

OFFICIAL  
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STATE OF LOUISIANA  
Baton Rouge, Louisiana  
June 30, 1998

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**Build The Future, Inc.  
d/b/a Louisiana Business Partnership  
Baton Rouge, Louisiana  
June 30, 1998**

*Reissued audit-*

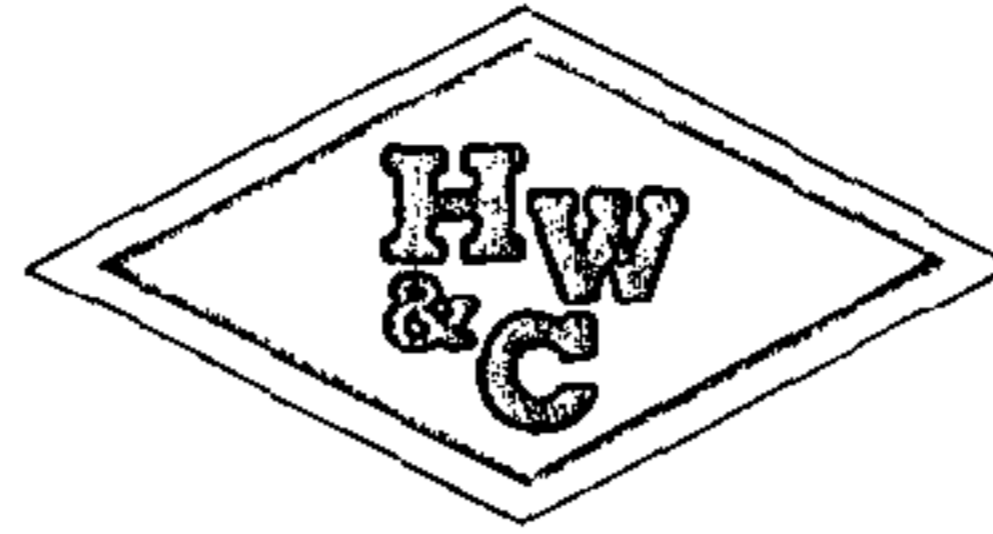
Reissued audit -  
Reference Date: 6/30/98

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CERTIFIED PUBLIC ACCOUNTANTS

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December 23, 1998

(except for Note 6, as to which the date is February 11, 1999)

ROBERT B. HAWTHORN, C.P.A.  
[1896-1977]  
JOHN F. WAYMOUTH, C.P.A.  
[1902-1987]  
HOWARD V. CARROLL, C.P.A.  
[1893-1993]

WARREN C. BIER, C.P.A.  
RETIRED

ROBERT J. ZERNOTT, C.P.A.  
RETIRED

CARL L. HANCOCK, C.P.A.  
RETIRED

**Independent Auditor's Report**

Board of Directors  
Build The Future, Inc. d/b/a Louisiana Business Partnership  
Baton Rouge, Louisiana

Members of the Board:

We have audited the accompanying statement of financial position of

**Build The Future, Inc.**  
**d/b/a/ Louisiana Business Partnership**  
**Baton Rouge, Louisiana**

as of June 30, 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 Build The Future, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 6 to the financial statements, management determined that an error was made which caused deferred income to be overstated and contract revenue to be understated in the previously issued financial statements. Accordingly, the 1998 financial statements have been restated to correct the error.

Governmental Accounting Standards Board Technical Bulletin 98-1, "Disclosures about Year 2000 Issues", requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Build The Future, Inc. d/b/a Louisiana Business Partnership has omitted such disclosures. We do not provide assurance that Build The Future, Inc. d/b/a Louisiana Business Partnership is or will be year 2000 ready, that Build The Future, Inc. d/b/a Louisiana Business Partnership's year 2000 remediation efforts will be successful in whole or in part, or that parties with which Build The Future, Inc. d/b/a Louisiana Business Partnership does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Build The Future, Inc., d/b/a Louisiana Business Partnership, as of June 30, 1998, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 23, 1998, on our consideration of Build The Future, Inc. d/b/a Louisiana Business Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Financial Position**  
**June 30, 1998**

