

Consolidated Financial Report

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

October 31, 2025



Consolidated Financial Report

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

October 31, 2025

TABLE OF CONTENTS

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

October 31, 2025 and 2024

Page Numbers

Financial Section

Independent Auditor's Report 1 - 4

Exhibits

A - Consolidated Statement of Financial Position 5
B - Consolidated Statement of Activities 6
C - Consolidated Statement of Functional Expenses 7
D - Consolidated Statement of Cash Flows 8 - 9
E - Notes to Consolidated Financial Statements 10 - 34

Supplemental Information

Schedules

1 - Consolidating Schedule of Support, Revenue, and Expenses 35
2 - Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer 36

TABLE OF CONTENTS (Continued)

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

October 31, 2025 and 2024

Page Numbers

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 <i>Government Auditing Standards</i>	37 - 38
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	39 - 41
Schedule of Expenditures of Federal Awards	42
Note to Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44 - 45

Reports by Management

Schedule of Prior Year Findings and Questioned Costs	46
Management's Corrective Action Plan	47

Statewide Agreed-Upon Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedures	48 - 49
3 - Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	50 - 54

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Louisiana Endowment for the Humanities and Prime Time Family Reading, (a nonprofit organization) (the “Organization”), which comprise the consolidated statement of financial position as of October 31, 2025, and the related consolidated statement of activities, consolidated statement of functional expenses, and consolidated statement of cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of October 31, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's October 31, 2024 consolidated financial statements, and our report dated April 25, 2025 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, 2024, is consistent, in all material respects, with the 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 24, 2026, 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 this 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.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 24, 2026.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

October 31, 2025
(with comparative totals for 2024)

ASSETS

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 2,999,764	\$ 1,061,217
Accounts receivable, net	66,701	72,954
Grants receivable	132,433	373,686
Inventory	7,986	12,780
Investments	5,247,189	4,430,073
Prepaid expense	111,122	148,706
Right-of-use of leased assets	543,530	87,272
Property and equipment, net	8,658,899	8,749,890
Art collections	358,252	358,252
	<u>\$18,125,876</u>	<u>\$15,294,830</u>
Total assets		

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued liabilities	\$ 1,024,577	\$ 1,327,965
Deposits	2,385	7,750
Line of credit	400,000	233,587
Lease liability	543,451	87,272
Unearned revenue	88,254	347,009
	<u>2,058,667</u>	<u>2,003,583</u>
Total liabilities		
Net Assets		
Without donor restrictions	11,422,644	8,167,996
With donor restrictions	4,644,565	5,123,251
	<u>16,067,209</u>	<u>13,291,247</u>
Total net assets		
Total liabilities and net assets	<u>\$18,125,876</u>	<u>\$15,294,830</u>

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, 2025
(with comparative totals for 2024)

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>2025 Totals</u>	<u>2024 Totals</u>
Support and Revenues				
Support:				
Contributions and other grants	\$ 2,400,275	\$ 573,661	\$ 2,973,936	\$ 4,972,634
National Endowment for the Humanities Grants	-	705,492	705,492	1,045,596
DHH Head Start Grant	-	11,902,544	11,902,544	10,159,202
USDA Grant	-	589,625	589,625	513,948
Settlement income	550,000	-	550,000	-
Other	175,147	-	175,147	220,897
Revenue:				
Investment income, net	660,985	58,139	719,124	920,277
Building income	29,810	-	29,810	144,327
Program income	214,691	-	214,691	247,122
Gain on disposal of assets	1,746,140	-	1,746,140	-
Net assets released from restrictions	14,308,147	(14,308,147)	-	-
Total support and revenues	<u>20,085,195</u>	<u>(478,686)</u>	<u>19,606,509</u>	<u>18,224,003</u>
Expenses				
Program expenses:				
Head Start	11,180,227	-	11,180,227	10,670,775
Louisiana Humanities Center	1,212,157	-	1,212,157	617,777
Education	635,169	-	635,169	1,243,841
Content	1,582,519	-	1,582,519	1,874,121
John Scott Center	275,305	-	275,305	351,664
General and administrative	1,477,526	-	1,477,526	1,620,743
Fundraising	467,644	-	467,644	432,024
Total expenses	<u>16,830,547</u>	<u>-</u>	<u>16,830,547</u>	<u>16,810,945</u>
Change in Net Assets	3,254,648	(478,686)	2,775,962	1,413,058
Net Assets				
Beginning of year	<u>8,167,996</u>	<u>5,123,251</u>	<u>13,291,247</u>	<u>11,878,189</u>
End of year	<u>\$11,422,644</u>	<u>\$ 4,644,565</u>	<u>\$16,067,209</u>	<u>\$13,291,247</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

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

For the year ended October 31, 2025
(with comparative totals for 2024)

