Consolidated Financial Report

Louisiana Endowment for the Humanities and Prime Time Family Reading

October 31, 2020

LOUISIANA ENDOWMENT FOR THE HUMANITIES

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Consolidated Financial Report

Louisiana Endowment for the Humanities and Prime Time Family Reading

October 31, 2020

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Louisiana Endowment for the Humanities
and Prime Time Family Reading,
New Orleans, Louisiana.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Louisiana Endowment for the Humanities and Prime Time Family Reading (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of October 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

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internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Endowment for the Humanities and Prime Time Family Reading as of October 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's October 31, 2019 consolidated financial statements, and our report dated April 3, 2020 expressed an unmodified opinion, on those consolidated financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended October 31, 2019, is consistent, in all material respects, with the 2019 audited consolidated financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information (Schedule 1) is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer (Schedule 2) is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 26, 2021.

Exhibit A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

October 31, 2020
(with comparative totals for 2019)

ASSETS

	2020	2019
Assets		
Cash and cash equivalents	$ 1,427,636	$1,256,890
Accounts receivable	103,205	111,229
Government grants receivable	179,020	398,538
Unconditional promises to give, net	712,428	880,176
Inventory	13,115	13,545
Investments	3,471,720	3,339,724
Prepaid expense	108,430	54,256
Property and equipment, net	3,775,683	3,094,826
Art collections	350,418	333,706
Total assets	$10,141,655	$9,482,890

LIABILITIES AND NET ASSETS

	2020	2019
Liabilities		
Accounts payable and accrued liabilities	$ 521,556	$ 803,412
Deposits	8,050	13,624
Unearned subscription revenue	-	16,909
Total liabilities	529,606	833,945
Net Assets		
Without donor restrictions:		
General	4,497,085	3,984,335
Building	1,451,743	2,023,962
With donor restrictions	3,663,221	2,640,648
Total net assets	9,612,049	8,648,945
Total liabilities and net assets	$10,141,655	$9,482,890

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

For the year ended October 31, 2020
(with comparative totals for 2019)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2020 Totals	2019 Totals
Support and Revenues				
Contributions and other grants	$1,203,699	$ 1,181,620	$2,385,319	$2,659,072
National Endowment for the Humanities Grants	-	1,121,341	1,121,341	1,016,580
DHH Head Start Grant	-	6,221,235	6,221,235	5,742,801
USDA Grant	-	274,172	274,172	217,791
Paycheck Protection Program loan forgiveness	786,900	-	786,900	-
Other	50,132	-	50,132	353,098
Investment income, net	144,630	3,719	148,349	302,370
Building income	185,956	-	185,956	238,489
Program income	186,213	-	186,213	216,698
Net assets released from restrictions	7,779,514	(7,779,514)	-	-
Total support and revenues	10,337,044	1,022,573	11,359,617	10,746,899
Expenses				
Program expenses:				
Head Start	5,577,048	-	5,577,048	5,916,574
Louisiana Humanities Center	758,175	-	758,175	436,910
Education	955,850	-	955,850	902,096
Content	1,379,677	-	1,379,677	684,604
General and administrative	1,489,710	-	1,489,710	1,460,055
Fundraising	236,053	-	236,053	386,406
Total expenses	10,396,513	-	10,396,513	9,786,645
Change in Net Assets	(59,469)	1,022,573	963,104	960,254
Net Assets				
Beginning of year	6,008,297	2,640,648	8,648,945	7,688,691
End of year	$5,948,828	$ 3,663,221	$9,612,049	$8,648,945

See notes to consolidated financial statements.

Exhibit C

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

For the year ended October 31, 2020
(with comparative totals for 2019)

	2020								
	Program								
	Head Start	Louisiana Humanities Center	Education	Content	Total Program	General and Administrative	Fundraising	Totals	2019 Totals
Expenses									
Salaries and benefits	$ 2,826,258	$ 218,606	$ 369,988	$ 465,895	$ 3,880,747	$ 858,731	$ 170,138	$ 4,909,616	$ 3,995,311
Other operating expense	1,410,268	-	185,209	65,810	1,661,287	225,890	2,608	1,889,785	2,026,732
Consultants expense	891,467	350	175,830	36,513	1,104,160	309,908	20,967	1,435,035	1,886,830
Regrants	-	-	-	691,671	691,671	-	-	691,671	185,916
Supplies and materials expense	150,743	5,065	186,786	55,503	398,097	58,686	5,483	462,266	759,413
Building expense	-	330,837	-	-	330,837	-	-	330,837	275,453
Equipment expense	181,909	109,952	-	178	292,039	16,792	13,206	322,037	165,023
Depreciation	88,784	92,842	-	-	181,626	-	-	181,626	169,650
Printing expense	720	-	8,324	44,812	53,856	5,553	16,827	76,236	105,417
Travel expense	15,774	45	25,956	12,379	54,154	8,965	452	63,571	126,782
Meetings and events	11,125	478	3,757	6,916	22,276	5,185	6,372	33,833	90,118
Total expenses	$ 5,577,048	$ 758,175	$ 955,850	$ 1,379,677	$ 8,670,750	$ 1,489,710	$ 236,053	$ 10,396,513	$ 9,786,645

