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R E P O R T

THE AMISTAD RESEARCH CENTER

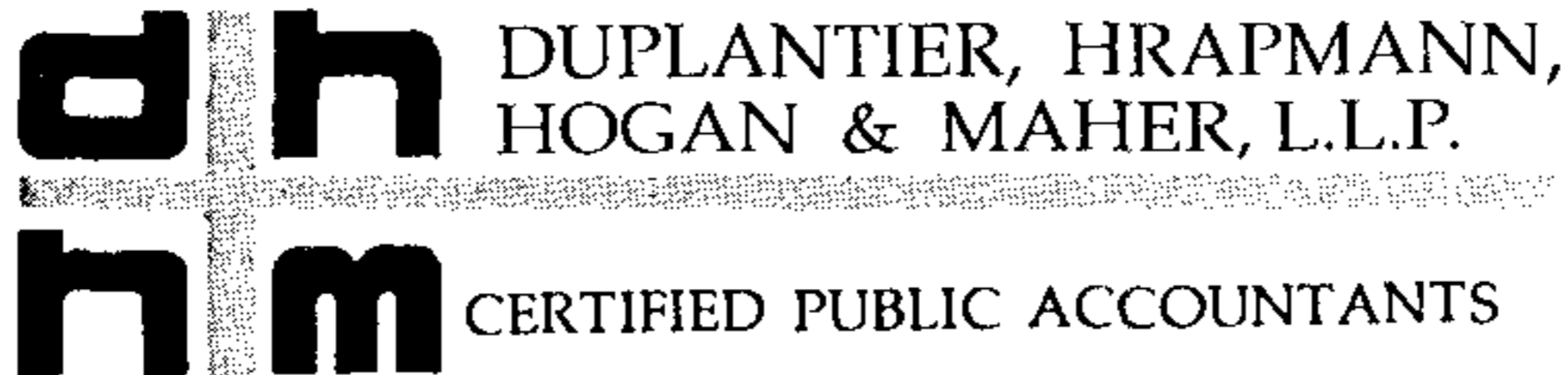
DECEMBER 31, 1998 AND 1997

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 AUG 25 1999

THE AMISTAD RESEARCH CENTER
INDEX TO REPORT
DECEMBER 31, 1998 AND 1997

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS:	
Statements of Financial Position.....	2
Statements of Activities.....	3 - 4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 - 12
SUPPLEMENTARY INFORMATION:	
Schedules of Functional Expenses.....	13 - 14
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	15



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INDEPENDENT AUDITOR'S REPORT

February 19, 1999

Board of Directors
The Amistad Research Center
Tulane University
6823 St. Charles Avenue
New Orleans, Louisiana 70118

We have audited the accompanying statements of financial position of The Amistad Research Center (a nonprofit organization) as of December 31, 1998 and 1997, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Amistad Research Center as of December 31, 1998 and 1997, and its changes in net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 1999, on our consideration of Amistad Research Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules on pages 13-14, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Duplantier, Hrapmann, Hogan & Maher, L.L.P.

THE AMISTAD RESEARCH CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash (Note 1)	\$ 34,366	\$ 87,059
Cash - restricted (Note 1)	209,355	5,085
Certificate of deposit	--	34,101
Accounts receivable (Note 5)	40,258	46,666
Pledges receivable (Note 11)	383,290	--
Grants receivable (Note 1)	25,000	--
Inventory (Note 1)	370,676	290,626
Prepaid expenses	2,475	--
Historical collection (Note 4)	--	--
Office furniture & equipment, net (Notes 1 and 7)	15,257	19,914
Investments (New Orleans Friends of Amistad) (Notes 1 and 3)	32,697	28,409
Endowment investments (Notes 1 and 3)	<u>2,564,530</u>	<u>2,273,896</u>
TOTAL ASSETS	\$ <u>3,677,904</u>	\$ <u>2,785,756</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and other accrued expenses	\$ <u>12,377</u>	\$ <u>29,540</u>
Total liabilities	<u>12,377</u>	<u>29,540</u>
NET ASSETS: (Page 3)		
Unrestricted	582,338	493,301
Temporarily restricted (Note 9)	473,008	10,874
Permanently restricted (Note 10)	<u>2,610,181</u>	<u>2,252,041</u>
Total net assets	<u>3,665,527</u>	<u>2,756,216</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>3,677,904</u>	\$ <u>2,785,756</u>

See accompanying notes.

