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**Southern Forest Heritage Museum
and Research Center**

**Financial Statements
December 31, 1998**

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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.

Release Date ~~001 2 8 1999~~

KNIGHT  MASDEN
Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

Coan I. Knight, Jr., CPA
K. Martin Masden, CPA

June 28, 1999

Associate:
John E. Theriot II, CPA

Board of Trustees
Southern Forest Heritage Museum and Research Center
Long Leaf, Louisiana

We have compiled the accompanying statement of financial position of the Southern Forest Heritage Museum and Research Center (a not-for-profit-corporation) as of December 31, 1998, and the related statements of activity and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Museum's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.


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Southern Forest Heritage Museum and Research Center
Statement of Financial Position
December 31, 1998

ASSETS

Current Assets		
Cash	25,078	
Gift shop inventory	7,078	
Total current Assets	<u>32,156</u>	32,156
 Plant, property and equipment		
Land	60,000	
Historic buildings and improvements	701,870	
Equipment	7,326	
Less: Accumulated Depreciation	(48,215)	
Net plant, property and equipment	<u>720,980</u>	720,980
 Other Assets		
Timber	9,757	
Total Other Assets	<u>9,757</u>	9,757
Total Assets		<u>762,893</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	2,149	
Other accrued expenses	921	
Total Current Assets	<u>3,070</u>	3,070
 Net Assets		
Unrestricted net assets	735,869	
Temporarily restricted net assets	23,954	
Total Net Assets	<u>759,823</u>	759,823
Total Liabilities and Net Assets		<u>762,893</u>

Southern Forest Heritage Museum and Research Center
Statement of Activity
For the Year Ended December 31, 1998

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Public Support and Revenues			
Donations	79,547	15,000	94,547
Memberships	16,347		16,347
Admissions	2,332		2,332
Commissary Sales-Gift Shop	6,600		6,600
Less: cost of sales	(2,689)		(2,689)
Miscellaneous and rental	1,389		1,389
Net assets released from restrictions:			
Satisfaction of purpose restrictions	54,912	(54,912)	
Total Public Support and Revenues	<u>158,438</u>	<u>(39,912)</u>	<u>118,526</u>
 Expenses			
Accounting services	4,886		4,886
Advertising	2,314		2,314
Bank Service Charge	64		64
Legal and professional	6,668		6,668
Depreciation	18,429		18,429
Insurance	7,168		7,168
Office expense	1,968		1,968
Supplies	8,478		8,478
Contract services	1,302		1,302
Payroll	68,450		68,450
Miscellaneous	694		694
Repairs & maintenance	534		534
Rent Equipment	1,097		1,097
Taxes & Licenses	523		523
Taxes - Payroll	6,850		6,850
Telephone and utilities	10,213		10,213
Travel	1,982		1,982
Total Expenses	<u>141,621</u>		<u>141,621</u>
 Change in Net Assets	16,817	(39,912)	(23,095)
 Net Assets as of beginning of the year	<u>719,052</u>	<u>63,866</u>	<u>782,918</u>
 Net Assets as of end of the year	<u><u>735,869</u></u>	<u><u>23,954</u></u>	<u><u>759,823</u></u>

Southern Forest Heritage Museum and Research Center
Statement of Cash Flows
For the Year Ended December 31, 1998

Operating Activities	
Change in net assets	(23,095)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	18,429
Increase in gift shop inventory	(1,222)
Decrease in accounts payable and other accrued expenses	<u>(1,262)</u>
Net cash used in operating activities	(7,150)
Investing activities	
Sale of timber	10,656
Purchase of plant, property and equipment	<u>(47,425)</u>
Net cash used in investing activities	<u>(36,770)</u>
Net decrease in cash	(43,920)
Cash as of beginning of year	<u>68,998</u>
Cash as of end of year	<u><u>25,078</u></u>

KNIGHT  MASDEN
Certified Public Accountants
 A PROFESSIONAL ACCOUNTING CORPORATION

Coan I. Knight, Jr., CPA
 K. Martin Masden, CPA

Independent Accountant's Report
 on Applying Agreed-Upon Procedures

Associate:
 John E. Theriot II, CPA

Board of Trustees
 Southern Forest Heritage Museum and Research Center

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Southern Forest Heritage Museum and Research Center, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Southern Forest Heritage Museum and Research Center's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Southern Forest Heritage Museum and Research Center's Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
None			
Total Expenditures			

2. For each Federal, state, and local award, we randomly selected six (6) disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected. In addition, we judgmentally selected three disbursements of significant dollar amount.

Board of Trustees
Southern Forest Heritage Museum and Research Center

3. For the items selected in procedure 2, we traced the disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the selected disbursements were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the selected disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approvals from the executive director or other proper authorization.

6. For the items selected in procedure 2: For state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. Some expenditures were made past the end of the grant period.

Reporting

We reviewed the previously listed disbursements for reporting requirements. As of June 28, 1999, no reports had been furnished to the grantor agency.

Meetings

7. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Southern Forest Heritage Museum and Research Center is only required to post a notice of each meeting and the accompanying agenda on the door of the Southern Forest Heritage Museum Research Center 's office building.

Board of Trustees
Southern Forest Heritage Museum and Research Center

Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

Comprehensive Budget

8. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Southern Forest Heritage Museum Research Center provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Southern Forest Heritage Museum and Research Center, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Sincerely,


KNIGHT ◊ MASDEN

Southern Forest Heritage Museum and Research Center, Inc.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

June 21, 1999 (Date Transmitted)

Knight-Masden
Certified Public Accountants
5615J Jackson St. Ext.
Alexandria, LA 71303 (Auditors)

In connection with your compilation of our financial statements as of 31 DECEMBER 1998 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 6/21/99 (date of completion/respresentation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

C. A. Vandersteen Secretary June 21, 1999 Date

(NAME AS SECRETARY) Treasurer _____ Date

Donald Ellert President June 21, 1999 Date