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

For the year ended October 31, 2020
(with comparative totals for 2019)

	2020	2019
Cash Flows From Operating Activities		
Change in net assets	$ 963,104	$ 960,254
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized and realized gains on investments	(71,050)	(216,386)
Loss on disposal of property and equipment	52,902	-
Depreciation	181,626	169,650
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	8,024	(25,287)
(Increase) decrease in government grant receivable	219,518	(35,335)
(Increase) decrease in unconditional promises to give	167,748	(314,288)
Decrease in inventory	430	3,003
Increase in prepaid expense	(54,174)	(36,665)
Increase in art collections	(16,712)	-
Increase (decrease) in accounts payable and accrued liabilities	(281,856)	332,913
Decrease in deposits	(5,574)	(7,011)
Increase (decrease) in unearned subscription revenue	(16,909)	8,153
Net cash provided by operating activities	1,147,077	839,001
Cash Flows From Investing Activities		
Purchases of property and equipment	(915,385)	(529,680)
Purchases of investments securities	(3,038,068)	(957,595)
Proceeds from sale of investments	2,977,122	112,930
Net cash used in investing activities	(976,331)	(1,374,345)
Net Increase (Decrease) in Cash and Cash Equivalents	170,746	(535,344)
Cash and Cash Equivalents		
Beginning of year	1,256,890	1,792,234
End of year	$1,427,636	$1,256,890

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

October 31, 2020 and 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The Louisiana Endowment for the Humanities is a non-profit corporation organized for the purpose of maintaining a state-based program in the humanities in the State of Louisiana on behalf of its citizens in accordance with the regulations and guidelines established by the United States Congress and the National Endowment for the Humanities.

Prime Time Family Reading is a non-profit corporation organized for the purpose of establishing and maintaining a family literacy and reading program in the humanities called Prime Time in the State of Louisiana and in other states of the United States.

b. Consolidation Policy

The consolidated financial statements include the accounts of Louisiana Endowment for the Humanities and Prime Time Family Reading. They are consolidated by virtue of common control. These companies are collectively referred to as the "Organization". All significant intercompany transactions have been eliminated in consolidation.

c. Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Use of Estimates

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

e. Financial Statement Presentation

The Organization classified its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Support, revenue, and expenses for the general operation of the Organization.

Net Assets with Donor Restrictions - Net assets subject to donor imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets that are maintained permanently by the Organization and not expended.

f. Cash and Cash Equivalents

For the purpose of the Consolidated Statements of Cash Flows, the Organization classifies as cash and cash equivalents all highly liquid debt instruments with an initial maturity of three months or less.

g. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probably uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual receivable balances. As of October 31, 2020 and 2019, no such allowance was deemed necessary.

h. Inventory

Inventory is stated at the lower of cost or net realizable value using the first in, first out method. The inventory balance was $13,115 and $13,545 as of October 31, 2020 and 2019, respectively.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were $500,000 of conditional promises to give as of October 31, 2019. There were no conditional promises to give as of October 31, 2020.

Unconditional promises are recorded net of an allowance for uncollectible amounts estimated by the management of the Organization. There was no allowance for potentially uncollectible promises to give as of October 31, 2020 and 2019.

j. Investments

Investments in exchange traded funds, equity funds, and bond funds are reported at their fair values in the Consolidated Statements of Financial Position.

Pooled accounts managed by the Greater New Orleans Foundation and the Community Foundation Northwest Louisiana Pooled Investment Fund are reported at fair market value, including any pro rata gains and losses.

