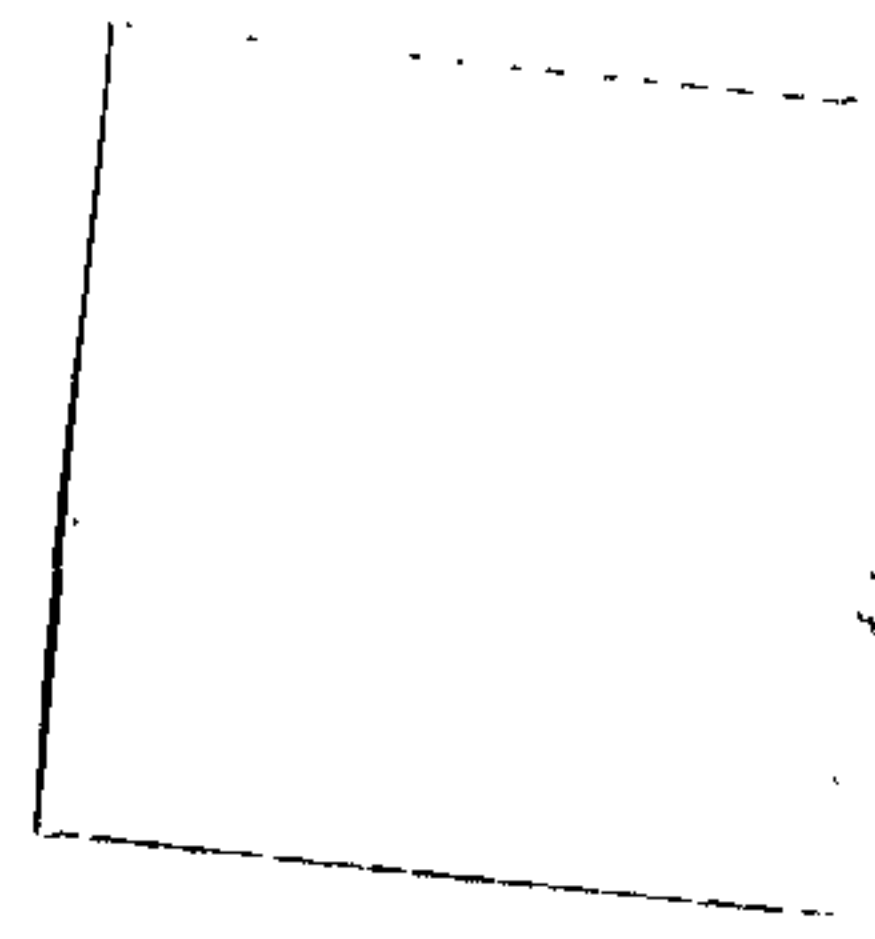


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SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER

AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1998

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

Release Date 12/4/02

PATRICIA LEGO LEWIS
Certified Public Accountant

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Independent Auditor's Report

The Board of Directors
Southern University Business and Industry Cluster

I have audited the accompanying statement of financial position of Southern University Business and Industry Cluster (a Louisiana not-for-profit corporation) as of December 31, 1998 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit 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. I believe my audit provides a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of Southern University Business and Industry Cluster as of December 31, 1998, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Patricia Lego Lewis

August 10, 1999

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1998

ASSETS

Cash and Cash Equivalents	\$ 10,665
Furniture & Equipment (Net of Depreciation)	1,086
Total Assets	<u>11,751</u>

LIABILITIES AND NET ASSETS

Liabilities	0
Net Assets	11,751
Total Liabilities and Net Assets	<u>\$ 11,751</u>

The accompanying notes are an integral part of this statement.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 1998

Changes in Unrestricted Net Assets:	
Unrestricted Support	\$ 68,977
Unrestricted Revenues	1,946
	<hr/>
Total Unrestricted Support & Revenues	70,923
Expenses:	
Program Services	10,440
Management & General	2,823
	<hr/>
TOTAL EXPENSES	113,263
EXCESS OF EXPENSES OVER	
UNRESTRICTED SUPPORT AND REVENUES	(42,340)
Net Assets Revenues, Beginning of Year	54,091
	<hr/>
Net Assets, End Of Year	\$ 11,751
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 1998

