

**AMISTAD RESEARCH CENTER
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

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

Release Date 9/5/07

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AMISTAD RESEARCH CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

<u>ASSETS</u>		
	<u>2006</u>	<u>2005</u>
Cash	\$ 89,248	\$ 61,483
Investments (NOTES 2 and 3)	1,148,716	1,102,023
Accounts receivable	19,661	17,724
Grants receivable	109,906	110,966
Inventory	312,716	336,900
Other assets	14,262	1,544
Endowment investments (NOTES 2, 3 and 12)	2,864,308	2,615,789
Furniture and equipment, net (NOTES 2 and 4)	33,132	52,728
Fine arts collection (NOTES 13)	<u>3,692,200</u>	<u>3,692,200</u>
Total assets	<u>\$8,284,149</u>	<u>\$7,991,357</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ <u>50,296</u>	\$ <u>104,038</u>
Total liabilities	<u>50,296</u>	<u>104,038</u>
Net assets:		
Unrestricted	808,354	772,052
Temporarily restricted (NOTES 2 and 5)	852,265	790,552
Permanently restricted (NOTES 2 and 6)	<u>6,573,234</u>	<u>6,324,715</u>
Total net assets	<u>8,233,853</u>	<u>7,887,319</u>
Total liabilities and net assets	<u>\$8,284,149</u>	<u>\$7,991,357</u>

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

AMISTAD RESEARCH CENTER
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>PUBLIC SUPPORT AND REVENUES</u>				
Grants (NOTE 7)	\$ 423,562	\$ -0-	\$ -0-	\$ 423,562
Interest income (NOTE 3)	57,437	51,723	89	109,249
Gains (losses) on investments (NOTE 3)	-0-	(3,910)	248,430	244,520
Contributions, special events and fundraising	92,904	13,900	-0-	106,804
Royalties	17,820	-0-	-0-	17,820
Museum shop and other activities	<u>12,873</u>	<u>-0-</u>	<u>-0-</u>	<u>12,873</u>
Total public support and revenues	<u>604,596</u>	<u>61,713</u>	<u>248,519</u>	<u>914,828</u>
<u>EXPENSES</u>				
Management and general	382,696	-0-	-0-	382,696
Program services	183,242	-0-	-0-	183,242
Fundraising	<u>2,356</u>	<u>-0-</u>	<u>-0-</u>	<u>2,356</u>
Total expenses	<u>568,294</u>	<u>-0-</u>	<u>-0-</u>	<u>568,294</u>
Change in net assets	36,302	61,713	248,519	346,534
Net assets, beginning of year	<u>772,052</u>	<u>790,552</u>	<u>6,324,715</u>	<u>7,887,319</u>
Net assets, end of year	<u>\$ 808,354</u>	<u>\$ 852,265</u>	<u>\$6,573,234</u>	<u>\$8,233,853</u>

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

AMISTAD RESEARCH CENTER
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2005			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<u>PUBLIC SUPPORT AND REVENUES</u>				
Grants (NOTE 7)	\$ 426,485	\$ -0-	\$ -0-	\$ 426,485
Interest income (NOTE 3)	55,130	61,511	54	116,695
Gains (losses) on investments (NOTE 3)	-0-	(24,285)	71,762	47,477
Contributions, special events and fundraising	51,561	82,200	-0-	133,761
Royalties	15,935	-0-	-0-	15,935
Museum shop and other activities	7,471	-0-	-0-	7,471
Net assets released from restrictions	<u>250,000</u>	<u>(250,000)</u>	<u>-0-</u>	<u>-0-</u>
Total public support and revenues	<u>806,582</u>	<u>(130,574)</u>	<u>71,816</u>	<u>747,824</u>
<u>EXPENSES</u>				
Management and general	424,370	-0-	-0-	424,370
Program services	302,282	-0-	-0-	302,282
Fundraising	<u>145,495</u>	<u>-0-</u>	<u>-0-</u>	<u>145,495</u>
Total expenses	<u>872,147</u>	<u>-0-</u>	<u>-0-</u>	<u>872,147</u>
Change in net assets	(65,565)	(130,574)	71,816	(124,323)
Net assets, beginning of year	<u>837,617</u>	<u>921,126</u>	<u>6,252,899</u>	<u>8,011,642</u>
Net assets, end of year	<u>\$ 772,052</u>	<u>\$ 790,552</u>	<u>\$ 6,324,715</u>	<u>\$ 7,887,319</u>