THE AMISTAD RESEARCH CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUES				
Grants:				
Temporarily restricted	\$ --	\$ 65,550	\$ --	\$ 65,550
Tulane University	89,857	--	--	89,857
United Church Board for Homeland Ministries	80,000	--	--	80,000
Interest income (Note 3)	84,900	1,146	--	86,046
Contributions, special events and fundraising (Note 1):				
Capital Campaign	44,342	547,125	13,289	604,756
Gala	44,980	--	--	44,980
Memberships	20,775	--	--	20,775
In-kind rent (Note 2)	44,100	4,375	--	48,475
Prints (net of cost and discount of \$21,240)	96,560	--	--	96,560
Other public support	50,623	650	--	51,273
Net realized and unrealized gains and losses (Note 3)	--	--	344,851	344,851
Royalties	27,190	--	--	27,190
Museum shop and other activities	29,292	--	--	29,292
Net assets released from restrictions	<u>156,712</u>	<u>(156,712)</u>	--	--
Total public support and revenues	<u>769,331</u>	<u>462,134</u>	<u>358,140</u>	<u>1,589,605</u>
EXPENSES:				
Finance and administration	154,553	--	--	154,553
Archives and library	231,509	--	--	231,509
Programs and development	294,232	--	--	294,232
Total expenses	<u>680,294</u>	<u>--</u>	<u>--</u>	<u>680,294</u>
Change in net assets	89,037	462,134	358,140	909,311
Net assets as of beginning of year	<u>493,301</u>	<u>10,874</u>	<u>2,252,041</u>	<u>2,756,216</u>
NET ASSETS AS OF END OF YEAR	<u>\$ 582,338</u>	<u>\$ 473,008</u>	<u>\$ 2,610,181</u>	<u>\$ 3,665,527</u>

See accompanying notes.

THE AMISTAD RESEARCH CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUES				
Grants:				
Temporarily restricted	\$ --	\$ 3,000	\$ --	\$ 3,000
Tulane University	88,442	--	--	88,442
United Church Board for Homeland Ministries	80,000	--	--	80,000
Interest income (Note 3)	78,893	1,021	--	79,914
Contributions, special events and fundraising (Note 1):				
Gala	66,167	--	--	66,167
Memberships	14,620	--	--	14,620
In-kind rent (Note 2)	44,100	--	--	44,100
Prints (net of cost and discount of \$73,838)	114,162	--	--	114,162
Other public support	57,854	2,865	2,000	62,719
Net realized and unrealized gains and losses (Note 3)	--	--	372,475	372,475
Royalties	31,738	--	--	31,738
Museum shop and other activities	23,109	--	--	23,109
Net assets released from restrictions	9,962	(9,962)	--	--
Total public support and revenues	<u>609,047</u>	<u>(3,076)</u>	<u>374,475</u>	<u>980,446</u>
EXPENSES:				
Finance and administration	140,128	--	--	140,128
Archives and library	240,613	--	--	240,613
Programs and development	124,609	--	--	124,609
Total expenses	<u>505,350</u>	<u>--</u>	<u>--</u>	<u>505,350</u>
Change in net assets	103,697	(3,076)	374,475	475,096
Net assets as of beginning of year	<u>389,604</u>	<u>13,950</u>	<u>1,877,566</u>	<u>2,281,120</u>
NET ASSETS AS OF END OF YEAR	<u>\$ 493,301</u>	<u>\$ 10,874</u>	<u>\$ 2,252,041</u>	<u>\$ 2,756,216</u>

See accompanying notes.