Unrealized gains and losses are recorded as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Interest earned on donor restricted investments is reported based on the existence or absence of donor-imposed restrictions. Realized gains and losses on the sales of securities are determined using the specific-identification method. A decline in the fair value of investments below cost that is deemed to be other than temporary, results in a charge to the change in net assets and the establishment of a new basis for the new investment.

k. Property and Equipment

The Organization's policy is to capitalize all property, furniture, and equipment with an acquisition cost in excess of $5,000. Property and equipment are recorded at cost. Donated property is recorded at its fair market value at the date of donation. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments are capitalized. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Property and Equipment (Continued)

The range of estimated useful lives by type of property and equipment is as follows:

	Years
Buildings	39
Building improvements	5 - 39
Furniture, fixtures, and equipment	5 - 10

l. Art Collections

The Organization maintains a collection of art consisting primarily of the work of John T. Scott. The Organization does not record depreciation on its collection because the economic benefit or service potential of the collection has been determined to be indefinite.

m. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, investments, other assets, unconditional promises to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized as revenue until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Consolidated Statement of Financial Position. The Organization received cost-reimbursable grants of $1,201,715 and $750,000 that have not been recognized as of October 31, 2020 and 2019 because qualifying expenditures have not yet been incurred. No amounts have been received in advance from Federal and state contracts and grants.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by donors are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restrictions.

o. Recently Issued Accounting Standards

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers*" (Topic 606), which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU No. 2014-09, the FASB issued several additional ASUs which amended and clarified the guidance and deferred the effective date. The ASU is effective for annual reporting periods beginning after December 15, 2019, with certain early adoption provisions available. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Leases

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Recently Issued Accounting Standards (Continued)

Statement of Cash Flows

In November 2016, the FASB issued ASU No. 2016-18, "*Statement of Cash Flows*" (Topic 230). ASU No. 2016-18 requires that a Statement of Cash Flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the Statement of Cash Flows. The amendments in ASU No. 2016-18 do not provide a definition of restricted cash or restricted cash equivalents. The ASU is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization has adopted the provisions of ASU No. 2016-08 and has retrospectively applied this standard to the financial statements as of and for the year ended October 31, 2019.

Contributions Received and Contributions Made

During the year, the Organization adopted the provisions of FASB ASU No. 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Mad*e" (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU No. 2018-08 clarifies how an organization determines whether a resource provider does receive commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and will follow the guidance under ASU No. 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU No. 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending October 31, 2020 are presented under FASB ASU No. 2018-08. There was no material impact to the consolidated financial statements as a result of the adoption of this standard.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Tax Matters

The Louisiana Endowment for the Humanities and Prime Time Family Reading are organized under the laws of the State of Louisiana and are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualify as organizations that are not private foundations as defined in Section 509(a) of the Code.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of October 31, 2020, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended October 31, 2017 and later remain subject to examination by the taxing authorities.

q. Functional Allocation of Expenses

Most of the expenses can be directly allocated to programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to both programs and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll and consultants expenses which were allocated based on estimates of time and effort. Also, equipment, building, supplies and materials, other operating expenses, and depreciation expenses are based on an estimate of square footage of program building space and administration building space.

r. Reclassifications

Certain amounts in the 2019 consolidated financial statements have been reclassified to conform to the 2020 presentation.

Note 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash accounts at several financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to $250,000. The Organization also has cash equivalent accounts with a brokerage firm. The Securities Investor Protection Corporation insures these accounts up to $250,000. There was approximately $129,000 in uninsured or non-guaranteed cash and cash equivalent balances as of October 31, 2020.

Note 3 - ACCOUNTS RECEIVABLE

The accounts receivable as of October 31, 2020 and 2019 are as follows:

	2020	2019
Prime Time Reading Program contracts	$ 31,500	$ 82,351
Communications	52,095	16,981
Building receivables	1,386	11,897
Other	18,224	-
Total accounts receivable, net	$103,205	$111,229

Note 4 - GOVERNMENT GRANTS RECEIVABLE

The government grants receivable as of October 31, 2020 and 2019 are as follows:

	2020	2019
National Endowment for the Humanities	$177,197	$296,822
Child and Adult Care Food Program	1,823	101,716
Total grants receivable, net	$179,020	$398,538

Note 5 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of October 31, 2020 and 2019 consist of the following:

	2020	2019
Kellogg Family Foundation	$290,708	$ -
Helis Foundation	200,000	300,000
Baptist Community Ministries	148,774	258,977
BHP Billiton	64,323	325,141
Other	20,000	25,054
	723,805	909,172
Less:		
Allowance for uncollectible receivables	-	-
Discounts to net present value	(11,377)	(28,996)
Total accounts receivable, net	$712,428	$880,176
Receivable in less than one year	$523,451	$398,286
Receivable in one to five years	200,354	510,886
Totals	$723,805	$909,172

Promises to give are reported at their present value using a discount rate of approximately 5% as of October 31, 2020 and 2019.

