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THE AMSTAD RESEARCH CENTER
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the entity and other appropriate public officials. The report is available for public inspection at the State's Budget office of the Legislative Auditor and, where appropriate, at the office of the public clerk of court.

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Robert E. Brown, CPA
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Amistad Research Center

We have audited the accompanying statement of financial position of **The Amistad Research Center (The Center)** (a non-profit corporation) as of December 31, 2000 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of **The Center's** management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of **The Center** as of and for the year ended December 31, 1999, were audited by other auditors whose report dated March 3, 2000, expressed an unqualified opinion on these statements.

Except as discussed in the following paragraph, we conducted our 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. These 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
The Arnold Research Center
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As more fully discussed in NOTE 13 to the financial statements, The Center was unable to determine the fair value of its endorsement investments at December 31, 2000 (total at \$2,821,870). We were unable to satisfy ourselves about the fair value of endorsement investments by means of other auditing procedures.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to determine the fair value of endorsement investments at December 31, 2000, the 2000 financial statements referred to above present fairly, in all material respects, the financial position of The Arnold Research Center as of December 31, 2000, and the changes in its 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 *Governance Auditing Standards*, we have also issued our report dated May 11, 2001 on our consideration of The Center's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governance Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**INDEPENDENT AUDITORS' REPORT
(CONTINUED)**

To the Board of Directors
The Arstad Research Center
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The audit was made for the purpose of forming an opinion on the basic financial statements of The Arstad Research Center taken as a whole. The accompanying schedule of functional expenses for the year ended December 31, 2000 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 1999 schedule of functional expenses was audited by other auditors whose report dated March 7, 2000 expressed an unqualified opinion on that schedule. The 2000 schedule of functional expenses has been subjected to the auditing procedures applied in the audit of the basic financial statements and, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to determine the fair value of endowment investments is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Bruce & Tervalon, L.L.P.
BRUCE & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 11, 2001

THE AMSTAR RESEARCH CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2000 and 1999

	2000	1999
ASSETS		
Cash	\$ 354,031	\$ 606,071
Investments (NOTE 3)	358,000	-
Accounts receivable	41,144	50,284
Grants receivable, net (NOTE 4)	284,668	100,418
Grants receivable	-	10,760
Inventory	310,504	328,874
Other assets	2,889	1,140
Endowment investments (NOTES 2 and 3)	2,821,870	2,799,873
Furniture and equipment, net (NOTES 2 and 5)	50,381	90,862
Total assets	\$4,187,489	\$4,258,575
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 20,032	\$ 10,170
Deferred revenues	20,036	-
Total liabilities	40,068	10,170
Net assets:		
Unrestricted	652,836	132,900
Temporarily restricted (NOTES 2 and 5)	487,536	588,054
Permanently restricted (NOTES 2 and 7)	2,838,085	2,823,951
Total net assets	4,147,421	4,025,425
Total liabilities and net assets	\$4,187,489	\$4,258,575

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

THE METCALFE RESOURCE CENTER

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 1989

FOUNDED 1976; 1992-1993-1994

	DONATIONS	SUPPORTING MEMBERSHIP	PROCEEDS FROM RESTRICTIONS	TOTAL
Grants	\$ 174,138	202,879	0	377,017
Service Income (2000-1)	126,876	22	0	127,098
Contributions, special events and fundraising	286,284	4,218	27,000	317,502
Revenues	6,275	0	0	6,275
Revenue, camp and other activities	20,212	0	0	20,212
Net assets released from restrictions	(122,202)	(122,202)	0	0
	<u>\$55,878</u>	<u>\$5,299</u>	<u>\$27,000</u>	<u>\$88,177</u>

Total public support and revenue

EXPENSES

Management and general:	173,228	0	0	173,228
Program services:	408,228	0	0	408,228
Fundraising:	188,817	0	0	188,817
Total expenses	<u>770,273</u>	<u>0</u>	<u>0</u>	<u>770,273</u>
Change in net assets	28,904	69,699	27,000	125,603
Net assets, beginning of year	613,852	808,314	4,851,003	5,273,169
Net assets, end of year	<u>\$ 642,756</u>	<u>\$ 878,013</u>	<u>\$ 4,878,003</u>	<u>\$ 6,398,772</u>

