, on my consideration of the Louisiana Endowment for the Humanities's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.



New Orleans, Louisiana
March 11, 1999

LOUISIANA ENDOWMENT FOR THE HUMANITIES

STATEMENT OF FINANCIAL POSITION

October 31, 1998

ASSETS

		<u>TOTAL MEMBERSHIP ONLY OCTOBER 31, 1998</u>
Cash	\$ 319,878	\$ 319,878
Investments (Notes A4 and B)	150,028	171,186
Receivables		
Grant (Notes A1 and C)	190,070	291,010
Other	1,500	-
Property and Equipment - at cost (Note A6)		
Furniture and equipment	97,667	97,667
Less: accumulated depreciation	<u>(47,890)</u>	<u>(47,890)</u>
	49,777	49,777
Total assets	\$ 818,659	\$ 818,659

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 2,889	\$ 2,889
Report obligations payable	574,158	148,689
Commitment (Note D)	<u>-</u>	<u>-</u>
Total liabilities	577,047	151,578
Net assets		
Unrestricted	114,274	376,389
Temporarily restricted	<u>(302,720)</u>	<u>(216,889)</u>
Total net assets	211,554	211,579
Total liabilities and net assets	\$ 818,659	\$ 818,659

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

LOUISIANA ENDOWMENT FOR THE HUMANITIES

STATEMENT OF ACTIVITIES

For the year ended October 31, 1998

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL MEMORANDUM ONLY	
			FOR THE YEAR ENDED OCTOBER 31, 1998	FOR THE YEAR ENDED OCTOBER 31, 1997
REVENUE				
Income governmental	\$ -	\$ 1,670,064	\$ 1,670,064	\$ 944,735
Contributions	15,000	82,300	97,300	95,276
Program income	2,800	-	2,800	2,900
Interest income	18,000	-	18,000	18,114
Gift income	75,400	51,533	126,933	82,545
Net assets released from prior periods	3,528,847	1,128,607	-----	-----
TOTAL REVENUES	3,640,057	2,832,494	6,472,551	2,073,569
EXPENSES				
Administration and program development	621,960	-	621,960	550,498
Special projects expense	188,960	-	188,960	180,724
Repairs	774,508	-	774,508	486,284
Depreciation	625	-----	625	625
TOTAL EXPENSES	1,666,053	-----	1,666,053	1,218,131
Increase (decrease) in net assets	1,974,004	+ 1,128,607	+ 3,102,611	+855,438
Net assets, beginning of year	-----	706,889	706,889	800,627
Net assets, end of year	\$ 1,974,004	\$ 1,835,496	\$ 3,809,500	\$ 1,656,065

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, 1998

Increase (decrease) in cash and cash equivalents

Cash flows from operating activities:

Decrease in net assets

\$ - 19,862

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

Depreciation

\$ 4,651

Changes in assets and liabilities:

Decrease in grants receivable

19,862

Increase in other receivables

- 7,589

Increase in accounts payable

85

Increase in report obligations payable

325,549

250,945

Net cash provided by operating activities

250,945

Cash flows from investing activities:

Maturities of U.S. Treasury Securities

177,085

Purchases of U.S. Treasury Securities

- 188,128

Net cash provided by investing activities

28,957

Net increase in cash and cash equivalents

279,902

Cash and cash equivalents, beginning of year

245,640

Cash and cash equivalents, end of year

\$ 525,842

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

LOUISIANA ENDOWMENT FOR THE HUMANITIES

NOTES TO FINANCIAL STATEMENTS

October 31, 1998

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. Financial Statement Presentation

The corporation's financial statements are prepared in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statements 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."

4. Investments

Investments are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statements 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, 1998

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 accounts are found uncollectible, they will be charged to operations when that determination is made.

6. Property and Equipment

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, 1998 totaled \$4,091.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$3,000.

7. Cash Equivalents

For purposes of the statements of cash flow, the Endowment 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 these estimates.

9. Fair Values of Financial Investments

Cash, cash equivalents, and temporary investments carrying amounts reported on the statement of financial position approximate fair values because of the short maturities of these investments.

LOUISIANA ENDOWMENT FOR THE HUMANITIES

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

18. Total Columns of Condensed Statements - Overview

Total columns are captioned "Monomodels Only" to indicate that they are prepared only to assist with financial analysis. Items in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Further, it is not data comparable to a consolidation.

NOTE B - INVESTMENTS

Investments at October 31, 1998 consist of the following:

	<u>Market Value</u>	<u>Cost</u>
U. S. Treasury Securities	\$ 158,128	\$ 150,000

There was no unrealized appreciation or of and for the year ended October 31, 1998.