THE AMISTAD RESEARCH CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 909,311	\$ 475,096
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,906	7,676
Net realized and unrealized gains and losses on investments	(344,851)	(372,475)
Contributions restricted for permanent investments	(13,289)	(2,000)
(Increase) decrease in:		
Certificate of deposit	34,101	(1,688)
Accounts receivable	6,408	(4,105)
Pledges receivable	(383,290)	--
Grants receivable	(25,000)	--
Inventory	(80,050)	(82,750)
Prepaid expenses	(2,475)	--
Increase (decrease) in:		
Accounts payable and other accrued expenses	(17,163)	1,552
Net cash provided by operating activities	<u>90,608</u>	<u>21,306</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(2,249)	(7,448)
Purchase of investments	--	(52,032)
Liquidation of investments	49,929	--
Net cash provided by (used in) investing activities	<u>47,680</u>	<u>(59,480)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for permanent investment	13,289	2,000
Net cash provided by financing activities	<u>13,289</u>	<u>2,000</u>
Net increase (decrease) in cash	151,577	(36,174)
Cash at beginning of year	<u>92,144</u>	<u>128,318</u>
CASH AT END OF YEAR	<u>\$ 243,721</u>	<u>\$ 92,144</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Income taxes	\$ --	\$ --
Interest	\$ --	\$ --

See accompanying notes.

THE AMISTAD RESEARCH CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

Nature of Activities:

The Amistad Research Center (the Center) is a manuscript library for the study of ethnic history and culture and race relations in the United States. The Center is among the largest of the Nation's repositories specializing in the history of African-Americans.

Amistad Research Center, which was incorporated in the State of Tennessee, was liquidated as of May 1, 1988 and re-incorporated in the State of Louisiana. The new entity continued its operations as in the past and transferred its assets and liabilities from the Tennessee corporation to the corporation chartered in the State of Louisiana.

As disclosed in Note #2 Tulane University provides the Center with operating space free of any rent as well as an annual operating subsidy. In addition, the United Church Board of Homeland Ministries provides a significant annual grant to the Center. The loss of support from either of these two entities could have a significant impact on the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the Amistad Research Center's accounting policies applied in the preparation of the accompanying financial statements is as follows:

Method of Accounting:

The financial statements of the organization have been prepared utilizing the accrual basis of accounting.

Financial Statement Presentation:

As of January 1, 1996, the Center elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Center is required to present a statement of cash flows.

Contributions - Public Support and Revenue:

The Center also elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, effective January 1, 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. An allowance for uncollectible promises has not been accrued since estimated future uncollectible amounts are not material.

THE AMISTAD RESEARCH CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions - Public Support and Revenue: (Continued)

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings (i.e. realized and unrealized gains) are recorded in permanently restricted net assets and are to remain a part of the endowment fund. Interest income earned is unrestricted and temporarily restricted.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Inventory:

Inventories are stated at the lower of cost or market. Poster inventory is calculated by the first-in, first-out method; whereas, print inventory is accounted for under the specific identification method.

Investments:

Effective January 1, 1996, the organization adopted SFAS No. 124 *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. The fair values of investments are based on quoted market prices for those or similar investments. Unrealized gains and losses are included in the change in net assets.

Office Furniture and Equipment:

Furniture and equipment are stated at cost. The organization uses the straight-line method of depreciation over an estimated useful life of 3 to 5 years.

THE AMISTAD RESEARCH CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes:

The Amistad Research Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Because the organization files a Federal 990 information return as required of nonprofit organizations and reflected no non-business related income, the organization paid no income taxes for the years ended December 31, 1998 and 1997.

Cash and Cash Equivalents:

The financial statements include statements of cash flows showing cash provided and used by operating, investing and financing activities for unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. For purposes of the statement of cash flows, the organization classifies as cash all funds on deposit with financial institutions. Included in cash are funds which are temporarily restricted as reflected in temporarily restricted net assets of the Center.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses:

Expenses are charged directly to finance and administration, archives and library or program and development in general categories based on specific identification. Indirect expenses have been allocated based on salary expenditures or based on management's estimate of usage of the facility.

2. LEASE:

Amistad Research Center entered into a leasing arrangement commencing January 1, 1987, with Tulane University whereby Amistad Research Center would move its operations to the Tulane Campus. The lease was for a period of ten (10) years, free of any rental assessment, and terminated on the 31st day of December 1996. The lease is automatically renewable for eighteen successive five year terms. At the end of the original lease term, the organization exercised the renewal option for an additional five years.