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

2002 ANNUAL SUBSEQUENT COSTS

RECOVERY OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2002

	Organizational	Temporarily Available	Permanently Available	TOTAL
PERMANENTLY AVAILABLE EXPENSES				
Grants	\$ 271,180	\$ 212,020	\$ 0	\$ 483,200
Materials, locomotives & tractors	81,531	3,369	0	84,900
Conventions, special events and fundraising	481,484	278,822	3,282	763,588
Net realized and unrealized gain/losses from 20	0	0	287,488	287,488
Expatriation	18,543	0	0	18,543
Business shop and other activities	27,132	0	0	27,132
Net events returned from restrictions	287,352	127,393	0	414,745
Total periodic support and revenues	987,217	519,485	290,770	1,807,472

expenses

Management and general	164,477	0	0	164,477
Program services	334,634	0	0	334,634
Fundraising	427,881	0	0	427,881
Total expenses	926,992	0	0	926,992
Change in net assets	66,225	215,485	290,770	572,480
Net assets, beginning of year	803,328	672,628	3,815,181	5,291,137
Net assets, end of year	869,553	888,113	4,105,951	5,863,617

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

THE MOTTEN BAKERY CENTER
STATEMENT OF CASH FLOWS
DECEMBER 31, 1979 and 1978

	1979	1978
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 312,818	\$ 288,878
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	14,887	12,863
Bad debts	3,808	37,838
Net realized and unrealized (gains) and losses on fixed equipment	0	(271,688)
Contributions restricted for permanent investments	127,000	0
Decreases (Increases) in:		
Accounts receivable	(8,858)	(12,828)
Vendors receivable	18,723	38,812
Grant receivable	12,738	12,238
Inventory	(27,888)	47,238
Prepaid expenses	(1,758)	1,218
Increase (Decrease) in:		
Accounts payable and accrued expenses	2,923	2,778
Deferred revenues	49,458	0
Net cash provided by operating activities	328,288	282,232
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(28,688)	(28,688)
Purchase of investments	(278,888)	0
Liquidation of investments	0	28
Net cash used in investing activities	(307,576)	(28,660)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for permanent investments	27,888	3,200
Net cash provided by financing activities	27,888	3,200
Net increase (decrease) in cash	(51,400)	250,772
Cash at beginning of year	588,423	337,722
Cash at end of year	\$ 537,023	\$ 588,494
ADDITIONAL DISCLOSURE		
Non-cash investing activity		
Donation of equipment	\$ 0	\$ 24,000

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

**THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Organization and Status of Activities:

The Amistad Research Center (The Center) collects original source materials on American ethnic history, race, relations and civil rights, and the African diaspora. The Center organizes and preserves these materials according to archival standards and makes them accessible for research use. The Center also collects and makes accessible to research scholars, books, periodicals, photographs, microforms, film, and videotape to support its manuscript collections. The Center collects African art and works of art by African American artists for display at The Center and from which traveling exhibitions may be developed.

The Center incorporated in the State of Louisiana on October 16, 1987, is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The Center's financial statements are prepared on the accrual basis and in accordance with generally accepted accounting principles. 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 these estimates.

Public Support and Revenue

Contributions are generally available for unrestricted use in year received unless specifically restricted by the donor. 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

THE AMSTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Gifts, Support and Revenue, Continued

value. Unconditional promises to give due in subsequent years and recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end.

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 available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

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

THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Investments

In accordance with Statement of Financial Accounting (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. (See NOTE 13)

Cash and Cash Equivalents

The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Inventory

Inventories are stated at the lower of cost or market. Print inventories donated to The Center are recorded at their fair value at the date of donation.

Furniture and Equipment

Furniture and equipment are capitalized at cost. Furniture and equipment are being depreciated over estimated useful lives of five to ten years using a straight-line method, with a half of a year's depreciation recognized in the years of acquisition and disposal.

THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Summary of Significant Accounting Policies, Continued:

Reclassifications

Certain amounts from 1999 have been reclassified to conform with the 2000 presentation. There was no effect on previously reported net assets.

