

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

LOUISIANA RESOURCE CENTER FOR EDUCATORS

FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

Under provisions of state law, this report is a public document. It is hereby submitted to the public. The Louisiana Resource Center for Educators, Baton Rouge, Louisiana, is the primary contact, where appropriate, at the office or the person clerk of court.

Release Date 08-10-00



LOUISIANA RESOURCE CENTER FOR EDUCATORS

FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998



TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1
<u>Financial Statements</u>	
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 9
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10 - 11





Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Resource Center for Educators
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Louisiana Resource Center for Educators as of December 31, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Resource Center for Educators as of December 31, 1999 and 1998, and its activities and cash flows for the years then ended in conformity with generally accepted accounting principles.

Postlethwaite & Netterville

Baton Rouge, Louisiana
May 16, 2000

LOUISIANA RESOURCE CENTER FOR EDUCATORS
BATON ROUGE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1999 AND 1998

ASSETS

	1999	1998
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 108,066	\$ 143,837
Accounts receivable	60,335	18,046
Prepaid expenses	747	-
Total current assets	169,148	161,883
 <u>PROPERTY AND EQUIPMENT - at cost</u>		
Furniture and equipment	164,098	145,086
Building improvements	144,822	139,994
Library	21,021	14,084
	329,941	299,164
Less: Accumulated depreciation	(105,616)	(42,064)
	224,325	257,100
Total Assets	\$ 393,473	\$ 418,983

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 11,657	\$ 24,277
Other liabilities	8,289	-
Total current liabilities	19,946	24,277
 <u>NET ASSETS</u>		
Unrestricted	196,605	296,196
Temporarily restricted	176,922	98,510
Total net assets	373,527	394,706
Total Liabilities and Net Assets	\$ 393,473	\$ 418,983

The accompanying notes are an integral part of these statements.



LOUISIANA RESOURCE CENTER FOR EDUCATORS
BATON ROUGE, LOUISIANA

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999		Total
	Unrestricted	Temporarily Restricted	
Support and Revenue:			
Public support	\$ 61,945	\$ 240,259	\$ 302,204
Grant from Governmental agency	-	330,149	330,149
Program service fees	130,653	-	130,653
Interest income	3,903	-	3,903
Miscellaneous	5,885	-	5,885
Total support and revenue	<u>202,386</u>	<u>570,408</u>	<u>772,794</u>
Net assets released from restriction	<u>491,996</u>	<u>(491,996)</u>	<u>-</u>
Total other support	<u>694,382</u>	<u>78,412</u>	<u>772,794</u>
Expenses:			
Program Services	498,400	-	498,400
Management and general	276,700	-	276,700
Fund raising	18,873	-	18,873
Total expenses	<u>793,973</u>	<u>-</u>	<u>793,973</u>
Increase (decrease) in net assets	(99,591)	78,412	(21,179)
Net assets at beginning of year, as restated	<u>296,196</u>	<u>98,510</u>	<u>394,706</u>
Net assets at end of year	<u>\$ 196,605</u>	<u>\$ 176,922</u>	<u>\$ 373,527</u>

The accompanying notes are an integral part of these statements.



1998		
Unrestricted	Temporarily Restricted	Total
\$ 115,591	\$ 197,133	\$ 312,724
50,000	433,194	483,194
51,935	-	51,935
3,296	-	3,296
9,640	-	9,640
<u>230,462</u>	<u>630,327</u>	<u>860,789</u>
591,817	(591,817)	-
<u>822,279</u>	<u>38,510</u>	<u>860,789</u>
356,934	-	356,934
193,770	-	193,770
8,002	-	8,002
<u>558,706</u>	<u>-</u>	<u>558,706</u>
263,573	38,510	302,083
<u>32,623</u>	<u>60,000</u>	<u>92,623</u>
<u>\$ 296,196</u>	<u>\$ 98,510</u>	<u>\$ 394,706</u>



LOUISIANA RESOURCE CENTER FOR EDUCATORS
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (21,179)	\$ 302,083
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	63,773	41,824
Changes in operating assets and liabilities:		
Accounts receivable	(42,289)	(18,046)
Other assets	(747)	965
Accounts payable and other accrued liabilities	(4,331)	8,717
Net cash provided by (used in) operating activities	(4,773)	335,543
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of equipment	(30,998)	(293,054)
Proceeds from maturities of short-term investments	-	70,724
Net cash used in investing activities	(30,998)	(222,330)
 Net increase (decrease) in cash and cash equivalents	(35,771)	113,213
Cash and cash equivalents - beginning of year	143,837	30,624
Cash and cash equivalents - end of year	\$ 108,066	\$ 143,837

The accompanying notes are an integral part of these statements.