THE AMISTAD RESEARCH CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

2. LEASE: (Continued)

The in-kind rent contribution for the years ended December 31, 1998 and 1997 is \$44,100 which is based on comparable rental sites.

During the term of the lease, Tulane shall contribute to Amistad Research Center annually an unrestricted cash operating subsidy. The amount contributed for 1998 and 1997 was \$89,857 and \$88,442, respectively.

Amistad has also entered into an agreement with Freeport McMoran, Inc. whereby Freeport McMoran has provided office space in order that Amistad may conduct its capital campaign. The in-kind rent contribution for the years ended December 31, 1998 and 1997 is \$4,375 and \$0, respectively, which is based on comparable rental sites.

3. INVESTMENTS:

The following is a summary of the investments held by the United Church Board for Amistad Research Center as of December 31, 1998 and 1997.

	<u>1998</u>		
	<u>COST</u>	<u>FAIR VALUE</u>	<u>UNREALIZED APPRECIATION (DEPRECIATION)</u>
Investments held by United Church Board: Temporarily and Permanently Restricted Fund:			
Common Investment Fund -			
New Orleans Friends of Amistad	\$ 18,858	\$ 32,697	\$ 13,839
Common Investment Fund	1,745,842	2,564,530	818,688
Unrestricted Fund:			
Common Investment Fund	--	--	--
Investment return is summarized as follows:			
Interest income			\$ 86,046
Net realized and unrealized gains and losses			<u>344,851</u>
Total investment income			<u>\$ 430,897</u>

THE AMISTAD RESEARCH CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

3. INVESTMENTS: (Continued)

	<u>1997</u>		<u>UNREALIZED APPRECIATION (DEPRECIATION)</u>
	<u>COST</u>	<u>FAIR VALUE</u>	
Investments held by United Church Board: Temporarily and Permanently Restricted Fund:			
Common Investment Fund -			
New Orleans Friends of Amistad	\$ 18,787	\$ 28,409	\$ 9,622
Common Investment Fund	1,738,152	2,223,896	485,744
Unrestricted Fund:			
Common Investment Fund	50,000	50,000	--
Investment return is summarized as follows:			
Interest income			\$ 79,914
Net realized and unrealized gains and losses			<u>372,475</u>
Total investment income			<u>\$452,389</u>

4. HISTORICAL COLLECTION:

In conformity with the practice followed by many museums and research centers, historical manuscripts, art objects, microfilm and photographs which were purchased or donated are not included in the statement of financial position.

The appraised value of the manuscripts or objects acquired by donation is reported as revenue in the statement of activities. In 1998 and 1997 several prints were donated to the Center. These are reported as contributions under public support and revenue.

The cost of objects purchased, together with the value of objects acquired through donation are reported in the statement of activities as programmatic expenses.

5. ACCOUNTS RECEIVABLE:

Accounts receivable represents the amounts due from: (a) Tulane University for operations, (b) various art galleries for prints, posters and royalties and (c) employees and other. Accounts receivable, all of which are due within one year, is summarized as follows:

	<u>1998 UNRESTRICTED</u>	<u>1997 UNRESTRICTED</u>
Tulane University	\$ 15,484	\$ 14,269
Art galleries	22,997	28,593
Employees and other	1,777	3,804
Total	<u>\$ 40,258</u>	<u>\$ 46,666</u>

THE AMISTAD RESEARCH CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

6. RETIREMENT PLAN:

After three years of employment, the Center allows all employees to participate in a pension plan for lay workers administered by the United Church of Christ. The Center contributes 11% of an employee's salary into the plan if the employee contributes 1% of his salary. An employee may pay up to 4% of his salary into the pension plan. The Center contributed a total of \$16,081 and \$16,976 to the plan during the years ended December 31, 1998 and 1997, respectively.

7. OFFICE FURNITURE AND EQUIPMENT:

A summary of office furniture and equipment follows:

	<u>1998</u>	<u>1997</u>
Office furniture and equipment	\$ 73,882	\$ 71,633
Less accumulated depreciation	<u>58,625</u>	<u>51,719</u>
Current basis	<u>\$ 15,257</u>	<u>\$ 19,914</u>

Depreciation expense totaled \$6,906 and \$7,676 for the years ended December 31, 1998 and 1997, respectively.