Note 6 - INVESTMENTS

Investments as of October 31, 2020 and 2019 are comprised of the following:

	2020		
	Cost	Fair Market Value	Excess of Market Over Cost
Equity funds	$ 1,080,932	$ 1,205,521	$ 110,709
Exchange traded funds	938,001	1,048,710	19,427
Bond funds	823,306	842,733	124,589
Individual investment securities managed by a financial institution	2,842,239	3,096,964	254,725
Community Foundation Northwest Louisiana Pooled Investment Fund	215,466	314,236	98,770
Greater New Orleans Foundation Pooled Investment Fund	42,849	60,520	17,671
Totals	$ 3,100,554	$ 3,471,720	$ 371,166

	2019		
	Cost	Fair Market Value	Excess of Market Over Cost
Exchange traded funds	$ 1,081,193	$ 1,181,164	$ 99,971
Equity funds	988,614	1,029,398	40,784
Bond funds	728,174	743,025	14,851
Individual investment securities managed by a financial institution	2,797,981	2,953,587	155,606
Community Foundation Northwest Louisiana Pooled Investment Fund	228,332	324,877	96,545
Greater New Orleans Foundation Pooled Investment Fund	43,896	61,260	17,364
Totals	$ 3,070,209	$ 3,339,724	$ 269,515

Note 6 - INVESTMENTS (Continued)

	2020		
	Cost	Market	Excess of Market Over Cost
Balances, October 31, 2020	$ 3,100,554	$ 3,471,720	$ 371,166
Balances, October 31, 2019	$ 3,070,209	$ 3,339,724	269,515
Increase in unrealized appreciation			101,651
Net realized loss			(30,601)
Interest and dividend income			95,595
Investment expense			(18,296)
Total investment income, net			$ 148,349

	2019		
	Cost	Market	Excess of Market Over Cost
Balances, October 31, 2019	$ 3,070,209	$ 3,339,724	$ 269,515
Balances, October 31, 2018	$ 2,219,856	$ 2,278,673	58,817
Increase in unrealized appreciation			210,698
Net realized gain			5,688
Interest and dividend income			101,315
Investment expense			(15,331)
Total investment income, net			$ 302,370

Note 7 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements are described as follows:

Note 7 - FAIR VALUE MEASUREMENTS (Continued)

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other mean.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

- *Mutual Funds (Equity Funds and Bond Funds)*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

- *Exchange Traded Funds*: Valued at the daily closing price as reported by the fund. Funds held by the Organization are with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Organization are deemed to be actively traded. These are included in Level 1 of the fair value hierarchy.

Note 7 - FAIR VALUE MEASUREMENTS (Continued)

- *Investment Pools*: Valued using the NAV as reported by the custodians. The NAV are determined based on the fair value of the underlying investments. The custodians of these portfolios use independent pricing services, where available, to value the securities included in the portfolios. If an independent pricing service does not value a security or the value is not, in the view of the custodian, representative of the market value, the custodians will attempt to obtain a price quote from a secondary pricing source, which may include third party brokers, investment advisors, and the principal market makers or affiliated pricing services. If a secondary source is unable to provide a price, the custodian may obtain a quotation from the counterparty that sold the security. The investment pools are included in Level 2 of the fair value hierarchy.

The Organization is reviewing the fair value classification of community foundation funds and may, in fiscal year 2021, shift the classification of these funds to Level 3 in the fair value hierarchy table.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 7 - FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis as of October 31, 2020 and 2019 are comprised of and determined as follows:

	2020			
		Based on		
Description	Total Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments:				
Equity funds:				
Foreign large growth	$ 772,404	$ 772,404	$ -	$ -
Small growth	298,874	298,874	-	-
Infrastructure	134,243	134,243	-	-
Exchange traded funds:				
Growth	461,049	461,049	-	-
Value	458,119	458,119	-	-
Real estate fund	129,542	129,542	-	-
Bond funds:				
Intermediate bond	506,162	506,162	-	-
Non-traditional bond	336,571	336,571	-	-
Pooled investment funds	374,756	-	374,756	-
Total investments	$ 3,471,720	$ 3,096,964	$ 374,756	$ -

Note 7 - FAIR VALUE MEASUREMENTS (Continued)

	2019			
	Based on			
Description	Total Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments:				
Equity funds:				
Foreign large growth	$ 443,761	$ 443,761	$ -	$ -
Small growth	290,587	290,587	-	-
Infrastructure	151,557	151,557	-	-
Natural resource	143,493	143,493	-	-
Exchange traded funds:				
Growth	446,133	446,133	-	-
Value	438,986	438,986	-	-
Real estate fund	149,654	149,654	-	-
Emerging markets	146,391	146,391	-	-
Bond funds:				
Intermediate bond	445,015	445,015	-	-
Non-traditional bond	298,010	298,010	-	-
Pooled investment funds	386,137	-	386,137	-
Total investments	$ 3,339,724	$ 2,953,587	$ 386,137	$ -

As of October 31, 2020 and 2019, there were no assets measured at fair value on a non-recurring basis.