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

AMISTAD RESEARCH CENTER
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

2006

Management and	Program Services		Total	Fundraising	Total
General Finance and Administration	Archives and Library	Grants and Programs	Program Services	Programs and Development	Total
Salaries and wages	\$152,674	\$96,490	\$96,490	\$-0-	\$ 249,164
Payroll taxes and fringe benefits	32,868	20,928	20,928	-0-	53,796
Consultants	18,575	5,875	5,875	-0-	24,450
Books, films and periodicals	-0-	783	783	-0-	783
Archival supplies	-0-	17,212	17,212	-0-	17,212
Solinet fees	-0-	539	539	-0-	539
Travel, seminars and entertainment	10,340	100	100	-0-	10,440
Lodging and meals	819	-0-	-0-	-0-	819
Office supplies and postage	1,320	2,840	2,840	-0-	4,160
Depreciation	19,596	-0-	-0-	-0-	19,596
Accounting and auditing	47,266	-0-	-0-	-0-	47,266
Bad debts	23,227	-0-	-0-	-0-	23,227
Insurance	2,915	-0-	-0-	-0-	2,915
Telephone	1,273	164	164	99	1,536
Equipment repairs and maintenance	2,303	-0-	-0-	-0-	2,303
Rent (NOTE 7)	63,945	38,070	38,070	-0-	102,015
Marketing and promotions	-0-	-0-	-0-	1,657	1,657
Other	<u>5,575</u>	<u>241</u>	<u>241</u>	<u>600</u>	<u>6,416</u>
Total expenses	<u>\$382,696</u>	<u>\$183,242</u>	<u>\$ 183,242</u>	<u>\$2,356</u>	<u>\$ 568,294</u>

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

AMISTAD RESEARCH CENTER
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2005				Total
	Management and General Finance and Administration	Archives and Library	Program Services Grants and Programs	Total Program Services	
Salaries and wages	\$233,569	\$182,750	\$ -	\$182,750	\$73,563
Payroll taxes and fringe benefits	43,401	42,759	-	42,759	14,454
Consultants	-	9,550	-	9,550	-
Books, films and periodicals	-	3,742	-	3,742	-
Appraisal fees	-	-	-	-	-
Archival supplies	-	17,565	-	17,565	-
Solinet fees	-	2,970	-	2,970	-
Exhibits	115	750	-	750	-
Travel, seminars and entertainment	4,852	1,097	-	1,097	409
Lodging and meals	810	65	-	65	370
Office supplies and postage	2,447	-	-	-	2,498
Depreciation	21,348	-	-	-	-
Accounting and auditing	30,556	-	-	-	-
Bad debts	-	-	-	-	19,929
Insurance	3,494	4,286	-	4,286	-
Telephone	469	73	-	73	423
Equipment repairs and maintenance	-	2,684	-	2,684	-
Rent (NOTE 7)	77,309	31,535	-	31,535	17,741
Galas	-	-	-	-	1,822
Marketing and promotions	-	-	-	-	882
Grants and scholarships	-	-	500	500	-
Management fees	345	250	-	250	250
Printing and newsletter	-	-	-	-	4,164
Other	5,655	1,706	-	1,706	8,990
Total expenses	\$424,370	\$301,782	\$500	\$302,282	\$145,495
					\$ 872,147

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

AMISTAD RESEARCH CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$346,534	\$ (124,323)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	19,596	21,348
Net unrealized (gains) and losses	(244,520)	(47,477)
(Increase) decrease in:		
Accounts receivable	(1,937)	4,737
Pledges receivable	-0-	19,929
Grants receivable	1,060	4,251
Inventory	24,184	8,524
Other assets	(12,718)	5,833
Increase (decrease) in:		
Accounts payable and accrued expenses	(53,742)	77,335
Deferred revenues	<u>-0-</u>	<u>(216,005)</u>
Net cash (used in) provided by operating activities	<u>78,457</u>	<u>(245,848)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposition of equipment	-0-	303
Purchase of investments	(50,692)	(59,233)
Proceeds from sales of investments	<u>-0-</u>	<u>351,795</u>
Net cash provided by (used in) investing activities	<u>(50,692)</u>	<u>292,865</u>
Net increase in cash	27,765	47,017
Cash at beginning of year	<u>61,483</u>	<u>14,466</u>
Cash at end of year	\$ <u>89,248</u>	\$ <u>61,483</u>

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

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization and Nature of Activities:

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 accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Public Support and Revenue

Contributions are generally available for unrestricted use in the 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 value. Unconditional promises to give due in subsequent years are 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 values 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 donation, are recorded at their fair values in the period received.