8. CONCENTRATION OF CREDIT RISK:

At the end of the year the Amistad Research Center had on deposit cash in Liberty Bank in excess of FDIC insurance limits of \$100,000.

9. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes or periods:

	<u>1998</u>	<u>1997</u>
Capital Campaign	\$ 395,422	\$ --
Scholarships	2,369	1,555
Grants	67,297	2,049
Building fund	<u>7,920</u>	<u>7,270</u>
	<u>\$ 473,008</u>	<u>\$ 10,874</u>

Net assets of \$156,712 and \$9,962 for the years ended December 31, 1998 and 1997, respectively, were released from temporarily restricted net assets by incurring expenses to satisfy the purpose or the time restriction specified by the donor.

10. PERMANENTLY RESTRICTED NET ASSETS:

Net assets were permanently restricted for the following purposes at December 31, 1998 and 1997:

	<u>1998</u>	<u>1997</u>
Capital Campaign	\$ 13,289	\$ --
United Church Board		
For Homeland Ministries:		
Endowment Fund	2,564,530	2,223,896
New Orleans Friends of		
Amistad Fund	<u>32,362</u>	<u>28,145</u>
	<u>\$2,610,181</u>	<u>\$2,252,041</u>

THE AMISTAD RESEARCH CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

11. PLEDGES RECEIVABLE:

Unconditional pledges receivable, net, are summarized as follows:

	<u>1998</u>	<u>1997</u>
Expected to be collected in:		
Less than one year	\$ 253,782	\$ --
One year to five years	<u>140,192</u>	<u>--</u>
	393,974	--
Less: 8.25% discount	10,684	--
Allowance for uncollectible pledges	<u>--</u>	<u>--</u>
Total	<u>\$ 383,290</u>	<u>\$ --</u>

Pledges receivable at December 31, 1998 and 1997 are restricted as follows:

	<u>1998</u>	<u>1997</u>
Endowment	\$ 13,289	\$ --
Specific programs	<u>329,625</u>	<u>--</u>
Total	<u>\$ 342,914</u>	<u>\$ --</u>

The Center began a three year national capital campaign which will end in 2001. Pledges receivable due greater than one year are discounted at a rate of 8.25%, which is the estimated rate at December 31, 1998 for investments with comparable risk. The receivables are unsecured.

12. RECLASSIFICATION:

Certain amounts from 1997 have been reclassified to conform with the 1998 presentation. There was no effect on previously reported net assets.

THE AMISTAD RESEARCH CENTER
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>FINANCE AND ADMINISTRATION</u>	<u>PROGRAMMATIC ARCHIVES AND LIBRARY</u>	<u>FUND RAISING PROGRAMS AND DEVELOPMENT</u>	<u>TOTAL</u>
Salaries	\$ 70,449	\$ 148,069	\$ 52,260	\$ 270,778
Payroll taxes and benefits	17,950	21,821	10,538	50,309
Art Curator/Consultant	--	8,000	29,835	37,835
Books, microfilm, periodicals	--	4,806	--	4,806
Appraisal fees	--	180	--	180
Archival supplies	--	3,675	--	3,675
Solinet fees	--	2,182	--	2,182
Exhibits	--	915	--	915
Travel	--	2,709	5,247	7,956
Professional development fees	1,904	909	3,031	5,844
Lodging and meals	--	1,952	2,181	4,133
Office supplies and postage	4,171	7,673	5,333	17,177
Depreciation	6,906	--	--	6,906
Accounting and auditing	14,155	--	--	14,155
Bad debts	703	--	--	703
Insurance	11,996	2,730	--	14,726
Telephone	1,526	373	251	2,150
Equipment repairs	1,363	1,260	136	2,759
Rent	11,466	24,255	12,754	48,475
Physical plant maintenance	1,611	--	--	1,611
Endowment management and bank fees	--	--	--	--
Board expense	8,054	--	--	8,054
Gala	--	--	18,326	18,326
Membership	--	--	9,077	9,077
Marketing	--	--	5,943	5,943
Contingency	2,299	--	628	2,927
Grant and scholarship expenses	--	--	675	675
Management fees	--	--	138,017	138,017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTALS	\$ <u>154,553</u>	\$ <u>231,509</u>	\$ <u>294,232</u>	\$ <u>680,294</u>