Note 8 - PROPERTY, BUILDING, AND EQUIPMENT

Property, building, and equipment as of October 31, 2020 and 2019 consists of the following:

	2020	2019
Land	$ 769,649	$ 769,649
Building	2,082,900	2,082,900
Leasehold improvements	1,881,366	1,321,052
Furniture and equipment	556,638	420,925
Construction in progress	160,213	-
	5,450,766	4,594,526
Less accumulated depreciation	(1,675,083)	(1,499,700)
Property and equipment, net	$ 3,775,683	$ 3,094,826

Note 8 - PROPERTY, BUILDING, AND EQUIPMENT (Continued)

Depreciation expense totaled $181,626 and $169,650 for the years ended October 31, 2020 and 2019, respectively.

Note 9 - COMPENSATED ABSENCES AND ACCRUED EMPLOYEE BENEFITS

Certain full time employees are entitled to paid time off depending on length of service and other factors. Accrued paid time off included in accounts payable and accrued liabilities was $2,411 and $48,781 as of October 31, 2020 and 2019, respectively.

Note 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of October 31, 2020 and 2019 were available for the following purposes:

	2020	2019
Humanitarian and Education Programming	$ 1,266,709	$ 1,087,363
DHH Head Start	1,081,888	333,643
Restricted Capital Campaign contributions	534,827	462,236
National Endowment for the Humanities:		
Education Programming	340,347	371,269
Operations	64,694	-
Donor restricted endowment funds	343,250	343,250
Earnings - endowment fund	31,506	42,887
Totals	$ 3,663,221	$ 2,640,648

Note 10 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the years ended October 31, 2020 and 2019, net assets released from donor restrictions by incurring expenses satisfying the restricted purposes are as follows:

	2020	2019
DHH Head Start	$5,472,991	$5,409,527
National Endowment for the Humanities:		
Education Programming	30,921	25,376
Operations	1,056,647	768,704
Humanitarian and Education Programming	812,466	533,388
USDA Child and Adult Care Food Program	274,172	217,791
Other	110,000	-
Earnings - endowment fund	15,099	14,856
Capital Campaign	7,218	10,413
Totals	$7,779,514	$6,980,055

Note 11 - ENDOWMENT

Management is of the belief that they have a strong fiduciary duty to manage the assets of the Organization's endowments in the most prudent manner possible. Management recognizes that the intent of the endowment is to protect the donor with respect to expenditures from endowments. If this intent is clearly expressed by the donor, whether the intent is in a written gift instrument or not, the intent of the donor is followed. Earnings, including appreciation, that are not required by the donor to be reinvested in corpus are maintained in net assets without donor restrictions.

The Endowment. The endowment consists of two individual funds, established for the purposes of fulfilling the Organization's mission and accomplishing its goals. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law. The Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as expressly requiring the preservation of the historical dollar value for donor restricted endowment funds absent explicit donor stipulations to the contrary.

Note 11 - ENDOWMENT (Continued)

The following are classified as restricted net assets in the accompanying financial statements:

- the original value of gifts donated to the endowment;
- the original value of subsequent gifts to the endowment; and
- accumulations to the endowment that are required to be held in perpetuity.

The remaining portion of the donor-restricted endowment fund that is not classified as restricted net assets is classified as net assets without restrictions. Amounts are appropriated for expenditure by the Organization in a manner consistent with the language of SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the fund;
- the purposes of the Organization and the donor-restricted endowment fund;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation of investments;
- other resources of the Organization; and
- the investment policies of the Organization.

Net endowment assets as of October 31, 2020 and 2019 consist of the following:

	2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Earnings - endowment fund	$ -	$ 31,506	$ 31,506
Donor restricted endowment funds	-	343,250	343,250
Totals	$ -	$374,756	$374,756

Note 11 - ENDOWMENT (Continued)

	2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Earnings - endowment fund	$ -	$ 42,887	$ 42,887
Donor restricted endowment funds	-	343,250	343,250
Totals	$ -	$386,137	$386,137

Changes in endowment funds net assets for the years ended October 31, 2020 and 2019 are as follows:

	October 31, 2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Endowment net assets, beginning of the year	$ -	$ 386,137	$ 386,137
Investment income, net	-	3,719	3,719
Distributions	-	(15,100)	(15,100)
Endowment net assets, end of the year	$ -	$ 374,756	$ 374,756

	October 31, 2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Endowment net assets, beginning of the year	$ -	$ 377,598	$ 377,598
Investment income, net	-	23,395	23,395
Distributions	-	(14,856)	(14,856)
Endowment net assets, end of the year	$ -	$ 386,137	$ 386,137

Note 11 - ENDOWMENT (Continued)

Underwater Endowment Funds. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur after the investment of restricted contributions. There were no such deficiencies in restricted net assets as of October 31, 2020 and 2019.