	2025								2024 Totals	
	Program				General and Administrative					
	Head Start	Louisiana Humanities Center	Education	Content	John Scott Center	Total Program	Administrative	Fundraising	Totals	
Expenses										
Salaries and benefits	\$ 7,217,778	\$ 87,919	\$310,961	\$ 708,354	\$149,142	\$ 8,474,154	\$ 902,694	\$309,266	\$ 9,686,114	\$ 9,561,693
Other operating expense	1,449,047	284,495	18,423	20,026	102,424	1,874,415	173,214	27,379	2,075,008	1,850,832
Consultants expense	430,823	175,052	74,117	241,923	1,817	923,732	281,284	18,793	1,223,809	1,337,167
Contributed rent and professional services	1,252,406	-	-	-	-	1,252,406	-	-	1,252,406	1,165,080
Supplies and materials expense	124,563	11,458	60,378	240,888	3,009	440,296	38,726	39,573	518,595	707,743
Regrants	-	-	-	312,088	-	312,088	-	-	312,088	578,956
Building expense	299,800	397,638	-	-	2,288	699,726	603	-	700,329	521,450
Depreciation	286,066	245,394	-	-	-	531,460	-	-	531,460	437,035
Equipment expense	76,230	8,309	4,050	8,312	-	96,901	3,008	-	99,909	190,439
Travel expense	27,490	682	58,654	41,692	533	129,051	25,519	10,152	164,722	178,123
Printing expense	3,926	-	95,457	7,427	1,468	108,278	15	21,569	129,862	135,521
Meetings and events	12,098	1,210	13,129	1,809	1,705	29,951	35,221	40,912	106,084	121,283
Interest expense	-	-	-	-	12,919	12,919	17,242	-	30,161	25,623
Total expenses	\$11,180,227	\$1,212,157	\$635,169	\$1,582,519	\$275,305	\$14,885,377	\$1,477,526	\$467,644	\$16,830,547	\$16,810,945

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, 2025
(with comparative totals for 2024)

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	\$2,775,962	\$1,413,058
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized and realized gain on investments	(520,965)	(856,372)
Depreciation	531,460	437,035
Gain on disposal of property and equipment	(1,746,140)	-
Accrued operating lease obligations	(79)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	6,253	(13,717)
Decrease in government grant receivable	241,253	411,751
Decrease in unconditional promises to give	-	314,049
(Increase) decrease in inventory	4,794	(12,780)
Decrease in prepaid expense	37,584	35,891
Increase (decrease) in accounts payable and accrued liabilities	365,164	(340,916)
Increase (decrease) in unearned revenue	(258,755)	163,996
Net cash provided by operating activities	1,436,531	1,551,995
Cash Flows From Investing Activities		
Payment of short term accounts payable used to finance equipment acquisition	(355,216)	(72,318)
Purchases of art collection items	-	(1,436)
Insurance proceeds received on impaired property and equipment	2,929,931	-
Purchases of property and equipment	(1,942,961)	(1,735,234)
Purchases of investments securities	(993,161)	(2,646,400)
Proceeds from sale of investments	697,010	2,572,786
Net cash provided by (used in) investing activities	335,603	(1,882,602)

**Exhibit D
(Continued)**

	<u>2025</u>	<u>2024</u>
Cash Flows From Financing Activities		
Proceeds from line of credit	1,095,000	525,000
Payments on line of credit	<u>(928,587)</u>	<u>(525,007)</u>
Net cash provided by (used in) financing activities	166,413	(7)
Net Increase (Decrease) in Cash and Cash Equivalents	1,938,547	(330,614)
Cash and Cash Equivalents		
Beginning of year	<u>1,061,217</u>	<u>1,391,831</u>
End of year	<u><u>\$2,999,764</u></u>	<u><u>\$1,061,217</u></u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Property and equipment purchases included in accounts payable	<u>\$ 36,515</u>	<u>\$ 355,216</u>
Interest paid	<u>\$ 30,161</u>	<u>\$ 25,623</u>

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, 2025 and 2024

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.

The programs provided by Louisiana Endowment for the Humanities are as follows:

Louisiana Humanities Center - (Turner's Hall) The Louisiana Endowment for the Humanities' historic building in New Orleans's central business and arts district, the Center integrates arts and humanities programming unlike any other space in the Gulf South.

Education - The Program offers learning programs designed to strengthen families and communities by harnessing the humanities. The Program also seeks to create lifelong learning pathways for children and families of all backgrounds. The Program rallies educators and families to help children learn to share their ideas and think critically about the world around them.

Content - Encompassing an award-winning quarterly print magazine, website, and encyclopedia, the Program represents the next chapter for two flagship Louisiana Endowment for the Humanities initiatives: Louisiana Cultural Vistas, a print magazine published by the Louisiana Endowment for the Humanities for nearly 30 years, and KnowLA, the digital encyclopedia of Louisiana history and culture.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Organization (Continued)

John Scott Center - The Center presents expansive ideas of heritage and symbolism interpreted through the lens of artist, educator, and humanist John T. Scott's life, art, and legacy while promoting opportunities that nurture connections and enhance human potential. Fifty-one works of art in a 6,000-square-foot gallery space present John T. Scott's visionary approach to art, culture, and storytelling.