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, 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. 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 3 and 12)

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 statements of cash flows exclude permanently restricted cash and cash equivalents.

Inventory

Inventories are stated at the lower of cost or market. Print inventories (works of art available for sale) 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.

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Reclassifications

Certain amounts from 2005 have been reclassified to conform with the 2006 presentation.

NOTE 3 - Investments:

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

	2006		
	Cost	Fair Value	Carrying Value
Unrestricted:			
Government securities	\$628,197	\$610,076	\$610,076
Money accounts	339,064	339,064	339,064
Certificate of Deposit	200,000	199,576	199,576
Permanently and temporarily restricted:			
Common Investment Fund	<u>2,364,474</u>	<u>2,864,308</u>	<u>2,864,308</u>
	<u>\$3,531,735</u>	<u>\$4,013,024</u>	<u>\$4,013,024</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$57,437	\$51,723	\$ 89	\$109,249
Unrealized gains (losses)	<u>-0-</u>	<u>(3,910)</u>	<u>248,430</u>	<u>244,520</u>
	<u>\$57,437</u>	<u>\$47,813</u>	<u>\$248,519</u>	<u>\$353,769</u>

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Investments, Continued:

	2005		
	Cost	Fair Value	Carrying Value
Unrestricted:			
Government securities	\$774,394	\$759,761	\$759,761
Money accounts	342,262	342,262	342,262
Permanently and temporarily restricted:			
Common Investment Fund	2,364,332	2,615,789	2,615,789
	<u>\$3,480,988</u>	<u>\$3,717,812</u>	<u>\$3,717,812</u>

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	\$55,130	\$61,511	\$ 54	\$116,695
Unrealized gains (losses)	<u>-0-</u>	<u>(24,285)</u>	<u>71,762</u>	<u>47,477</u>
	<u>\$55,130</u>	<u>\$37,226</u>	<u>\$71,816</u>	<u>\$164,172</u>

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Furniture and Equipment:

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

	<u>2006</u>	<u>2005</u>
Office furniture and equipment	\$ 159,306	\$ 159,306
Automobile	<u>19,713</u>	<u>19,713</u>
	179,019	179,019
Less accumulated depreciation	<u>(145,887)</u>	<u>(126,291)</u>
	<u>\$ 33,132</u>	<u>\$ 52,728</u>

NOTE 5 - Temporarily Restricted Net Assets:

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

	<u>2006</u>	<u>2005</u>
Capital campaign	\$757,483	\$695,770
Building fund	8,085	8,085
Grant fund	11,697	11,697
Tom Dent Fund	<u>75,000</u>	<u>75,000</u>
	<u>\$852,265</u>	<u>\$790,552</u>

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Permanently Restricted Net Assets:

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

	<u>2006</u>	<u>2005</u>
Capital campaign	\$ 16,726	\$ 16,726
United Church Board for Homeland Ministries:		
Endowment Fund	2,824,911	2,579,812
New Orleans Friends of Amistad Fund	39,397	35,977
Fine arts	<u>3,692,200</u>	<u>3,692,200</u>
	<u>\$6,573,234</u>	<u>\$6,324,715</u>

NOTE 7 - 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 in-kind rent contribution for the years ended December 31, 2006 and 2005 was \$63,945 and \$44,100 respectively, which was based on comparable rental sites.

During the term of the lease, Tulane shall grant to **Amistad Research Center** annually an unrestricted cash-operating subsidy. The amount contributed for 2006 and 2005 was \$111,191 and \$109,572, respectively.

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - 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 \$21,505 and \$28,633 to the plan during the years ended December 31, 2006 and 2005, respectively.

NOTE 9 - Concentration of Credit Risk:

At the end of the year, the Center had no deposits of cash at banks in excess of FDIC insurance limits of \$100,000.

NOTE 10 - 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 statements of financial position approximate fair values because of the short maturities of those instruments.

Short-term and endowment investments: The fair values of investments are based on quoted market prices for those or similar investments. (See NOTE 12)

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - Fair Values of Financial Instruments, Continued:

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.