Return Objectives and Risk Parameters. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Under the investment policy, endowment assets are invested in pooled investment accounts.

Strategies Employed for Achieving Objectives. Because the Organization seeks to maintain the endowment assets in perpetuity, and because the pooled investment accounts are held and maintained by established Foundations, management has elected to follow the general investment strategies of the Foundations which maintain the pooled investments.

Spending Policy and How Investment Objectives Relate to the Spending Policy. Management's policy for appropriating funds for annual expenditures is to distribute only earnings on endowed assets following the individual spending and distribution policies of the Foundation which maintains the pooled investment. Management has determined that the policies of the Foundations are consistent with the management's long-term objective to preserve the real purchasing power of the principal and provide a stable source of perpetual financial support.

Note 12 - IN-KIND DONATIONS

The Organization records the value of in-kind donations when the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which would typically need to be purchased if not provided by donation.

Note 12 - IN-KIND DONATIONS (Continued)

The fair value of in-kind support and the corresponding expenses for the years ended October 31, 2020 and 2019 are as follows:

	2020	2019
Rent	$530,000	$ 530,000
Professional services	381,711	677,970
Equipment	6,311	5,000
Totals	$918,022	$1,212,970

Note 13 - PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

On May 7, 2020, the Organization received a $786,900 loan under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). Interest on the loan was 1%. Management expects this loan will be repaid within 12 months and that all expenditures paid from the loan proceeds will be approved as eligible for loan forgiveness under the requirements of the PPP program. The Organization expects to meet the PPP's eligibility criteria and has submitted the loan forgiveness application. The Organization has recorded the balance as revenue during the year ended October 31, 2020.

Note 14 - RETIREMENT PLAN

The Organization sponsors a defined contribution plan covering all employees 21 years or older. The participant becomes fully vested after five years. The Organization decides the profit sharing contribution, if any, to contribute each year to the individual retirement accounts for eligible employees based on a percentage of annual compensation. There was no profit sharing contributions for the years ended October 31, 2020 and 2019. For the years ended October 31, 2020 and 2019, there was a matching contribution of employee elective deferrals up to 4%. Contributions to the plan for the years ended October 31, 2020 and 2019 totaled $84,346 and $47,936, respectively.

Note 15 - AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by contributions and grants. The Organization is also supported by program income, building income, and investment income. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization has established guidelines for making decisions related to managing short-term cash reserves and other investments in a prudent manner.

The following reflects the Organization's financial assets as of October 31, 2020 and 2019, reduced by amounts not available for general use because of donor-imposed restrictions.

	2020	2019
Financial assets:		
Cash and cash equivalents	$ 1,427,636	$ 1,256,890
Accounts receivable	103,205	111,229
Government grants receivable	179,020	398,538
Unconditional promises to give	712,428	880,176
Investments	3,471,720	3,339,724
Total financial assets as of October 31, 2020	5,894,009	5,986,557
Less amounts unavailable for general expenditures within one year, due to:		
Donor imposed restrictions:		
Restricted by donors with purpose restrictions	(3,319,971)	(2,297,398)
Endowment assets held in perpetuity	(343,250)	(343,250)
Unconditional promises to give - noncurrent	(188,977)	(481,890)
Total amounts unavailable for general expenditures within one year	(3,852,198)	(3,122,538)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,041,811	$ 2,864,019

Note 16 - COMMITMENTS

The Organization entered into a five year contract commencing September 1, 2016, with a third party to perform functions associated with recruitment, teacher coaching and mentoring, health, family services, mental health and disabilities, and monitoring for Head Start programs in Monroe, Louisiana. The contract is estimated to cost approximately $1,330,000 for the first year and approximately $1,300,000 for each following year. The Organization incurred $930,063 and $1,309,083 in contract expenses for the years ended October 31, 2020 and October 31, 2019, respectively.

The Organization entered into a contract related to meal preparation for the students in Monroe, Louisiana. The contract expired July 31, 2019 and was renewed through July 31, 2020. The contract was subsequently renewed through September 30, 2021. The contracts call for a fixed amount per meal provided. The Organization incurred costs of $248,240 and $471,058 associated with these contracts during the years ended October 31, 2020 and 2019, respectively.

Note 17 - LEASE AGREEMENTS

On October 19, 2016, the Organization entered into a lease agreement for building space with the Housing Authority of the City of Monroe. No monthly rent is being charged by the Housing Authority of the City of Monroe, and the Organization is responsible for paying the sum of $500 per month for deferred maintenance through August 31, 2021.