NOTE 13 - Investments:

Investments and investment return and its classification in the Statement of Activities as of December 31, is summarized as follows:

	<u>2000</u>		
	Cost	Fair Value	Carrying Value
Unrestricted:			
Certificates of deposit, deposit notes and equivalents	\$ 250,337	\$ 250,000	\$ 250,000
Permanently and temporarily restricted:			
Common Investment Fund	1,803,855	2,821,878	2,821,878
	<u>\$2,054,192</u>	<u>\$3,071,878</u>	<u>\$3,071,878</u>

THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Investments, Continued:

	Unrestricted	Temporarily Restricted...	Total
Interest and dividends	\$108,524	\$310	\$109,234
	<u>\$108,524</u>	<u>\$310</u>	<u>\$109,234</u>

	<u>1992</u>		
	Cost	Fair Value	Carrying Value
Permanently and temporarily restricted:			
Common Investment Fund	\$1,778,856	\$2,794,871	\$2,794,871
	<u>\$1,778,856</u>	<u>\$2,794,871</u>	<u>\$2,794,871</u>

	Unrestricted	Temporarily Restricted...	Permanently Restricted...	Total
Interest and dividends	\$91,533	\$1,249	\$ -0-	\$ 92,782
Unrealized gains (losses)	-0-	-0-	192,668	192,668
	<u>\$91,533</u>	<u>\$1,249</u>	<u>\$192,668</u>	<u>\$295,450</u>

THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - **Receivables:**

Unconditional promises to give consist of the following as December 31:

	2000	1999
Expected to be collected in:		
Less than one year	\$184,436	\$186,158
One year to five years	<u>131,208</u>	<u>233,088</u>
	315,644	399,245
Less discounts to net present value	(30,786)	(30,786)
	<u>\$284,858</u>	<u>\$368,459</u>

NOTE 5 - **Furniture and Equipment:**

At December 31, furniture and equipment consisted of the following:

	2000	1999
Office furniture and equipment	\$125,863	\$120,550
Automobile	<u>18,213</u>	<u>—</u>
	143,956	120,550
Less accumulated depreciation	(86,255)	(68,688)
	<u>\$ 57,701</u>	<u>\$ 51,862</u>

THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Temporarily Restricted Net Assets

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

	2000	1999
Capital campaign	\$611,882	\$563,549
Scholarships	2,932	2,932
Grants	34,637	13,868
Building fund	8,085	8,085
	<u>\$657,536</u>	<u>\$588,434</u>

NOTE 7 - Permanently Restricted Net Assets

Net assets were permanently restricted for the following purposes at December 31:

	2000	1999
Capital campaign	\$ 16,491	\$ 16,491
United Church Home for Homeless Ministries		
Endowment Fund	2,784,932	2,759,932
New Orleans Friends of Amistad Fund	36,628	36,628
	<u>\$2,838,051</u>	<u>\$2,811,651</u>

THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - Lease:

The Amistad Research Center entered into a leasing arrangement commencing January 1, 1993, with Tulane University whereby The 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 assessments, and terminated on the 31st day of December 1998. 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 in-kind rent contribution for the years ended December 31, 2000 and 1999 was \$44,100 which was based on comparable rental rates.

During the term of the lease, Tulane shall contribute to The Amistad Research Center annually an unrestricted cash-operating subsidy. The amount contributed for 2000 and 1999 was \$83,857 and \$81,385, respectively.

NOTE 9 - 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 States 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 \$15,685 and \$7,678 to the plan during the years ended December 31, 2000 and 1999, respectively.

NOTE 10 - Concentration of Credit Risk:

At the end of the year The Amistad Research Center had on deposit cash at a local bank in excess of FDIC insurance limits of \$100,000. The uninsured portion is \$284,390 and \$427,331 at December 31, 2000 and 1999, respectively.

THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Fair Values of Financial Instruments

The following methods and assumptions were used by The Center in estimating its fair value disclosures for financial instruments:

Cash and short-term unconditional promises to give: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

Short-term and endowment investments: The fair values of investments are based on quoted market prices for those or similar investments. (See NOTE 13)

Long-term unconditional promises to give: The fair value of promises to give that are due in more than one year is estimated by discounting the future cash flows using a current risk free rate of return.

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Cash	\$ 356,831	\$ 356,831	\$ 506,671	\$ 506,671
Investments	250,000	250,000	0-	0-
Unconditional to give	184,456	184,456	106,156	106,156
Endowment investments	2,821,870	2,821,870	2,794,871	2,794,871

THE AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Functional Allocation of Expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 13 - Endowment Investments:

The Center's endowment investments are held by the United Church Board for Homeland Ministries. As stated in NOTE 2, in accordance with Statement of Financial Accounting Standards No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations, 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. However, were unable to determine the fair value of endowment investments at December 31, 2009.