Programs provided by Prime Time Family Reading are as follows:

Head Start - The Program offers a family-focused humanities Head Start program with more than 1,000 children and their families in Lafayette and Iberia Parishes in Louisiana. Prime Time Head Start integrates the LEH's proven family engagement and inquiry-based teaching and learning strategies with its research-based classroom and family engagement curricula. The federal Head Start model supports children's growth and development in a positive learning environment and is designed to help break the cycle of poverty, providing preschool children of vulnerable families with a comprehensive program to meet their emotional, social, health, nutritional, and psychological needs.

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 are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB). Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Organization regularly extends credit to its customers on an unsecured basis. Accounts receivable are stated at the amount management expects to collect based on their review of outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization's management did not provide an allowance for credit losses for both of the years ended October 31, 2025 and 2024. There was no bad debt expense for the years ended October 31, 2025 and 2024.

The Organization estimates credit losses associated with accounts receivable using an expected credit loss model, which utilizes an aging schedule methodology based on historical information and adjusted for asset-specific considerations, current economic conditions and reasonable and supportable forecasts.

The Organization's approach considers a number of factors, including overall historical credit losses and payment experience, as well as current collection trends such as write-off frequency. The Organization also considers other qualitative factors such as current and forecasted conditions.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$7,986 and \$12,780 as of October 31, 2025 and 2024, respectively.

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 no unconditional or conditional promises to give as of October 31, 2025 and 2024.

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, 2025 and 2024.

j. Investments

Investments in equity funds, exchange traded 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 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:

	<u>Years</u>
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 Statements of Financial Position. No amounts have been received in advance from Federal and state contracts and grants. The Organization received cost-reimbursable grants of \$418,157 that have not been recognized as of October 31, 2025, because qualifying expenditures have not yet been incurred. The Organization did not have any cost-reimbursable grants that have not been recognized as of October 31, 2024.

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. 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 salaries and benefits 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. The expenses that are directly allocated to programs or supporting functions are contributed rent and professional services, travel, printing, and meetings and events.

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, 2025, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Tax years ended October 31, 2022 and later remain subject to examination by the taxing authorities.

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 \$2,420,000 in uninsured or non-guaranteed cash and cash equivalent balances as of October 31, 2025.

Note 3 - ACCOUNTS RECEIVABLE

The accounts receivable as of October 31, 2025 and 2024 are as follows:

	2025	2024
Content	\$ 17,707	\$ 24,000
Education	12,238	3,635
Miscellaneous contributions	11,215	9,995
Building	577	22,224
Other	24,964	13,100
Total accounts receivable, net	\$ 66,701	\$ 72,954

Accounts receivable balances are predominantly comprised of amounts currently due from customers (e.g., for content building rent, general contributions, educational programs, and other services).

The following table summarizes receivables and related allowance for credit losses as of October 31, 2025, 2024, and November 1, 2023.

	October 31, 2025	October 31, 2024	November 1, 2023
Receivable, gross	\$ 66,701	\$ 72,954	\$ 59,237
Allowance for credit losses	-	-	-
Receivables, net of credit losses	\$ 66,701	\$ 72,954	\$ 59,237

Many of the Organization's loss estimation techniques rely on delinquency-based models, therefore, delinquency is an important indicator of credit quality in the establishment of the Organization's allowance for credit losses. The Organization manages the receivables using delinquency as a key credit quality indicator.

Note 3 - ACCOUNTS RECEIVABLE (Continued)

The following table presents the delinquency status as of October 31, 2025 and 2024:

	2025	2024
Current - 30 days	\$ -	\$ 3,578
31-60 days	7,140	15,778
61-90 days	9,696	2,941
Greater than 90 days	49,865	50,657
Receivables, net of credit losses	\$ 66,701	\$ 72,954

The Organization estimates credit losses on receivables by applying an expected credit loss model, which relies on historical loss data to calculate default probabilities. The assessment of default probabilities includes receivables delinquency status, historical loss experience and how long the receivables have been outstanding. The Organization also considers the need to adjust the estimate of credit losses on receivables for reasonable and supportable forecasts and internal statistical analyses.

There was no activity for the years ended October 31, 2025 and 2024 in the allowance for credit losses.

Note 4 - GRANTS RECEIVABLE

The grants receivable as of October 31, 2025 and 2024 are as follows:

	2025	2024
Child and Adult Care Food Program	\$ 77,766	\$ 76,616
Baptist Community Ministries	28,000	108,000
United Way	26,667	26,667
State of Louisiana - critical cultural infrastructure support program	-	124,070
Zemurray Foundation	-	33,333
New Orleans Jazz and Heritage	-	5,000
Total grant receivable	\$ 132,433	\$ 373,686

Note 5 - INVESTMENTS

Investments as of October 31, 2025 and 2024 are comprised of the following:

	2025		
	Cost	Fair Market Value	Excess of Market Over Cost
Mutual funds	\$ 2,687,705	\$ 3,230,296	\$ 542,591
Exchange traded funds	829,894	1,530,782	700,888
Individual investment securities managed by a financial institution	3,517,599	4,761,078	1,243,479
Community Foundation Northwest Louisiana Pooled Investment Fund	175,215	407,978	232,763
Greater New Orleans Foundation Pooled Investment Fund	37,189	78,133	40,944
Totals	<u>\$ 3,730,003</u>	<u>\$ 5,247,189</u>	<u>\$ 1,517,186</u>
	2024		
	Cost	Fair Market Value	Excess of Market Over Cost
Mutual funds	\$ 2,538,026	\$ 2,853,547	\$ 315,521
Exchange traded funds	659,257	1,131,871	472,614
Individual investment securities managed by a financial institution	3,197,283	3,985,418	788,135
Community Foundation Northwest Louisiana Pooled Investment Fund	187,411	372,921	185,510
Greater New Orleans Foundation Pooled Investment Fund	39,363	71,734	32,371
Totals	<u>\$ 3,424,057</u>	<u>\$ 4,430,073</u>	<u>\$ 1,006,016</u>

Note 5 - INVESTMENTS (Continued)

	2025		Excess of Market Over Cost
	Cost	Market	
Balances, October 31, 2025	<u>\$ 3,730,003</u>	<u>\$ 5,247,189</u>	\$ 1,517,186
Balances, October 31, 2024	<u>\$ 3,424,057</u>	<u>\$ 4,430,073</u>	1,006,016
Increase in unrealized appreciation			511,170
Net realized gain			9,795
Interest and dividend income			225,150
Investment expense			<u>(26,991)</u>
Total investment income, net			<u>\$ 719,124</u>
	2024		
	Cost	Market	Excess of Market Over Cost
Balances, October 31, 2024	<u>\$ 3,424,057</u>	<u>\$ 4,430,073</u>	\$ 1,006,016
Balances, October 31, 2023	<u>\$ 3,226,860</u>	<u>\$ 3,500,087</u>	273,227
Increase in unrealized appreciation			732,789
Net realized gain			123,583
Interest and dividend income			92,595
Investment expense			<u>(28,690)</u>
Total investment income, net			<u>\$ 920,277</u>

Note 6 - 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 6 - 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 means.

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 maximize the use of relevant 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*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-ended 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. These are included in Level 1 of the fair value hierarchy.
- *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 6 - FAIR VALUE MEASUREMENTS (Continued)

- *Investment Pools:* Valued using the NAV as reported by the custodians. The NAV is 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 3 of the fair value hierarchy.

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.

Assets measured at fair value on a recurring basis as of October 31, 2025 and 2024 are comprised of and determined as follows:

Description	2025			
	Based on			
	Total Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds	\$ 3,230,296	\$3,230,296	\$ -	\$ -
Exchange traded funds	1,530,782	1,530,782	-	-
Pooled investment funds	486,111	-	-	486,111
Total investments	<u>\$ 5,247,189</u>	<u>\$4,761,078</u>	<u>\$ -</u>	<u>\$486,111</u>

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

Description	2024			
	Based on			
	Total Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds	\$ 2,853,547	\$2,853,547	\$ -	\$ -
Exchange traded funds	1,131,871	1,131,871	-	-
Pooled investment funds	444,655	-	-	444,655
Total investments	<u>\$ 4,430,073</u>	<u>\$3,985,418</u>	<u>\$ -</u>	<u>\$444,655</u>

The following provides a summary of changes in fair value of the Organization's Level 3 assets for the years ended October 31, 2025 and 2024:

	Pooled Investment Accounts
October 31, 2023	\$ 388,874
Investment income, net	72,406
Distributions	<u>(16,625)</u>
Level 3 assets, October 31, 2024	444,655
Investment income, net	58,140
Distributions	<u>(16,684)</u>
Level 3 assets, October 31, 2025	<u>\$ 486,111</u>

As of October 31, 2025 and 2024, there were no assets measured at fair value on a non-recurring basis.

Note 7 - PROPERTY, BUILDING, AND EQUIPMENT

Property, building, and equipment as of October 31, 2025 and 2024 consists of the following:

	2025	2024
Land	\$ 606,674	\$ 606,674
Building	6,820,205	7,558,025
Leasehold improvements	1,059,009	743,869
Furniture and equipment	1,973,399	1,580,802
Construction in progress	502,841	383,848
	10,962,128	10,873,218
Less accumulated depreciation	(2,303,229)	(2,123,328)
Property and equipment, net	\$ 8,658,899	\$ 8,749,890

Depreciation expense totaled \$531,460 and \$437,035 for the years ended October 31, 2025 and 2024, respectively.

Note 8 - BUILDING IMPAIRMENT

The Louisiana Humanities Center (the “Center”) suffered a partial collapse in December of 2024, during renovations. As of October 31, 2025, the Center was not usable by the Organization or any tenants and all leases of office space in the Center were cancelled. The cost to repair much of the damages and reimburse the Organization for the interruption of business is expected to be covered by the Organization’s insurance policy less the deductible.

During the year ended October 31, 2025, the Organization received insurance proceeds which are reported net of impairments. The following table identifies insurance proceeds related to damaged assets as well as the resulting impairment gain.