On June 27, 2017, the Organization entered into a lease agreement for building space commencing on June 1, 2017 with the Monroe City School Board. No monthly rent is being charged by the Monroe City School Board, and the Organization is responsible for paying all repair and maintenance expenses through June 30, 2022.

On March 14, 2017, the Organization entered into a lease agreement for building space commencing December 1, 2016 with the Ouachita Parish School Board. No monthly rent is being charged by the Ouachita Parish School Board, and the Organization is responsible for paying all repair and maintenance expenses through November 30, 2021.

On October 31, 2018, the Organization entered into a lease agreement with a local church for building space commencing October 31, 2018 and expired on July 31, 2019. The lease was extended through July 31, 2024. This lease was cancelled in September 2020. Monthly rent was $5,000.

Note 18 - RENTAL INCOME UNDER OPERATING LEASES

The Organization maintains agreements to lease portions of its New Orleans office building. These lease terms range from $275 to $4,855 per month, and expire through May 1, 2022. The future minimum rentals under these non-cancelable operating leases as of October 31, 2020 are as follows:

Year Ending December 31,	
2021	$52,158
2022	7,736
Total	$59,894

For the years ended October 31, 2020 and 2019, income from these leases totaled $185,956 and $238,489, respectively.

Note 19 - RELATED PARTY

During the years ended October 31, 2020 and 2019, a related party provided business consulting and accounting preparation services to the Organization. The Organization incurred expenses of $143,791 and $84,496 during the years ended October 31, 2020 and 2019, respectively, for these services.

Note 20 - ECONOMIC DEPENDENCY

The Organization receives a substantial portion of its revenue from grants provided by the National Endowment for the Humanities (NEH) and the Department of Health and Human Services (DHHS). The grant amounts are appropriated each year by the federal government. If significant budget cuts are made at the federal level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Approximately 64% and 63% of the support was received from the NEH and the DHHS for both the years ended October 31, 2020 and 2019, respectively.

Note 21 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that effect the consolidated financial statements. Subsequent events have been evaluated through April 26, 2021, which is the date the consolidated financial statement were available to be issued.

Prime Time Family Reading received a notice of award from the Office of Head Start for Grant # 06CH011822 with a project period commencing on September 30, 2020 and ending September 29, 2025, with an initial award in the amount of $8,854,400 for a project period commencing on September 30, 2020 and ending October 31, 2021. On February 19, 2021, Prime Time Family Reading received a notice from the Office of Head Start that Grant # 06CH010448 meets one or more of the criteria listed in the Head Start Program Performance Standard Regulation 45 CFR Part 1304 requiring an open competition.

On March 11, 2021, the $1.9 trillion American Rescue Plan Act of 2021 (ARP) was approved by the U.S. Congress and signed into law by President Joseph R. Biden. The National Endowment for the Humanities (NEH) will receive $135 million in supplemental funding. Approximately 40 percent, will go directly to NEH's local affiliates, including the LEH, the state and jurisdictional humanities council for Louisiana.

SUPPLEMENTAL INFORMATION

CONSOLIDATING SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES

Louisiana Endowment for the Humanities
and
Prime Time Family Reading

New Orleans, Louisiana

For the year ended October 31, 2020

	Louisiana Endowment For The Humanities	Prime Time Family Reading	Totals
Support and Revenues			
Grants	$ 1,908,894	$ 6,544,744	$ 8,453,638
Contributions	1,417,057	918,272	2,335,329
Other	45,702	4,430	50,132
Investment income	147,170	1,179	148,349
Building income	185,956	-	185,956
Program income	186,213	-	186,213
Total support and revenues	3,890,992	7,468,625	11,359,617
Expenses			
Salaries and benefits	1,697,229	3,212,387	4,909,616
Other operating expense	255,408	1,634,377	1,889,785
Consultants expense	394,716	1,040,319	1,435,035
Regrants	691,671	-	691,671
Supplies and materials expense	284,665	177,601	462,266
Building expense	125,737	205,100	330,837
Equipment expense	117,646	204,391	322,037
Depreciation	95,768	85,858	181,626
Printing expense	75,427	809	76,236
Travel expense	59,592	3,979	63,571
Meetings and events	22,693	11,140	33,833
Allocated expenses	(447,026)	447,026	-
Total expenses	3,373,526	7,022,987	10,396,513
Change in net assets	517,466	445,638	963,104
Net Assets			
Beginning of year	7,134,248	1,514,697	8,648,945
End of year	$ 7,651,714	$ 1,960,335	$ 9,612,049

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Louisiana Endowment for the Humanities
and
Prime Time Family Reading

New Orleans, Louisiana

For the year ended October 31, 2020

Agency Head Name: Miranda Restovic, President/Executive Director

Purpose	
Salary	$0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	$0 *

* None of the President/Executive Director's salary, benefits, and other compensation is paid through public funding.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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,
Louisiana Endowment for the Humanities
and Prime Time Family Reading,
New Orleans, Louisiana.