**A s s e t s**

<b>Current Assets</b>	
Cash	\$72,221
Contract receivable	<u>8,783</u>
	<u>81,004</u>
<b>Noncurrent Assets</b>	
Computer equipment	49,376
Less accumulated depreciation	<u>11,165</u>
	<u>38,211</u>
<u>Total assets</u>	<u>119,215</u>

**Liabilities and Net Assets**

<b>Current Liabilities</b>	
Advance payable	\$51,891
Accounts payable	
Trade	5,777
Payroll taxes	2,624
Accrued liabilities	<u>12,551</u>
	72,843
<b>Net Assets</b>	
Unrestricted	<u>46,372</u>
<u>Total liabilities and net assets</u>	<u>119,215</u>

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Activities**  
**Year Ended June 30, 1998**

	<u>Unrestricted</u>
<b>Public Support and Revenue</b>	
State contract	\$934,618
Interest income	<u>3,502</u>
<u>Total public support and revenue</u>	<u>938,120</u>
<b>Expenses</b>	
Salaries/contract personnel	145,424
Personnel travel	8,288
Publicity/marketing	19,419
Operating expenses	74,091
Office equipment	14,729
Professional services	7,550
Reward/incentives	<u>672,594</u>
<u>Total expenses</u>	<u>942,095</u>
<b>(Decrease) in Net Assets</b>	(3,975)
<b>Net Assets, beginning of period</b>	<u>50,347</u>
<b>Net Assets, end of period</b>	<u><u>46,372</u></u>

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Cash Flows**  
**Year Ended June 30, 1998**

	<u><b>Unrestricted</b></u>
<b>Operating Activities</b>	
Increase (decrease) in net assets	(\$3,975)
Adjustments to reconcile net assets to net cash provided by operating activities	
Depreciation	9,644
(Increase) in contract receivable	(4,043)
Increase (decrease) in accounts payable	(221,896)
Increase in accrued liabilities	<u>12,551</u>
Net cash provided by operating activities	<u>(207,719)</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of equipment	<u>(2,511)</u>
<b>Cash Flows from Financing Activities</b>	
Advance proceeds	175,000
Payments on advance	<u>(123,109)</u>
Net cash provided by financing activities	<u>51,891</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(158,339)</b>
<b>Cash and Cash Equivalents, beginning of period</b>	<u><b>230,560</b></u>
<b>Cash and Cash Equivalents, end of period</b>	<u><u><b>72,221</b></u></u>

The accompanying notes are an integral part of these statements.



**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Functional Expenses**  
**Year Ended June 30, 1998**

	<u>Supporting Services</u>	<u>Program Services</u>	<u>Total</u>
<b>Salaries/Contract Personnel</b>			
Executive director		\$46,000	\$46,000
Office manager		16,600	16,600
Assess/curriculum coordinator		18,000	18,000
Data entry coordinator		27,429	27,429
Miscellaneous growth		18,661	18,661
Director retirement		12,551	12,551
Payroll taxes		<u>6,183</u>	<u>6,183</u>
		<u>145,424</u>	<u>145,424</u>
<b>Personnel Travel</b>			
Executive Director		3,217	3,217
Project manager		2,546	2,546
Assess/curriculum coordinator		2,244	2,244
Miscellaneous contract personnel		<u>281</u>	<u>281</u>
		<u>8,288</u>	<u>8,288</u>
<b>Publicity/Marketing</b>			
Brochures/booklets		18,240	18,240
Give-away items		769	769
Business cards		63	63
Miscellaneous publicity		<u>347</u>	<u>347</u>
		<u>19,419</u>	<u>19,419</u>
<b>Operating Expenses</b>			
Insurance	\$3,207		3,207
Telephone	6,379		6,379
Postage	1,850		1,850
Printing	26,610		26,610
Internet/web site	664		664
Office supplies	3,666		3,666
Miscellaneous	4,071		4,071
Rent/utilities/parking/copier	18,000		18,000
Depreciation	<u>9,644</u>		<u>9,644</u>
	<u>74,091</u>		<u>74,091</u>

The accompanying notes are an integral part of these statements.