NOTE C - GRANTS RECEIVABLE

Grants receivable represents the amount of funds awarded but not received at October 31, 1998 as indicated below:

	<u>Amount</u>
National Endowment for the Humanities NEH Grant GL11490-97	\$ 196,871

LOUISIANA ENDOWMENT FOR THE HUMANITIES
NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 1998

NOTE D - COMMITMENT

The corporation leases its administrative office under long-term leases expiring November 30, 2008. The lease commitment is as follows:

Fixed year ended October 31,	
1999	\$ 48,382
2000	60,931
2001	5,382
	<u>\$ 114,695</u>

Rental expense for the administrative offices totaled \$35,930 for the year ended October 31, 1998.

NOTE E - PENSION PLAN

A defined contribution plan was initiated August 13, 1987 and approved by the Internal Revenue Service in January 1988. The Endowment contributes 10% of the participant's annual salary. This plan is funded by the employee. The participant becomes fully vested after five years. Contributions to the plan for the year ended October 31, 1998 totaled \$33,668.

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

NOTE H - FUNCTIONAL EXPENSES

The functional expenses for the year ended October 31, 1998 consist of the following:

Management and General	\$ 215,700
Fund Raising	78,417
Program Services	215,700
Humanities Program	<u>1,450,882</u>
	<u>\$ 1,960,709</u>

LOUISIANA ENDOWMENT FOR THE HUMANITIES
NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 1998

NOTE I - CONCENTRATIONS OF CREDIT RISKS

The corporation maintains its cash balances in financial institutions located in the State of Louisiana. These balances are adequately insured as of October 31, 1998.

NOTE J - 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 operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive for 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 37% of the corporation support was received from the National Endowment for the Humanities and 63% from the State of Louisiana during the year ended October 31, 1998.

SUPPLEMENTAL INFORMATION

LOUISIANA ISHERMENT FOR THE RECREATION

STATEMENT OF FINANCIAL POSITION
 UNRESTRICTED AND TEMPORARILY RESTRICTED ASSETS

October 31, 1998

	UNRESTRICTED			TOTAL ASSETS
	GENERAL FUND	ENDOWMENT AND CAPITAL	PROPERTY AND EQUIPMENT	
ASSETS				
Cash	\$ 476,076	\$ 88,000	\$ -	\$ 564,076
Investments	180,000	-	-	180,000
Grants receivable	-	-	-	-
Other receivables	-	-	-	-
Due from unrestricted funds	-	-	-	-
Property and equipment, net	-	-	8,921	8,921
	<u>\$ 656,076</u>	<u>\$ 88,000</u>	<u>\$ 8,921</u>	<u>\$ 752,997</u>
LIABILITIES AND FUND BALANCE				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Expenses obligations payable	-	-	-	-
Due to temporarily restricted funds	541,811	-	-	541,811
Net assets	<u>214,265</u>	<u>88,000</u>	<u>8,921</u>	<u>311,186</u>
Total liabilities and net assets	\$ 756,076	\$ 88,000	\$ 8,921	\$ 852,997

LOUISIANA ENDOWMENT FOR THE HUMANITIES
STATEMENT OF FINANCIAL POSITIONS
UNRESTRICTED AND TEMPORARILY RESTRICTED ASSETS

December 31, 1998

	TEMPORARILY RESTRICTED			
	SEE	OTHER	TEMPORARILY	TOTAL
ASSETS	GRANTS	GRANTS	RESTRICTED	RESTRICTIONS
Cash	\$ 11,951	\$ -	\$ 11,791	\$ -
Investments	-	-	-	-
Grants receivable	18,473	-	18,473	-
Other receivables	7,280	-	7,280	-
Due from unrestricted funds	184,641	4,539	189,180	+ 168,714
Property and equipment, net	-	-	-	-
	<u>\$ 294,295</u>	<u>\$ 4,539</u>	<u>\$ 398,624</u>	<u>\$ 337,714</u>
			<u>\$ 398,624</u>	<u>\$ 398,624</u>
				<u>\$ 797,338</u>
				<u>\$ 797,338</u>
				<u>\$ 118,024</u>
				<u>\$ 469,624</u>

LIABILITIES AND FUND BALANCE

- Accounts payable and accrued
- Dues
- Program obligations payable
- Due to temporarily restricted funds
- Net assets