NOTE 14 - Historical Collections:

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

SUPPLEMENTARY INFORMATION

THE AMERICAN HERITAGE CENTER
 PARTIAL OF FINANCIAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 1987

Account and FUNDING SOURCE	Acquired		Program Services		Total		Sustaining Programs and Development	TOTAL
	Assets	Liability	Grants	Programs	Programs	Programs		
Starting end carry	\$ 81,898	\$ 126,709	\$ 128,479	\$ 0	\$ 254,948	\$ 0	\$ 40,881	\$ 623,287
Excess: sales and foreign benefits	21,204	18,127	13,188	0	32,315	0	25,983	87,222
Donations	0	0	18,192	0	18,192	0	21,673	81,294
Books, tapes and periodicals	0	3,497	0	0	3,497	0	0	205
Appointed fees	0	312	0	0	312	0	0	7,289
Archival supplies	0	7,425	0	0	7,425	0	0	5,886
Rolland Scott	0	8,789	0	0	8,789	0	0	6,888
Grants	3,207	4,328	0	0	7,535	0	0	6,888
Travel, materials and maintenance	2,283	2,183	8,199	0	10,482	0	0	21,479
Salaries and wages	1,971	489	0	0	2,460	0	0	6,481
Printing supplies and postage	7,868	4,982	12,828	0	25,678	0	7,327	31,428
Depreciation	4,948	8,122	0	0	13,070	0	3,807	26,587
Accounting and auditing	26,615	0	0	0	26,615	0	1,856	36,845
Red CROSS	0	0	0	0	0	0	2,805	2,805
Insurance	1,201	852	0	0	2,053	0	4,288	4,288
Telephone	2,400	943	979	0	4,322	499	1,341	5,318
Utilities	1,871	0	0	0	1,871	0	43	1,914
Postages, repairs and maintenance	4,263	18,182	0	0	22,445	0	17,742	44,209
Bank	0	0	0	0	0	0	0	4,848
Other	0	0	0	0	0	0	0	0
Printing and promotion	0	0	27,189	0	27,189	428	17,279	27,279
Grants and endowments	1,215	523	0	0	1,738	0	942	21,218
Programs: Meet	0	0	18,448	0	18,448	0	6,413	24,861
Printing and materials	2,865	2,485	4,807	0	10,157	0	3,318	13,475
Total expenses	\$ 21,212	\$ 258,793	\$ 282,118	\$ 455,126	\$ 735,056	\$ 215,415	\$ 950,471	\$ 845,845

See Independent Auditor's Report on Supplementary Information.

THE AMERICAN RESEARCH CENTER
 RECORDS OF FINANCIAL SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 1969

	Management and Finance		Program Services		Fundraising and Development		TOTAL
	Administration	Archiving and Library	Archiving and Library	Total Program Services	Fundraising	Development	
Station and maps	\$ 8,418	\$ 218,877	\$	\$ 226,877	\$ 179,784	\$	\$ 422,173
Reprint taxes and fringe benefits	19,314	25,203		25,203	12,180		38,877
Generaliana				3,200			3,200
Books, filing and periodicals		8,728		878			878
Reproducible text		13,434		13,434			13,434
Relevant supplies		2,891		2,891			2,891
Relief items		3,889		3,889			3,889
Utilities		6,424		6,424	26,422		32,846
Travel, seminars and recruitment	971	684		1,655	2,380		2,781
Shipping and mail		684		684			684
Printing and postage	9,897	3,255		3,255	6,284		12,836
Telephone	2,152	4,089		4,089	3,876		12,117
Accounting and auditing	17,489						17,489
Real estate					37,818		37,818
Telephone	9,732	4,789		4,789			14,601
Telephone	7,687	2,289		2,289	243		8,219
Equipment, repairs and maintenance	7,136	258		283	797		1,077
Items	8,179	24,225		24,225	21,948		66,452
Membership and newsletters					22,719		22,719
Office and school supplies							788
Management fees					125,893		125,893
Other	18,864				24,244		43,108
	\$ 208,427	\$ 324,254	\$	\$ 532,681	\$ 427,684	\$	\$ 960,365

See Independent Auditor's Report on Supplementary Information

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

To the Board of Directors
The Assisted Research Center

We have audited the financial statements of **The Assisted Research Center** (The Center) as of and for the year ended December 31, 2000, and have issued our report thereon dated May 11, 2001. In our report, our opinion was qualified because we were unable to determine the fair value of endowment investments at December 31, 2000. We conducted our 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 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 these 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*.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The 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 other matters involving the internal control over financial reporting, which we have reported to management of The Center in a separate letter dated May 11, 2001.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than those specified parties.

