



NATIONAL ENDOWMENT FOR THE

Humanities

OFFICE OF INSPECTOR GENERAL

July 19, 2013

RETURN RECEIPT REQUESTED

Board of Directors
Alaska Humanities Forum
161 East 1st Ave., Door 15
Anchorage, AK 99501
Attn: [REDACTED] Chair

Audit Report: OIG-13-09 (DR)

Dear Board Members:

We have completed our desk review of the single audit report prepared by Mikunda, Cottrell & Company, which includes the Federal assistance programs administered by the Alaska Humanities Forum (the "Council"), for the year ended September 30, 2012. The independent auditors (IPA) previously furnished a copy of their audit report to the Council and submitted the related reporting package to the Federal Audit Clearinghouse. The IPA issued an unqualified opinion (both GAAP and single audit) with no reportable current year findings.

Our review was limited to an examination of the IPA's audit report. We did not examine the underlying audit documentation to evaluate the adequacy of the audit work performed; rather, the single audit desk review guide, issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE), was used to determine whether the audit report meets the core reporting requirements stipulated by OMB Circular A-133. Audit reports determined to be *technically deficient* or *unacceptable* will require corrective action.

We determined that the audit report meets Federal reporting requirements as evidenced by the lack of any reportable exceptions. Accordingly, our office is accepting this single audit report in its current form and no corrective action deemed necessary.

Please note that we encountered one issue that created confusion and should be addressed in future audit reports. Specifically, two supplemental disclosures¹ relating to subrecipient awards were presented on the cash basis of accounting. Since financial statements must be prepared on the accrual basis, to conform with Generally Accepted Accounting Principles, the amounts reported in these footnote disclosures contradict the core financial statements. Moving forward, we encourage the Council to add clarifying language explaining that these footnote disclosures are prepared using another comprehensive basis of accounting (i.e. cash basis), provide a reconciliation documenting how the various regrantee expense amounts disclosed throughout the audit report interrelate, and/or consider providing all data on the accrual basis.

¹ Financial Statement Footnote 6: Grants from the National Endowment for the Humanities, and the Schedule of Expenditures of Federal Awards (SEFA) Footnote 2: Subrecipients

Please note that we are sending this letter to the auditors to inform them of the results of our review.

If you have any questions concerning this letter or need accounting assistance, please contact Mr. Steve Elsberg at (202) 606-8353 or via email at selsberg@neh.gov.

Sincerely,

A handwritten signature in cursive script that reads "Laura Davis". The signature is written in black ink and is positioned above a horizontal line.

Laura Davis
Inspector General

Distribution List:

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