LOUISIANA RESOURCE CENTER FOR EDUCATORS

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and Purpose

Louisiana Resource Center for Educators, formerly known as Friends of Environmental Education, Inc., is a non-profit organization organized to receive and administer funds exclusively for charitable and educational purposes, namely responding to the needs of Louisiana educators, students, and citizens by providing innovative opportunities in the areas of science, mathematics, technology, and environmental education. The sources of income to the Organization include donations (public support), grants from governmental agencies, and fees charged for workshops.

Basis of Accounting and Reporting

The Organization prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Income Taxes

The Organization has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. The Organization does not have permanently restricted net assets at December 31, 1999 or 1998.

Property and Equipment

Property and equipment is recorded at cost. Depreciation of property and equipment is based upon the estimated useful service lives using the straight-line method. Maintenance and repairs are charged to expense, while additions and improvements are capitalized.



LOUISIANA RESOURCE CENTER FOR EDUCATORS

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies – (continued)

Estimates

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

Contributed Services

The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation. During the years ended December 31, 1999 and 1998, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Donated Facilities

Donated materials and equipment are reflected as contribution income and expense in the accompanying financial statements at their estimated values at the date of receipt. The Organization operates, with a minimal charge, certain premises upon which their office is located. The estimated fair rental value of the premises is reported as support and expense in the year in which the premises are used.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include all highly liquid debt instruments and certificates of deposit with original maturities of three months or less.

Investments

Investments in all debt and equity securities with a readily determinable fair value are reported at their fair value based on quoted market prices.

Advertising

The Organization expenses the cost of advertising as incurred. Total advertising expense for the years ended December 31, 1999 and 1998 was \$23,702 and \$42,895, respectively.

Reclassification

Certain amounts in the 1998 financial statements have been reclassified to conform with the current year presentation.



LOUISIANA RESOURCE CENTER FOR EDUCATORS

NOTES TO FINANCIAL STATEMENTS

2. Concentration of Support

During the year ended December 31, 1999 and 1998, the Organization derived approximately 43% and 48% of its support and revenue from the Department of Economic Development.

3. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>1999</u>	<u>1998</u>
Louisiana Resource Center for Educators activities:		
Library	\$ 14,275	\$ 5,799
Experience Science Saturday	1,675	9,774
Leadership Program and Conference	3,275	16,152
Project Acorn	-	8,751
Graduate Course	-	5,722
Murals in Allen Hall	7,736	-
Teach for success	5,000	-
South LA Field Trip Book	44,340	-
Travel Grants	15,000	-
Other Miscellaneous Projects	85,621	52,312
	<u>\$ 176,922</u>	<u>\$ 98,510</u>

4. Net Assets Released From Restrictions

Net assets released from donor restrictions for incurring program related expenses satisfying the restricted purposes are as follows:

	<u>1999</u>	<u>1998</u>
Equipment Purchases	\$ 15,109	\$ 222,571
Library	9,156	12,312
Experience Science Saturday	33,532	30,700
Leadership Conference and Program	31,502	60,000
Graduate Course	-	28,000
Teach for Success	6,598	-
Year 2000 Conference	12,000	-
Food from the Bayou	13,000	-
Other Program Expenses	371,099	238,234
Total restrictions released	<u>\$ 491,996</u>	<u>\$ 591,817</u>



LOUISIANA RESOURCE CENTER FOR EDUCATORS

NOTES TO FINANCIAL STATEMENTS

5. **Leases**

On February 1, 1998, the Organization entered into an agreement to lease its current location until the lease expires on January 31, 2003. The annual lease payments will be \$10. The fair market value of the lease payments is \$40,000 as of December 31, 1999 and 1998.