Asset	Insurance Proceeds	Cost of Assets	Accumulated Depreciation	Net Book Value of Assts	Impairment Gain
Building	\$ 2,929,931	\$ 1,535,350	\$ 351,559	\$ 1,183,791	\$ 1,746,140

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 \$31,316 and \$62,307 as of October 31, 2025 and 2024, respectively.

Note 10 - LINES OF CREDIT

In March 2024, the Organization renewed its \$500,000 line of credit with a local bank with a variable interest rate of Wall Street Journal Prime Rate + 1%, (8.00% and 8.75% as of October 31, 2025 and 2024, respectively). The note is due on demand and was renewed on March 21, 2026 through March 21, 2028. The note is secured by all property of the Organization. The line of credit had a balance of \$400,000 as of October 31, 2025. The line of credit had no balance as of October 31, 2024.

In June 2022, the Organization obtained a \$400,000 note with a local bank with a variable interest rate of Wall Street Journal Prime Rate + 1%, (8.75% as of October 31, 2024). The note was due on demand and expired June 21, 2025. The note was secured by all property of the Organization. The line of credit had a balance of \$233,587 as of October 31, 2024.

Interest expense totaled \$30,161 and \$25,623 for the years ended October 31, 2025 and 2024, respectively.

Note 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of October 31, 2025 and 2024 are available for the following purposes:

	2025	2024
DHH Head Start - restricted property and equipment	\$ 3,180,500	\$ 2,702,374
Humanities and Education Programming	509,984	1,492,734
Restricted Capital Campaign contributions	467,970	135,199
Donor restricted endowment funds	343,250	343,250
Earnings - endowment fund	142,861	101,405
National Endowment for the Humanities Operating grant	-	348,289
Totals	\$ 4,644,565	\$ 5,123,251

Note 11 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the years ended October 31, 2025 and 2024, net assets released from donor restrictions by incurring expenses satisfying the restricted purposes are as follows:

	2025	2024
DHH Head Start	\$ 11,424,418	\$ 9,256,106
National Endowment for the Humanities:		
Operations	1,141,143	1,076,033
Humanities and Education Programming	1,053,781	831,145
USDA Child and Adult Care Food Program	589,625	513,839
Capital Campaign	82,496	-
Earnings - endowment fund	16,684	16,625
Totals	\$ 14,308,147	\$ 11,693,748

Note 12 - 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.

The following are classified as restricted net assets in the accompanying consolidated 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.

Note 12 - ENDOWMENT (Continued)

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, 2025 and 2024 consist of the following:

	2025		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Earnings - endowment fund	\$ -	\$ 142,861	\$ 142,861
Donor restricted endowment funds	-	343,250	343,250
Totals	\$ -	\$ 486,111	\$ 486,111
	2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Earnings - endowment fund	\$ -	\$ 101,405	\$ 101,405
Donor restricted endowment funds	-	343,250	343,250
Totals	\$ -	\$ 444,655	\$ 444,655

Note 12 - ENDOWMENT (Continued)

Changes in endowment funds net assets for the years ended October 31, 2025 and 2024 are as follows:

	October 31, 2025		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Endowment net assets, beginning of the year	\$ -	\$444,655	\$444,655
Investment income, net	-	58,140	58,140
Distributions	-	(16,684)	(16,684)
	<u>\$ -</u>	<u>\$486,111</u>	<u>\$486,111</u>
Endowment net assets, end of the year	<u>\$ -</u>	<u>\$486,111</u>	<u>\$486,111</u>
	October 31, 2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Endowment net assets, beginning of the year	\$ -	\$388,874	\$388,874
Investment income, net	-	72,406	72,406
Distributions	-	(16,625)	(16,625)
	<u>\$ -</u>	<u>\$444,655</u>	<u>\$444,655</u>
Endowment net assets, end of the year	<u>\$ -</u>	<u>\$444,655</u>	<u>\$444,655</u>

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, 2025 and 2024.

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.

Note 12 - ENDOWMENT (Continued)

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 13 - CONTRIBUTED NONFINANCIAL ASSETS

For the years ended October 31, 2025 and 2024, contributed nonfinancial assets recognized in contributions and other grants on the Consolidated Statements of Activities included:

	2025	2024
Rent	\$ 828,000	\$ 804,255
Professional services	424,406	360,825
Totals	\$ 1,252,406	\$ 1,165,080

The Organization recognized contributed nonfinancial assets within contributions and other grants on the Consolidated Statements of Activities.

	Revenue Recognized 2025	Revenue Recognized 2024	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Rent	\$ 828,000	\$ 804,255	Head Start	No associated donor restrictions.	The Organization estimated the fair value based on an estimate of the cost of renting similar building space in similar locations.
Professional fees and consultants	\$ 424,406	\$ 360,825	Head Start	No associated donor restrictions.	The Organization estimated the fair value based on an estimate of the cost of purchasing similar services.

Note 14 - COOPERATIVE ENDEAVOR AGREEMENT

On November 26, 2024, the Organization signed a cooperative endeavor agreement with the State of Louisiana in the amount of \$1,500,000 for the period July 1, 2024 through June 30, 2025. As part of the agreement, the Organization is to support cultural organizations and provide technical training. This grant has been fully expended and recognized as revenue and expense during the year ended October 31, 2025 on the Statement of Activities.