Bruno & Tervaldon L.L.P.
BRUNO & TERVALDON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 11, 2001

**THE AMSTAD RESEARCH CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

We have audited the financial statements of **The Amstad Research Center** as of and for the year ended December 31, 2000, and have issued our report thereon dated May 11, 2001. We conducted our 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. Our audit of the financial statements as of December 31, 2000 resulted in a qualified opinion.

Section I - Summary of Auditor's Report

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	
Material Weaknesses	No
Reportable Conditions	None Reported
Compliance	
Compliance Material to Financial Statements	No

b. Federal Awards
Not Applicable

Section II - Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

No matters reported.

Section III - Findings and Questioned Costs Related to Federal Awards

Not applicable.

THE AMSTAD RESEARCH CENTER
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

RESOLVED UNRESOLVED

**INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FINANCIAL STATEMENTS**

99-1	Grants	X
99-2	Capital Campaign	X
99-3	Test of Grant Expenditures	X
99-4	Legal Compliance	X

**INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FEDERAL AWARDS** _____

Not applicable.

MANAGEMENT LETTER COMMENTS

99-1	Grants	X	
99-2	Capital Campaign	X	
99-3	Test of Grant Expenditures	X	
99-4	Legal Compliance	X	
99-5	Collateralization		X
99-6	Fiscal Assets	X	
99-7	Essece Arts Royalties	X	

THE AMISTAD RESEARCH CENTER

EXIT CONFERENCE

An exit conference was held and those in attendance were as follows:

THE AMISTAD RESEARCH CENTER

Dr. Charles C. Younger	-	Executive Director
Dr. Andrea G. Jefferson	-	Board of Directors

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael H. Hraus, CPA	-	Managing Partner
Mr. Armand H. Pinkney	-	Manager

This audit report was discussed. This report is intended solely for the use of the Board of Directors, management, the Legislative Auditor of the State of Louisiana and federal receiving agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 11, 2000

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

COLLATERALIZATION

During the course of the audit, we noted that at December 31, 2000, the bank balances of all The Center's bank accounts with one financial institution totaled \$386,550. Therefore, the amount in excess of FDIC insurance coverage was \$214,550.

We recommended that management of The Center continue to assess the level of risk associated with uninsured deposits.

SUBSEQUENT EVENT

Subsequent to year-end, we noted based on our review of the Center's short-term investment account statement, a withdrawal in the amount of \$20,000 from the Center's short-term investment account. We were unable to ascertain the nature or propriety of the withdrawal amount through our discussions and inquiry of management.

We recommended that management continue to pursue its efforts in determining the nature and propriety of the withdrawal amount as reflected on the Center's short-term investment account statement and pursue collection of any unauthorized withdrawal transactions.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with the management of The Center, and will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 11, 2001



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June 28, 2001

Bruno & Tervolen, LLP
Certified Public Accountants
4298 Higgins Field Avenue
New Orleans, LA 70022

Dear Sirs:

The following is submitted as management's corrective action to the independent auditor's comments to management dated May 11, 2001.

MIC 80-81 - INVENTORY

The Amistad Research Center will perform an annual physical inventory of "prints". Furthermore, we will comply with the auditor's recommendation and maintain a perpetual inventory listing of "prints" on hand and update that listing on a timely basis.

MIC 80-82 - COLLATERALIZATION

The Board of Directors will continue to assess the level of risk associated with uninsured deposits and should that risk become a factor, we will request our depositories to pledge collateral to secure our uninsured investments.

MIC 80-83 - SUBSEQUENT EVENT

We have contacted the financial institution holding our short-term investments and have requested them to associate and provide us with documentation regarding the source and disposition of the withdrawal amount. We have requested a change in the financial advisory for the Center's short-term investments. Management will develop and submit to the Board of Directors at its next meeting a plan to govern the administration of all investments.

Sincerely,

Charles C. Young
Executive Director