The organization entered into two operating leases during the year ended December 31, 1999 for copiers. Both copiers are leased under five-year operating leases. The leases expire in October 2003 and December 2004. The leases are renewable on the same terms on a monthly basis unless the option to purchase at fair market value is exercised or the equipment is returned.

Total rent expense charged to operations was \$2,037 during the years ended December 31, 1999 and 1998. Future obligations for this lease at December 31, 1999 were as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2000	\$ 4,202
2001	4,202
2002	4,202
2003	3,742
2004	<u>2,165</u>
	<u>\$ 18,513</u>





Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

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

To the Board of Directors
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana Resource Center for Educators, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 16, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Louisiana Resource Center for Educators' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Louisiana Resource Center for Educators, in a separate letter dated May 16, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Resource Center for Educators' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material

weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Pastlethwaite & Netterville

Baton Rouge, Louisiana
May 16, 2000





Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

June 30, 2000

Louisiana Resource Center for Educators
Board of Directors
Baton Rouge, Louisiana

In planning and performing our audit procedures on the financial statements of Louisiana Resource Center for Educators for the year ended December 31, 1999. We considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

During our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated May 16, 2000, on the financial statements of Louisiana Resource Center for Educators.

Documentation of Cash Disbursements

Finding

Several invoices and receipts could not be located for purchases made during the year.

Effect

The Organization cannot be sure that purchases were properly coded to the appropriate project and properly authorized.

Recommendation

The Organization should obtain invoices and receipts for all purchases and file them accordingly.

We consider this an immaterial instance of noncompliance with laws and regulations, as the financial statements were not effected by this noncompliance.

We would like to express our appreciation for the cooperation and courtesies extended to us during

our audit procedures. We would be pleased to discuss the above matter or respond to any questions, at your convenience.

Very truly yours,

Postlethwaite & Netterville





LOUISIANA RESOURCE
CENTER FOR EDUCATORS

960 N. 11th Street
Baton Rouge, LA 70802
225-387-5700
Fax: 225-387-5707
1-800-449-1908
www.lrc.org

NANCY ROBERTS
Executive Director

DEBBYE CALMES, Chairperson
Accounts Manager, Bellsouth

TOBI E. CRAIG, Vice-Chairperson
Turner Services, Ltd.

CORNELIUS LEWIS, Secretary
President, Gulf Coast BIDCO

ROBERT M. STUART, Jr., Treasurer
Hibernia Bank

BRETT N. BRINSON
Attorney, Kean Miller Law Firm

MARY KAY BROWN
Community Volunteer

CHARLES BUJO,
Superintendent, Iberville Parish

ED CANCIENNE
Superintendent, St. James Parish

BETTY CLAIBORNE
Community Leader, EBRP Clerk of Court

ROBERT CLOUATRE
Superintendent, Ascension Parish

ROGER CLOUATRE
Human Resources Manager, Vulcan Chemicals

MALCO, M.M. DUPRANTIS
Superintendent, Assumption Parish

DELAINE EMMERT
Community Leader

BARBARA FUHRMANN
Dean, College of Education, Louisiana State University

JOANNE LAMOTTE
Principal, Glen Oaks Park Elementary

CHARLES LANDRY
Attorney, Jones Walker Law Firm

JACQUELINE LEWIS
Asst. Superintendent of Catholic Schools,
Baton Rouge Diocese

LLOYD LINDSEY
Superintendent, West Feliciana Parish

GARY MATHEWS
Superintendent, East Baton Rouge Parish

J. ROGERS POPE
Superintendent, Livingston Parish

PRESS L. ROBINSON
System Vice-President for Academic Affairs,
Southern University

ED SMITH
R&D Manager, Exxon

PATRICIA SWENSON
Principal, Trinity Episcopal Day School

BEVERLY TRICHE
Superintendent, West Baton Rouge

MICHAEL ZOBRIST
General Manager, External Affairs, Albemarle

June 30, 2000

Legislative Auditor
Baton Rouge, Louisiana

This letter is in response to the management letter issued by Postlethwaite & Netterville on June 30, 2000. We concur with the findings and have put the proper controls in place to ensure proper documentation of cash disbursements in the current year.

We would be pleased to discuss the above matter or respond to any questions, at your convenience.

Very truly yours,

Nancy Roberts
Executive Director