Note 15 - SETTLEMENT INCOME

On February 6, 2025, the Organization entered into a settlement agreement and general release with a vendor related to its Head Start Program contract. During the year ended October 31, 2025, the Organization received a settlement of \$550,000 related to this agreement.

Note 16 - 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, 2025 and 2024. For the years ended October 31, 2025 and 2024, there was a matching contribution of employee elective deferrals up to 4%. Contributions to the plan for the years ended October 31, 2025 and 2024 totaled \$128,675 and \$133,563, respectively.

Note 17 - 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. 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. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$500,000. 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, 2025 and 2024, reduced by amounts not available for general use because of donor-imposed restrictions.

Note 17 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 2,999,764	\$ 1,061,217
Accounts receivable, net	66,701	72,954
Grants receivable	132,433	373,686
Investments	5,247,189	4,430,073
Total financial assets	8,446,087	5,937,930
Less amounts unavailable for general expenditures, due to:		
Donor imposed restrictions:		
Restricted by donors with purpose restrictions, net of restricted property and equipment of \$3,180,500 and \$2,702,374 as of October 31, 2025 and 2024, respectively	(1,120,815)	(2,077,627)
Endowment assets held in perpetuity	(343,250)	(343,250)
Total amounts unavailable for general expenditures	(1,464,065)	(2,420,877)
Financial assets available to meet cash needs for general expenditures	\$ 6,982,022	\$ 3,517,053

Note 18 - 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 North Central, Louisiana and Lafayette, Louisiana. This contract is operating on a month-to-month basis. The Organization incurred \$238,979 and \$321,303 in contract expenses for the years ended October 31, 2025 and 2024, respectively.

The Organization entered into a contract related to meal preparation for the students in Monroe and Lafayette, Louisiana. The contract expired July 31, 2019 and was renewed through July 31, 2020. The contract was subsequently renewed through September 30, 2030 for students in Lafayette, Louisiana. The contract calls for a fixed amount per meal provided. The Organization incurred costs of \$835,467, and \$461,967 associated with the contract during the years ended October 31, 2025 and 2024, respectively.

Note 19 - LEASE AGREEMENTS

Lessor

The Organization maintained agreements to lease portions of its New Orleans office building. These leases were all cancelled by mutual agreement in December 2024. There are no future minimum rentals under these leases as of October 31, 2025.

For the years ended October 31, 2025 and 2024, income from these leases totaled \$29,810 and \$144,327, respectively.

Note 19 - LEASE AGREEMENTS (Continued)

The Organization has the following lease agreements as of October 31, 2025:

<u>Lease Description</u>	<u>Lessor</u>	<u>Date Lease Commenced</u>	<u>Monthly Payment or Range of Payments</u>	<u>Lease Expiration</u>	<u>Terms of Lease</u>
* Copier Equipment	Leasing Company	November 1, 2022	\$190-\$501	February 28, 2026 - June 30, 2029	Will terminate through June 30, 2029.
* Building Space	Iberia Parish School District	December 1, 2020	\$ -	October 31, 2040	Monthly payment of \$2,000 for administration, lease term includes optional extensions.
Building Space	Non-Profit Organization	November 1, 2020	\$ -	October 31, 2030	Responsible for paying all repair and maintenance expenses.
* Building Space	Leasing Company	September 1, 2025	\$3,000	February 29, 2028	
* Building Space	Leasing Company	November 1, 2024	\$2,741	October 31, 2030	
* Building Space	Leasing Company	October 1, 2025	\$2,000	September 30, 2026	

* Included in operating leases under FASB ASC 842.

Note 19 - LEASE AGREEMENTS (Continued)

Operating Leases

Total lease expense was \$944,443 (including \$828,000 of contributed rent) and \$844,586 (including \$804,255 of contributed rent) for the years ended October 31, 2025 and 2024, respectively. Lease expense is reported in other operating expenses on the Consolidated Statement of Functional Expenses. See Note 13 for contributed nonfinancial assets.

Reported under FASB ASC 842 for the year ended October 31, 2025 is as follows:

	<u>2025</u>	<u>2024</u>
Lease Cost		
Operating lease costs	<u>\$ 116,443</u>	<u>\$ 47,551</u>
Cash Flow From Operating Activities		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	<u>\$ 116,433</u>	<u>\$ 47,551</u>
Supplemental Lease Cash Flow Disclosures		
Operating lease right-of-use assets obtained in exchange for new operating lease obligations	<u>\$ 561,516</u>	<u>\$ -</u>
Operating Leases		
Right-of-use assets	<u>\$ 543,530</u>	<u>\$ 87,272</u>
Lease liabilities	<u>\$ 543,451</u>	<u>\$ 87,272</u>
Weighted-Average Information		
Weighted-average remaining lease in years	9.11 years	1.7 years
Weighted-average discount rate:		
Operating leases	4.4%	4.7%

Note 20 - LEASE AGREEMENTS (Continued)

Future rental payments as of October 31, 2025 are as follows:

Year Ending October 31,	Amounts
2026	\$ 137,312
2027	105,556
2028	77,878
2029	65,222
2030	64,462
Thereafter	240,000
Total lease payments	690,430
Less amounts representing interest	(146,979)
Long-term lease obligation	\$ 543,451

Note 21 - 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 61% of the support was received from the NEH and the DHHS for the years ended October 31, 2025 and 2024, respectively.