THE AMISTAD RESEARCH CENTER
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>FINANCE AND ADMINISTRATION</u>	<u>PROGRAMMATIC ARCHIVES AND LIBRARY</u>	<u>FUND RAISING PROGRAMS AND DEVELOPMENT</u>	<u>TOTAL</u>
Salaries	\$ 50,980	\$ 162,870	\$ 47,294	\$ 261,144
Payroll taxes and benefits	17,915	29,853	10,944	58,712
Art Curator/Consultant	--	--	2,000	2,000
Books, microfilm, periodicals	--	3,338	--	3,338
Appraisal fees	--	175	--	175
Archival supplies	--	4,318	--	4,318
Solinet fees	--	2,279	--	2,279
Exhibits	--	50	--	50
Travel	--	2,766	1,531	4,297
Professional development fees	1,275	3,311	1,547	6,133
Lodging and meals	--	1,361	892	2,253
Office supplies and postage	3,773	2,535	2,259	8,567
Depreciation	7,676	--	--	7,676
Accounting and auditing	14,095	--	--	14,095
Bad debts	916	--	--	916
Insurance	15,570	469	--	16,039
Telephone	447	785	158	1,390
Equipment repairs	1,036	43	604	1,683
Rent	11,025	26,460	6,615	44,100
Physical plant maintenance	2,045	--	--	2,045
Endowment management and bank fees	5,370	--	--	5,370
Board expense	4,029	--	--	4,029
Gala	--	--	30,946	30,946
Membership	--	--	11,480	11,480
Marketing	--	--	1,918	1,918
Contingency	3,976	--	--	3,976
Grant and scholarship expenses	--	--	6,421	6,421
TOTALS	<u>\$ 140,128</u>	<u>\$ 240,613</u>	<u>\$ 124,609</u>	<u>\$ 505,350</u>

THE AMISTAD RESEARCH CENTER
 INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
 INTERNAL CONTROL OVER FINANCIAL REPORTING
 BASED ON AN AUDIT PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1998

February 19, 1999

Board of Directors
 The Amistad Research Center
 Tulane University
 6823 St. Charles Avenue
 New Orleans, Louisiana 70118

We have audited the financial statements of Amistad Research Center (a nonprofit organization) as of and for the year ended December 31, 1998, and have issued our report thereon dated February 19, 1999. We conducted our 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

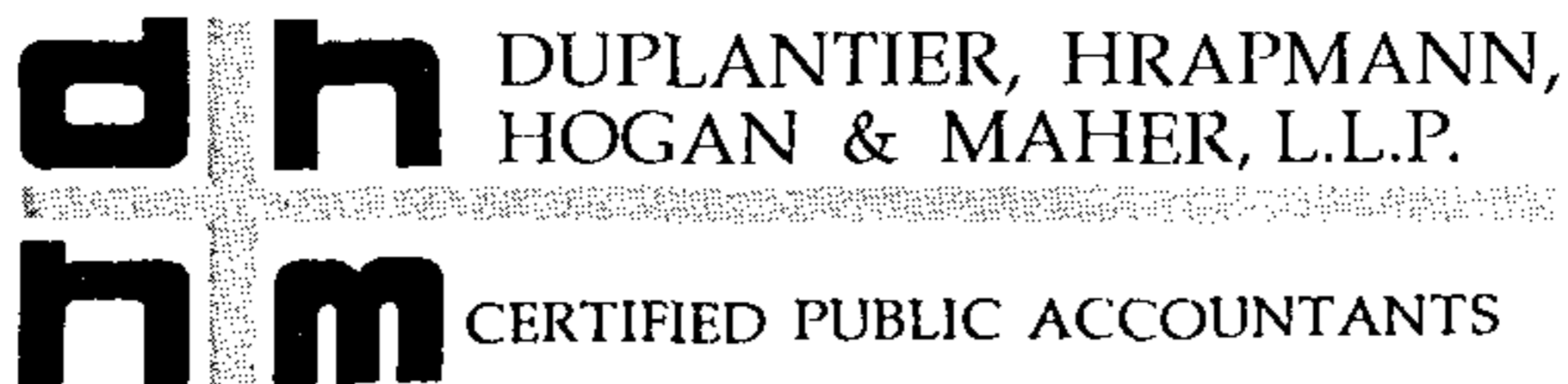
As part of obtaining reasonable assurance about whether Amistad Research Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Amistad Research Center in a separate letter dated February 19, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Amistad Research Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to management of the Amistad Research Center in a separate letter dated February 19, 1999.