	<u>2006</u>		<u>2005</u>	
	<u>Carrying</u>	<u>Fair</u>	<u>Carrying</u>	<u>Fair</u>
	<u>Amount</u>	<u>Value</u>	<u>Amount</u>	<u>Value</u>
Financial Assets:				
Cash	\$ 89,248	\$ 89,248	\$ 61,483	\$ 61,483
Investments	1,148,716	1,148,716	1,102,023	1,102,023
Endowment				
Investments	2,864,308	2,864,308	2,615,789	2,615,789
Fine arts collection	<u>3,692,200</u>	<u>3,692,200</u>	<u>3,692,200</u>	<u>3,692,200</u>
	<u>\$ 7,794,472</u>	<u>\$ 7,794,472</u>	<u>\$ 7,471,495</u>	<u>\$ 7,471,495</u>

NOTE 11 - Functional Allocation of Expenses:

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

AMISTAD RESEARCH CENTER
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Endowment Investments:

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 Statements of Financial Position.

NOTE 13 - Fine Arts Historical Collection:

The Center's collections are made up of artifacts of historical significance and art objects that are held for educational, research, scientific and curatorial purposes. Each of the items are cataloged, preserved and cared for and activities verifying their existence and assessing their condition are performed continuously. These items were appraised in 2003 at approximately \$3,692,200.



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

To the Board of Directors
Amistad Research Center

We have audited the financial statements of **Amistad Research Center (the Center)** as of and for the year ended December 31, 2006, and have issued our report thereon dated June 1, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Center's financial statements that is more than inconsequential will not be prevented or detected by the Center's internal control.

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

Internal Control Over Financial Reporting, Continued

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Center's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, 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. We noted certain other matters that we reported to management of the Center in a separate letter dated June 1, 2007.

This report is intended solely for the information and use of the Board of Directors, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 1, 2007

AMISTAD RESEARCH CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006

Section I - Summary of Auditors' Results

1. Type of report issued on the financial statements: Unqualified.
2. Did the audit disclose any control deficiencies in internal control: No matters reported
3. Were any of the control deficiencies significant or material weaknesses: No matters reported.
4. Did the audit disclose any noncompliance which is material to the financial statements of the organization: No.
5. Did the audit disclose any reportable conditions in internal control over major programs: N/A.
6. Were any of the reportable conditions in internal control over major programs material weaknesses: N/A.
7. Type of report issued on compliance for major programs: N/A.
8. Did the audit disclose any audit findings which the independent auditors are required to report under OMB Circular A-133, Section 510(a): N/A.
9. The following is an identification of major programs: N/A.
10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 520(b) is as follows: N/A.
11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 530: N/A.
12. Was a management letter issued: Yes.

**AMISTAD RESEARCH CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Section II - Financial Statement Findings

No Matters Reported

Section III - Federal Award Finding and Questioned Cost

N/A

**AMISTAD RESEARCH CENTER
STATUS OF PRIOR YEAR AUDIT FINDINGS**

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

		<u>Resolved</u>
2005-01	Classification of Expenses	X
2005-02	Salaries and wages; payroll taxes and fringe benefits	X

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

No matters were reported.

AMISTAD RESEARCH CENTER

EXIT CONFERENCE

During the course of the audit and at an exit conference, the report and its contents were discussed. Involved in those discussions were:

AMISTAD RESEARCH CENTER

Mr. Lee Hampton -- Executive Director

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA -- Managing Partner
Mr. Armand E. Pinkney -- Manager



June 17, 2007

Bruno & Tervalon LLP
Certified Public Accountants
4298 Elysian Fields Avenue
New Orleans, LA 70122

Gentlemen:

Please accept the following as our Corrective Action Plan to the Independent Auditors' Comments to Management contained in your audit of Amistad Research Center for the year ended December 31, 2006.

2006-01 Classification of Net Assets

During the course of our audit we noted that a portion of the Center's net assets continues to be classified as temporarily restricted.

Recommendation

We recommend that temporarily restricted net assets be reviewed for proper classification and satisfaction of donor imposed restrictions.

CORRECTIVE ACTION PLAN

The Amistad Research Center will work with its bookkeepers to review temporarily restricted net assets for proper classification and to ensure satisfaction of donor imposed restrictions.

2006-02 Appraisal of Fine Arts Collection

During the audit we noted that the last appraisal of the Fine Arts Historical Collection was conducted in 2003.

Recommendation

We recommend that the Collection be re-appraised and inventoried to ensure adequate insurance coverage and that fair values are reflected in the financial statements.