Note 22 - 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 24, 2026, which is the date the consolidated financial statement were available to be issued.

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, 2025

	Louisiana Endowment For The Humanities	Prime Time Family Reading	The Helis Foundation John Scott Center	Eliminations	Totals
Support and Revenues					
Government grants	\$ 1,957,898	\$11,239,763	\$ -	\$ -	\$13,197,661
Contributions, and other grants	1,690,401	1,252,406	31,129	-	2,973,936
Settlement income	550,000	-	-	-	550,000
Other	174,797	-	350	-	175,147
Investment income, net	719,119	5	-	-	719,124
Building income	112,680	-	2,130	(85,000)	29,810
Gain on disposal of assets	1,746,140	-	-	-	1,746,140
Program income	212,649	-	2,042	-	214,691
	<u>7,163,684</u>	<u>12,492,174</u>	<u>35,651</u>	<u>(85,000)</u>	<u>19,606,509</u>
Expenses					
Salaries and benefits	2,620,983	7,064,002	1,129	-	9,686,114
Other operating expense	545,758	1,523,879	90,371	(85,000)	2,075,008
Consultants expense	773,508	430,905	19,396	-	1,223,809
Contributed rent and professional services	-	1,252,406	-	-	1,252,406
Supplies and materials expense	390,002	124,564	4,029	-	518,595
Regrants	312,088	-	-	-	312,088
Building expense	398,242	299,799	2,288	-	700,329
Depreciation	245,394	286,066	-	-	531,460
Equipment expense	32,432	67,477	-	-	99,909
Travel expense	137,495	26,770	457	-	164,722
Printing expense	125,843	3,925	94	-	129,862
Meetings and events	80,607	12,096	13,381	-	106,084
Interest expense	17,242	-	12,919	-	30,161
Allocated expenses	(935,635)	891,750	43,885	-	-
	<u>4,743,959</u>	<u>11,983,639</u>	<u>187,949</u>	<u>(85,000)</u>	<u>16,830,547</u>
Change in net assets	2,419,725	508,535	(152,298)	-	2,775,962
Net Assets					
Beginning of year	10,415,560	3,287,459	(411,772)	-	13,291,247
End of year	<u>\$12,835,285</u>	<u>\$ 3,795,994</u>	<u>\$(564,070)</u>	<u>\$ -</u>	<u>\$16,067,209</u>

**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, 2025

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
	<hr/>
	<u>\$0</u> *

* None of the President/Executive Director’s salary, benefits, and other compensation was 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, 2025, 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 24, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization’s internal control over financial reporting (“internal control”) as a basis for determining 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.

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 or significant deficiencies 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 consolidated financial statements. 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 24, 2026.

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

Opinion on Each Major Federal Program

We have audited Louisiana Endowment for the Humanities and Prime Time Family Reading (the “Organization”) compliance with the types of compliance requirements described in the 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, 2025. 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.

In our opinion, the Organization complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major Federal Program

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 Award (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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 a combination of 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 Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Certified Public Accountants.

New Orleans, Louisiana,
April 24, 2026.

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, 2025

<u>Federal Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal AL Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
National Endowment for the Humanities				
Promotion of the Humanities - Federal/State Partnership:				
State Humanities Program	SO-289866-23	45.129	<u>\$ 705,492</u>	<u>\$ -</u>
U.S. Department of Agriculture				
Pass-through Programs From: <u>Louisiana Department of Education:</u>				
Child and Adult Care Food Program	2018-TTZJRLYDZLK5	10.558	<u>589,625</u>	<u>-</u>
U.S. Department of Health and Human Services				
Head Start Grant	06CH011822	93.600	11,881,598	-
Head Start Grant	06CH013392	93.600	<u>20,946</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>11,902,544</u>	<u>-</u>
Total expenditures of federal awards			<u>\$13,197,661</u>	<u>\$ -</u>

See accompanying note to Schedule of Expenditures of Federal Awards.

NOTE 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, 2025

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, 2025. 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, 2025. The Organization has elected to use the 15% *de minimus* indirect cost rate as allowed under Uniform Guidance.

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, 2025

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the consolidated 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:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
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: \$1,000,000

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 Consolidated Financial Statements**

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended October 31, 2025.

No significant deficiencies were reported during the audit of the consolidated financial statements for the year ended October 31, 2025.

Compliance and Other Matters

There were no compliance findings material to the consolidated financial statements reported during the audit for the year ended October 31, 2025.

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 consolidated financial statements for the year ended October 31, 2025 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, 2025

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

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended October 31, 2024.

No significant deficiencies were reported during the audit of the consolidated financial statements for the year ended October 31, 2024.