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

Amplantier, Haganmann, Hogan & Maher, L.L.P.



MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
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MICHELLE H. CUNNINGHAM, C.P.A.
KENNETH J. BROOKS, C.P.A., ASSOCIATE

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.'S

February 19, 1999

Legislative Auditor
Engagement Processing
Post Office Box 94397
Baton Rouge, Louisiana 70804

Dear Sir or Madam:

SCHEDULES AND DATA COLLECTION FORM

SECTION 1: SUMMARY OF AUDITOR'S REPORTS

A. FINANCIAL STATEMENT AUDIT OPINION:

We have audited the financial statements of The Amistad Research Center as of and for the year ended December 31, 1998 and have issued our report thereon dated February 19, 1999. We conducted our 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. Our audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

B. REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL STATEMENTS:

Internal Control:

Material weaknesses - None noted
Reportable conditions - None noted

Compliance:

Noncompliance material to financial statements - none noted

C. FEDERAL AWARDS:

N/A

SECTION 2: FINANCIAL STATEMENT FINDINGS

A. CURRENT YEAR FINDINGS:

98-01 - Memberships:

There were discrepancies in number of members and membership dues reported in internal statements submitted to the Board of Directors.

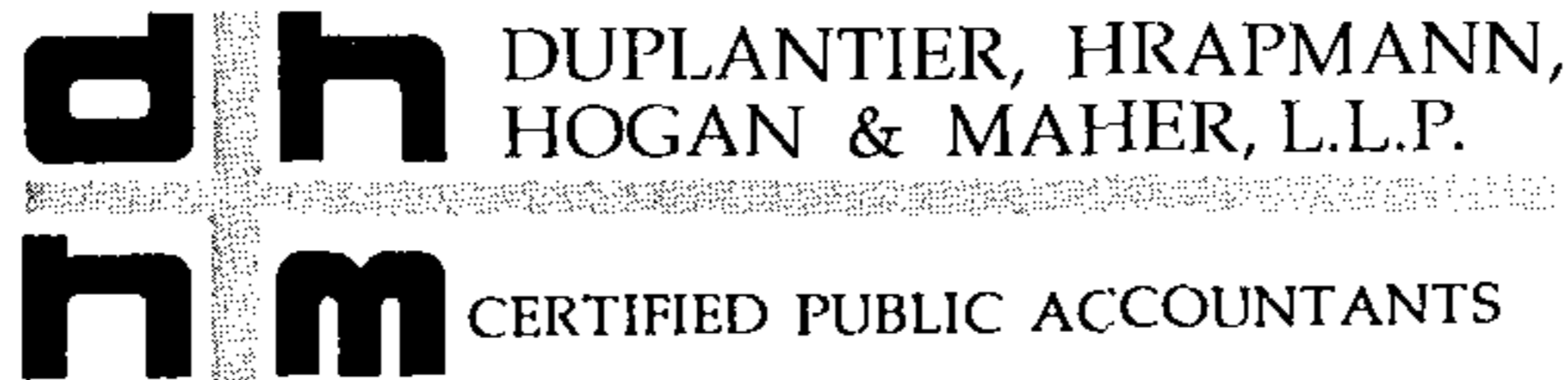
98-02 - Financial Statements:

The audited financial statements were not provided to the Legislative Auditor by the required due date.