	<u>Supporting Services</u>		
	<u>Program</u>	<u>Management</u>	
	<u>Services</u>	<u>& General</u>	<u>Total</u>
Awards	\$ 5,000	-	\$ 5,000
Projects	5,000	-	5,000
Meeting Expenses	1,845	-	1,845
Supplies Expense	9,896	282	10,178
Student Support	5,280	-	5,280
Workshop & Training	-	1,738	1,738
Proposals	13,106	-	13,106
Endowed Professional	57,813	-	57,813
Scholarships	12,500	-	12,500
TOTAL EXPENSES	<hr/>	<hr/>	<hr/>
BEFORE DEPRECIATION	110,440	2,020	112,460
Depreciation Expense	-	803	803
TOTAL EXPENSES	<hr/> <hr/> <u>\$110,440</u>	<hr/> <hr/> <u>\$ 2,823</u>	<hr/> <hr/> <u>\$113,263</u>

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. ORGANIZATION

The Southern University Business and Industry Cluster's mission is to assist and support the University to educate and prepare students to become productive and successful individuals in the workforce and society. In addition, the Southern University Business and Industry Cluster is a dynamic volunteer organization whose forum-like structure encourages active dialogue and serve as change agents on issues of mutual concern and benefit, and whose programs support the academic and professional development for Southern University students. The objectives are to enable business and industry representatives to work with college officials to strengthen academic programs, obtain financial and equipment support, assist students with career planning and placement, and assist the University in identifying and meeting its needs.

B. BASIS OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared on the basis of accrual accounting as described by the American Institute of Certified Public Accountants in its industry audit guide, Audit of Voluntary Health and Welfare-Organizations. The funds consist of the following:

Assets

Unrestricted assets - consists of assets (except land, buildings, and equipment) and public support and revenue available and used for current operations and expenditures for current programs, and amounts designated by the Board of Directors for long term investments, equipment replacement, or other specific purposes.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

B. BASIS OF FINANCIAL STATEMENTS (Continued)

Furniture and Equipment - consists of the fixed assets of Southern University Business and Industry Cluster and amounts donated to assist with acquisition, construction or renovation of fixed assets.

C. REVENUE RECOGNITION

All public support and revenue are considered to be available for unrestricted use unless specifically restricted by the donor. At its discretion, the Board of Directors may designate funds for specific purposes.

D. PROPERTY AND EQUIPMENT

Property has been recorded at cost, if purchased, or fair market value, if donated. Expenditures for property costing in excess of \$75 or that materially increase the estimated useful life of assets are capitalized. Maintenance and repairs are charged to expense as incurred. Proceeds from the disposition of property are transferred to the current unrestricted fund unless restricted by the donor of the property.

E. DEPRECIATION

Depreciation is provided on the Modified Accelerated Cost Recovery System (MACRS) over estimated useful lives of 5 to 7 years for furniture and equipment.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 2: CASH

The carrying values of the cash accounts are as follows as of December 31, 1998.

	<u>Bank Balances</u>	<u>FDIC Insured</u>
Checking	\$ 10,665	\$ 10,665

NOTE 3: FIXED ASSETS

A summary of fixed assets as of December 31, 1998 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Equipment/Furn	\$2,886	\$1,800	\$1,086

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 4: DONATED ASSETS AND SERVICES

The Business and Industry Cluster received significant contributions of time and skill from a substantial number of volunteers which due to their nature and lack of objective means of evaluation, are not recorded as contributions.

NOTE 5: LITIGATION AND CLAIMS

At December 31, 1998, Southern University Business and Industry Cluster was not involved in litigation nor was it aware of any possible unasserted claims.

NOTE 6: BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 7: FUNCTIONAL ALLOCATION OF EXPENSES

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

**SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
SCHEDULE OF FINDINGS
DECEMBER 31, 1998**

1. **Reportable Condition:** The financial statements for Southern University Business and Industry Cluster has not been audited timely as required by Louisiana Revised Statute 17:3390. This statute requires that Alumni Associations, foundations and other private non-profit organizations that raise private funds for the support of public institutions of higher education be audited annually.

Cause: The management did not have all required data in time to meet the requirement.

Effect: There is no material effect to these financial statements.

Recommendation: Have all future financial statements audited timely.

Management Response: The Director concurs with this recommendation.