

**OFFICIAL
FILE COPY
DO NOT SEND OUT**

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
LEGISLATIVE AUDITOR
98 AUG 21 AM 9:23

12
99 400480
5556

**SOUTHERN UNIVERSITY BUSINESS
AND INDUSTRY CLUSTER**

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1997 AND 1996

PATRICIA LEGO LEWIS
Certified Public Accountant
57910 FORT STREET
PLAQUEMINE, LA 70764
(504) 687-9095 FAX (504) 687-8059

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 AUG 26 1998

RECEIVED
LEGISLATIVE AUDITOR

98 AUG 21 AM 9:38

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
BATON ROUGE, LOUISIANA
AUDITED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997 AND 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 AUG 21 1998

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Balance Sheet	4
Statement of Support, Revenue, Expenses, and Changes in Fund Balances	5
Statement of Functional Expenses	6
Notes to Financial Statements	7
Schedule of Findings	11

PATRICIA LEGO LEWIS, CPA

Accounting and Consulting Firm
Notary Public

(504) 687-9095
57910 Fort Street
Plaquemine, Louisiana 70764

Fax (504) 687-8059
P.O. Box 863
Plaquemine, Louisiana 70765

August 8, 1998

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Southern University Business and Industry Cluster
Baton Rouge, Louisiana

I have audited the accompanying balance sheet of the Business and Industry Cluster of Southern University as of December 31, 1997 and 1996, and the related statements of public support, revenue and expenses and changes in fund balances, and functional expenses for the years then ended. These financial statements are the responsibility of the Business and Industry Cluster's management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards issued by the Comptroller General of the United States. 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 included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the 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 the Southern University Business and Industry Cluster as of December 31, 1997, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

Respectfully submitted,



Patricia Lego Lewis
Plaquemine, Louisiana

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
BALANCE SHEET
DECEMBER 31, 1997 AND 1996

ASSETS	<u>1997</u>	<u>1996</u>
Cash and Cash Equivalents	\$ 52,202	\$ 55,882
Furniture & Equipment	1,889	115
Total Assets	<u>54,091</u> =====	<u>55,997</u> =====
 FUND BALANCES		
Fund Balances	54,091	55,997
Total Fund Balances	<u>\$54,091</u> =====	<u>\$55,997</u> =====

The accompanying notes are an integral part of this statement.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENT OF SUPPORT, REVENUE, EXPENSES,
AND CHANGES IN FUND BALANCES
YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
PUBLIC SUPPORT:		
Contributions	\$43,800	\$39,175
	<hr/>	<hr/>
TOTAL PUBLIC SUPPORT	43,800	39,175
	<hr/>	<hr/>
REVENUE:		
Interest Income	1,399	1,549
	<hr/>	<hr/>
TOTAL REVENUE	45,199	40,724
	<hr/>	<hr/>
EXPENSES:		
Program Services	42,842	40,682
Management & General	4,263	6,716
	<hr/>	<hr/>
TOTAL EXPENSES	47,105	47,398
	<hr/>	<hr/>
EXCESS OF EXPENSES OVER PUBLIC SUPPORT	(1,906)	(6,674)
	<hr/>	<hr/>
FUND BALANCE, BEGINNING OF YEAR	55,997	62,671
	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$54,091 =====	\$55,997 =====

The accompanying notes are an integral part of this statement.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 1997 AND 1996

1997

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT & GENERAL</u>	<u>TOTAL</u>
Projects	\$ 10,775	--	\$ 10,775
Meeting Expenses	12,678	--	12,678
Supplies	2,908	1,523	4,431
Student Support	6,508	--	6,508
Workshop & Training	--	1,950	1,950
Proposals	9,973	--	9,973
Professional Services	--	252	252
TOTAL EXPENSES BEFORE DEPRECIATION	42,842	3,725	46,567
Depreciation expense	--	538	538
TOTAL EXPENSES	\$42,842	\$ 4,263	\$47,105

1996

Projects	\$11,759	\$ --	\$11,759
Meeting Expenses	16,650	--	16,650
Supplies	1,588	2,395	3,983
Student Support	3,265	--	3,265
Workshop & Training	--	1,014	1,014
Proposals	7,420	--	7,420
Professional Services	--	3,193	3,193
TOTAL EXPENSES BEFORE DEPRECIATION	49,682	6,602	47,284
Depreciation expense	--	114	114
TOTAL EXPENSES	\$40,682	\$ 6,716	\$47,398

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 work-force 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 of 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 fund 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:

Current Funds:

Unrestricted Fund - 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.

Restricted Fund - consists of assets available to meet current expenses, but only in compliance with restrictions specified by donors.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 & 1996

B. BASIS OF FINANCIAL STATEMENTS (Continued)

Equipment Fund - 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. Such Board-designated funds are segregated in the current unrestricted fund balance.

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. Gains or losses on disposition of property are recognized in the land, building and equipment fund. Proceeds from the disposition of property are transferred to the current unrestricted fund unless restricted by the donor of the property.

E. DÉPRECIATION

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, 1997 AND 1996

NOTE 2: CASH

The carrying values of the cash accounts are as follows as of December 31, 1997 and 1996.

1997

	<u>BANK BALANCES</u>	<u>FDIC INSURED</u>
Checking	\$ 2,748	\$ 2,748
Savings	49,454	49,454
Total	<u>\$52,202</u> =====	<u>\$52,202</u> =====

1996

	<u>BANK BALANCES</u>	<u>FDIC INSURED</u>
Checking	\$ 7,827	\$ 7,827
Savings	48,055	48,055
Total	<u>\$55,882</u> =====	<u>\$55,882</u> =====

NOTE 3: FIXED ASSETS

A summary of fixed assets as of December 31, 1997 and 1996 are as follows:

		<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>BOOK VALUE</u>
1997	Equipment/Furn	\$2,886 =====	\$ 997 =====	\$1,889 =====
1996	Equipment/Furn	\$ 574 =====	\$ 459 =====	\$ 115 =====

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

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, 1997, 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 benefited.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
SCHEDULE OF FINDINGS
DECEMBER 31, 1997

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 of the organization was not aware of the requirement.

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

Recommendation: All future financial statements be audited annually.

Management Response: The Director concurs with this recommendation.

2. **Reportable Condition:** During documentation testing, five charges from a sample size of 30 items were not supported by documentation.

Cause: Documents were not filed correctly.

Effect: There is no material effect.

Recommendation: Ensure that proper documentation is maintained for each transaction.

Management Response: The Director concurs with this recommendation.