We have audited, in accordance with the 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, the consolidated financial statements of Louisiana Endowment for the Humanities and Prime Time Family Reading (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of October 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we consider the Organization's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from 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 consolidated 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 26, 2021.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors,
Louisiana Endowment for the Humanities
and Prime Time Family Reading,
New Orleans, Louisiana.

Report on Compliance for Each Major Federal Program

We have audited the compliance of Louisiana Endowment for the Humanities and Prime Time Family Reading (the "Organization") (a nonprofit organization), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended October 31, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

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An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2020.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements referred to above. In planning and performing our audit, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of control deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.
April 26, 2021.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

For the year ended October 31, 2020

Federal Grantor/Program Title	Grant Number	Federal CFDA Number	Federal Expenditures	Subrecipient Costs
National Endowment for the Humanities				
Promotion of the Humanities - Challenge Grants	ZH-252963-17	45.130	$ 26,246	$ -
Promotion of the Humanities - Federal/State Partnership	SO-253157-17	45.129	1,072,129	565,827
Promotion of the Humanities - CARES Act Funding	AH-274439-20	45.162	49,347	-
			1,147,722	565,827
U.S. Department of Agriculture				
Pass-through Programs From:				
Louisiana Department of Education:				
Child and Adult Care Food Program	623997843	10.558	274,172	-
U.S. Department of Health and Human Services				
Head Start Grant	06CH010448	93.600	6,082,697	-
Total expenditures of federal awards			$7,504,591	$565,827

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

For the year ended October 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Louisiana Endowment for the Humanities and Prime Time Family Reading (the "Organization"). The Organization's reporting entity is defined in Note 1 to the financial statements for the year ended October 31, 2020. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

b. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Organization's financial statements for the year ended October 31, 2020. The Organization has elected to use the 10% *de minimus* indirect cost rate as allowed under Uniform Guidance.

c. Reconciliation of Federal Grant Revenue and Expenditures:

Unobligated funds beginning of year	$ 371,269
Federal grant revenue received in current year:	
National Endowment for the Humanities Grants	1,121,341
USDA Child and Family Care Food Program Grant	274,172
DHH Head Start Grant	6,221,235
Total federal funds authorized	7,988,017
Less qualified expenditures	(7,504,591)
Unobligated balance of funds, end of year	$ 483,426

Note 2 - HEAD START GRANT WAIVER

Management has requested budget revisions related to the Head Start Grant (06CH010448) in anticipation of the Organization not being able to provide the full 20% non-federal share match as required by federal award guidelines. In such cases where the non-federal share match is not met, a grantee can request a waiver. While management fully expects to receive authorization, as of the issuance of this report, an official approval of the waiver request has not been received as of the report date.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

For the year ended October 31, 2020

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the financial statements: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ____ Yes _X_ None reported

Noncompliance material to consolidated financial statements noted? ____ Yes _X_ No

b) Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ____ Yes _X_ No

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ____ Yes _X_ No

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

CFDA Number	Name of Federal Program
93.600	U.S. Department of Health and Human Services Head Start Grant

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as a low-risk auditee? X Yes ___ No

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of the financial statements for the year ended October 31, 2020.

No significant deficiencies were noted during the audit of the financial statements for the year ended October 31, 2020.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended October 31, 2020.

Section III - Federal Award Findings and Questioned Costs

Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the financial statements for the year ended October 31, 2020 related to internal control and compliance material to federal awards.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Louisiana Endowment for the Humanities
and
Prime Time Family Reading
New Orleans, Louisiana

For the year ended October 31, 2020

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of the financial statements for the year ended October 31, 2019.

No significant deficiencies were noted during the audit of the financial statements for the year ended October 31, 2019.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended October 31, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the financial statements for the year ended October 31, 2019 related to internal control and compliance material to federal awards.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended October 31, 2019

MANAGEMENT'S CORRECTIVE ACTION PLAN

Louisiana Endowment for the Humanities
and
Prime Time Family Reading

New Orleans, Louisiana

For the year ended October 31, 2020

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of the financial statements for the year ended October 31, 2020.

No significant deficiencies were noted during the audit of the financial statements for the year ended October 31, 2020.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended October 31, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the financial statements for the year ended October 31, 2020, related to internal control and compliance material to federal awards.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended October 31, 2020.