Compliance and Other Matters

There were no compliance findings material to the consolidated financial statements reported during the audit for the year ended October 31, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended October 31, 2024 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, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN

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

For the year ended October 31, 2025

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

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended October 31, 2025.

No significant deficiencies were reported during the audit of the consolidated financial statements for the year ended October 31, 2025.

Compliance and Other Matters

There were no compliance findings material to the consolidated financial statements reported during the audit for the year ended October 31, 2025.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended October 31, 2025, 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, 2025.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures described in Schedule 3 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period November 1, 2024 through October 31, 2025. Louisiana Endowment for the Humanities and Prime Time Family Reading (the “Organization”) management is responsible for those C/C areas identified in the SAUPs.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period November 1, 2024 through October 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 3.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 24, 2026.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

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

For the year ended October 31, 2025

The required procedures and our findings are as follows:

1. Procedures Performed on the Organization's Written Policies and Procedures:

Prior year testing resulted in no exceptions related to written policies and procedures. Therefore, testing is not required in the current year.

2. Procedures Performed on the Organization's Board:

Prior year testing resulted in no exceptions related to the board. Therefore, testing is not required in the current year.

3. Procedures Performed on the Organization's Bank Reconciliations:

Prior year testing resulted in no exceptions related to bank reconciliations. Therefore, testing is not required in the current year.

4. Procedures Performed on the Organization's Collections (Excluding Electronic Funds Transfers):

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Organization's Collections (Excluding Electronic Funds Transfers): (Continued)

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.
Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were properly segregated.
Exceptions: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were properly segregated.
Exceptions: There were no exceptions noted.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee is responsible for reconciling ledger postings to each other and to the deposit.
Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were properly segregated.
Exceptions: There were no exceptions noted.

- iv. The employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source, are not responsible for collecting cash, unless another employee verifies the reconciliation.
Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were properly segregated.
Exceptions: There were no exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.
Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was in force during the fiscal period.
Exceptions: There were no exceptions noted.

4. Procedures Performed on the Organization's Collections (Excluding Electronic Funds Transfers): (Continued)

D. Randomly select 2 deposit dates for each of the Organization's bank accounts selected for procedures under "Procedures Performed on the Organization's Bank Reconciliations" #3A. Obtain supporting documentation for each of the deposits selected and:

- i. Observe that receipts are sequentially pre-numbered.
Performance: Obtained supporting documentation for the selected deposits and observed that no deposits required pre-numbered cash receipts.
Exceptions: There were no exceptions noted.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
Performance: Traced supporting documentation to the deposit slip.
Exceptions: There were no exceptions noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
Performance: Traced deposit slip total to actual deposit per bank statement.
Exceptions: There were no exceptions noted.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Performance: Observed that the deposits tested were made within one business day of receipt.
Exceptions: No exceptions noted.
- v. Trace the actual deposit per the bank statement to the general ledger.
Performance: Traced the actual deposit per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.

5. Procedures Performed on the Organization's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

Prior year testing resulted in no exceptions related to non-payroll disbursements. Therefore, testing is not required in the current year.

6. Procedures Performed on the Organization's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards:

Prior year testing resulted in no exceptions related to credit cards/debit cards/fuel cards/ purchase cards (cards). Therefore, testing is not required in the current year.

7. Procedures Performed on the Organization's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

8. Procedures Performed on the Organization's Contracts:

Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

9. Procedures Performed on the Organization's Payroll and Personnel:

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

10. Procedures Performed on the Organization's Ethics:

A. Using the 5 selected employees from Payroll and Personnel procedure #9A obtain ethics compliance documentation from management and:

Not applicable for not-for-profit entities.

i. Observe whether the documentation demonstrates each employee completed one hour of ethics training during the period as required by R.S. 42:1170.

Not applicable for not-for-profit entities.

ii. Observe whether the Organization maintains documentation which demonstrates each employee was notified of any changes to the Organization's ethics policy during the fiscal period, as applicable.

Not applicable for not-for-profit entities.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not applicable for not-for-profit entities.

11. Procedures Performed on the Organization's Debt Service:

Prior year testing resulted in no exceptions related to debt service. Therefore, testing is not required in the current year.

12. Procedures Performed on the Organization's Fraud Notice:

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing is not required in the current year.

**13. Procedures Performed on the Organization’s Information Technology Disaster Recovery/
Business Continuity:**

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing is not required in the current year.

14. Procedures Performed on the Organization’s Prevention of Sexual Harassment:

A. Using the 5 randomly selected employees from procedure #9A under “Procedures Performed on the Organization’s Payroll and Personnel”, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Not applicable for not-for-profit entities.

B. Observe the Organization has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Organization’s premises if the Organization does not have a website).

Not applicable for not-for-profit entities.

C. Obtain the Organization’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the Organization who have completed the training requirements.

Not applicable for not-for-profit entities.

ii. Number of sexual harassment complaints received by the Organization.

Not applicable for not-for-profit entities.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Not applicable for not-for-profit entities.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Not applicable for not-for-profit entities.

v. Amount of time it took to resolve each complaint.

Not applicable for not-for-profit entities.

Management’s Overall Response to Exceptions:

No exceptions noted.