Total liabilities and net assets

LOUISIANA ENDORSEMENT FOR THE BLMOUNTIES

REVENUE OF ACTIVITIES:
UNSTRUCTURED AND TEMPORARILY RESTRICTED ASSETS

For the year ended October 31, 1998

	UNSTRUCTURED			TOTAL
	GENERAL FUNDS	PROGRAMS AND CAPITAL	PROPERTY AND EQUIPMENT	UNSTRUCTURED
REVENUES				
Grants - Governmental	\$ -	\$ -	\$ -	\$ -
Contributions	11,500	-	-	11,500
Program Income	2,400	-	-	2,400
Interest Income	16,170	2,421	-	18,591
Other Income	15,180	-	-	15,180
Total Revenues	<u>45,250</u>	<u>2,421</u>	<u>-</u>	<u>47,671</u>
EXPENSES				
Administration and program development	24,829	-	-	24,829
Special projects expense	-	-	-	-
Programs	-	-	-	-
Depreciation	-	-	4,071	4,071
Total Expenses	<u>24,829</u>	<u>-</u>	<u>4,071</u>	<u>28,900</u>
Income (losses) in net assets	20,421	2,421	-	22,842
Net assets, beginning of year	<u>216,050</u>	<u>41,382</u>	<u>14,522</u>	<u>271,954</u>
Net assets, end of year	<u>236,471</u>	<u>43,803</u>	<u>14,522</u>	<u>294,796</u>

LOUISIANA ENVIRONMENT FOR THE FUTURE

STATEMENT OF ACTIVITIES
UNRESTRICTED AND TEMPORARILY RESTRICTED ASSETS

For the year ended December 31, 1998

	NET GRANTS	OTHER GRANTS	TEMPORARILY RESTRICTED TOTAL		TOTAL
			UNRESTRICTED	RESTRICTED	
REVENUES					
Grants - Governmental	\$ 312,864	\$ 1,028,000	\$ 1,079,964		\$ 1,079,964
Contributions	92,980	-	92,980		140,000
Program income	-	-	-	-	3,000
License income	-	-	-	-	8,110
Other income	41,471	-	41,471	-	80,000
Total Revenues	<u>447,315</u>	<u>1,028,000</u>	<u>1,516,815</u>	<u>8,110</u>	<u>1,588,925</u>
EXPENSES					
Administration and program development	84,874	-	84,874		84,874
Special projects expense	4,682	592,100	596,782		596,962
Repairs	163,758	688,781	852,539		852,539
Depreciation	-	-	-	-	4,000
Total Expenses	<u>253,314</u>	<u>1,280,881</u>	<u>1,534,195</u>	<u>8,110</u>	<u>1,588,925</u>
Income (decrease) in net assets	\$ 118,946	\$ 2,489	\$ 121,435	\$ 10,000	\$ 143,925
Net assets, beginning of year	209,289	2,411	211,700		214,111
Net assets, end of year	<u>\$ 328,221</u>	<u>\$ 4,899</u>	<u>\$ 333,120</u>	<u>\$ 10,000</u>	<u>\$ 358,116</u>

**LOUISIANA ENDOWMENT FOR THE HUMANITIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended October 31, 1998

	<u>Grant No.</u>	<u>Federal CFDA Number</u>	<u>Total Federal Expenditures</u>	<u>Recipient Units</u>
National Endowment for the Humanities	CL-21148-95	45.154	\$ 9,839	\$ -
	SO-21415-96	45.129	546,247	285,511
	CL-21458-97	45.154	<u>9,880</u>	<u>-</u>
Total National Endowment for the Humanities			<u>\$ 565,966</u>	<u>285,511</u>
Total Federal Awards			<u>\$ 565,966</u>	<u>\$ 285,511</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.

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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 as of and for the year ended December 31, 1999, and have issued my report thereon dated March 10, 1999. I conducted my audit in accordance with generally accepted auditing standards 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, 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 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 sufficiently low level the risk that misstatements in amounts that would be material in relation 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 of the audit committee, management and federal reviewing agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

New Orleans, Louisiana
March 11, 1999



John C. Todd, Jr., C.P.A., PH

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Louisiana Endowment for the Humanities

Conclusions

I have audited the compliance of the Louisiana Endowment for the Humanities with the types of compliance requirements described in the "U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended October 31, 1998. 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 generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audit of the States, Local Governments, Non-Profit Organizations." These standards and OMB Circular A-133 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 these 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 these 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, 1998.

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 identify and report on internal control over compliance in accordance with OMB Circular A-133.

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 of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.



New Orleans, Louisiana
March 13, 1999

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

For the year ended October 31, 1998

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 508(c) of Circular A-133.
7. Major program for the fiscal year ended October 31, 1998 was National Endowment For The Humanities, Grant No. 303-21413-98 (77425-493, 113).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$355,000.
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, 1998.

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.