B. PRIOR YEAR FINDINGS (OTHER MATTERS):

NONE

Duplantier, Hapmann, Hogan & Maher, L.L.P.



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MEMBERS
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CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.'S

February 19, 1999

To the Board of Directors
The Amistad Research Center
Tulane University
6823 St. Charles Avenue
New Orleans, LA 70118

In planning and performing our audit of the financial statements of The Amistad Research Center (the Center) for the year ended December 31, 1998, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that are presented for your consideration. This letter does not affect our report dated February 19, 1999 on the financial statements of the Center.

Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional studies of these matters, or to assist you in implementing the recommendations. Our comments are summarized below:

98-1 - MEMBERSHIPS:

During the audit we noted that the internal controls over the membership ledger could be strengthened. The number of members reported to the Board of Directors was in excess of actual members. This was caused by including prospective members in the count. The difference had no effect on the financial statements. The membership dues balance reported to the Board of Directors from an internal statement was not the same as the balance per the audited financial statements. The difference between the two reports was approximately \$6,531. This was due to an incorrect number being reported on the internal report.

We recommend that management review the membership ledger for completeness and correctness and verify amounts included in internal reports to the general ledger.

To the Board of Directors
The Amistad Research Center
Tulane University

-2-

February 19, 1999

98-2 - FINANCIAL STATEMENT:

The Amistad Research Center did not provide audited financial statements to the Legislative Auditor's office of the State of Louisiana as required by June 30, 1999. This was due to delays in resolving membership discrepancies.

We recommend that audited financial statements be filed timely with the Legislative Auditor in the future.

We appreciate the assistance provided by management during our audit.

This report is intended solely for the information and use of the Board of Directors, management and the Louisiana Legislative Auditor.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP



David J. Mumfrey, CPA
Partner

DJM/ct



August 4, 1999

Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804

Dear Sir or Madam:

CORRECTIVE ACTION PLAN

A. FINANCIAL STATEMENT AUDIT OPINION

Our auditors, Duplantier, Hrapmann, Hogan & Maher, LLP, have audited the financial statements of The Amistad Research Center as of and for the year ended December 31, 1998 and have issued their report thereon dated February 19, 1999. They conducted their 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. Their audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

B. REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

NONE NOTED.

C. OTHER MATTERS:

Immaterial instances of noncompliance and other matters involving internal control over financial reporting.

98-01 – Memberships:

There were discrepancies in number of members and membership dues as reported in internal statements submitted to the Board of Directors.

Management's Reponse:

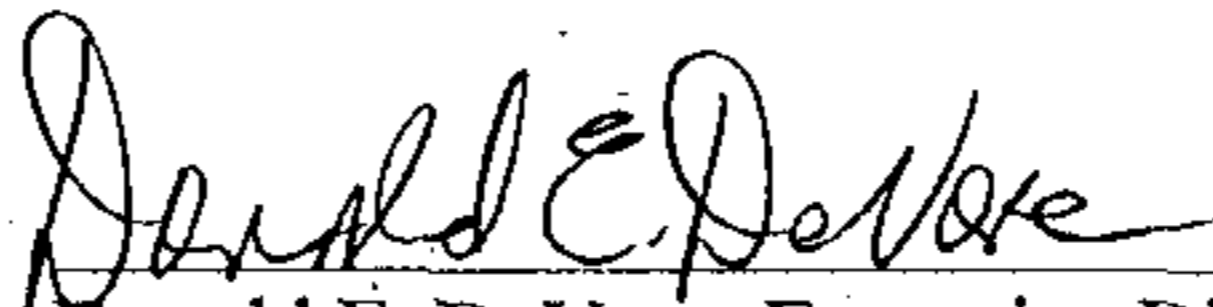
In compliance with the auditor's recommendation, we have initiated a monthly internal reconciliation of the financial printouts from the auditors of the membership with the person responsible for the membership ledger. This policy was instituted in May of this year.

98-02 - Financial Statements:

The audited financial statements were not provided to the Legislative Auditor by the required due date.

Management's Reponse:

We will submit our audited financial statement to the Legislative Auditor before the required due date.



Donald E. DeVore, Executive Director