**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Functional Expenses**  
**Year Ended June 30, 1998**

	<u>Supporting Services</u>	<u>Program Services</u>	<u>Total</u>
(Continued - amounts brought forward)	<u>\$74,091</u>	<u>\$173,131</u>	<u>\$247,222</u>
<b>Office Equipment</b>			
Miscellaneous office equipment	6,833		6,833
Equipment and furniture lease	7,873		7,873
Miscellaneous	<u>23</u>		<u>23</u>
	<u>14,729</u>		<u>14,729</u>
<b>Professional Services</b>			
Accounting	5,525		5,525
Professional publications	325		325
Miscellaneous consultants	<u>1,700</u>		<u>1,700</u>
	<u>7,550</u>		<u>7,550</u>
	<u>96,370</u>	<u>173,131</u>	<u>269,501</u>
<b>Rewards/Incentives</b>			
Administrative			
Training/awards		<u>908</u>	<u>908</u>
Teacher/Student Incentives			
Substitute teacher program		3,957	3,957
Travel reimburse teachers/administrative		20,367	20,367
Teaching materials		1,823	1,823
Teachers Sate/National Conference		264	264
Teachers professional training		<u>24,049</u>	<u>24,049</u>
		<u>50,460</u>	<u>50,460</u>
Student Incentive			
Technology/equipment		325,084	325,084
Internet support		289	289
Students State Conference		33,805	33,805
Students National Conference		122,607	122,607
Readiness workshop/nationals		784	784
International marketing project/travel		106,726	106,726
Student blazers		9,410	9,410
End of year celebration		<u>14,126</u>	<u>14,126</u>
		<u>612,831</u>	<u>612,831</u>
(Sub-total rewards/incentives carried forward)		<u>664,199</u>	<u>664,199</u>

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Functional Expenses**  
**Year Ended June 30, 1998**

	<b><u>Supporting Services</u></b>	<b><u>Program Services</u></b>	<b><u>Totals</u></b>
<b>Rewards/Incentives (Sub-totals brought forward)</b>		<b><u>\$664,199</u></b>	<b><u>\$664,199</u></b>
Business Incentive			
Training recognition		<u>1,141</u>	<u>1,141</u>
 Center/Retail Learning			
Computer software		1,809	1,809
Implementation		5,376	5,376
Publicity		<u>69</u>	<u>69</u>
		<u>7,254</u>	<u>7,254</u>
 <u>Total rewards/incentives</u>		<u>672,594</u>	<u>672,594</u>
 <u>Total functional expenses</u>	<u>96,370</u>	<u>845,725</u>	<u>942,095</u>

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**D/b/a Louisiana Business Partnership**  
**Notes to Financial Statements**  
**June 30, 1998**

**Note 1-Summary of Accounting Policies**

A. Nature and Purpose

Build The Future, Inc. d/b/a Louisiana Business Partnership is a not-for-profit organization formed August 13, 1996 for educational purposes, including education and awareness of the retail industry and providing for marketing education of students in Louisiana high schools. The organization is a party to a cooperative endeavor agreement with the Louisiana Department of Economic Development Corporation, a Louisiana Public Corporation, for the purpose of administering enhancements to current or future Marketing Education Classrooms in Louisiana high schools by creating a competitive learning environment that regards creativity, leadership, role-modeling, and teamwork by which the organization encourages all participants to improve their current level of involvement with DECA/Marketing Education. Revenues are derived from a contract with the Louisiana Department of Economic Development Corporation.

B. Method of Accounting

The financial statements of the Organization are prepared on the accrual basis recording revenue when earned and expenditures when incurred.

C. Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

D. Presentation of Statement of Cash Flows

For purposes of the Statement of Cash Flows, the organization considers all certificates of deposits to be cash equivalents.

E. Income Taxes

Build The Future, Inc. d/b/a Louisiana Business Partnership is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and is not classified as a private foundation.

F. Noncurrent Assets

Equipment is recorded at cost; or, if donated, at fair market value at date of donation. Depreciation is provided for, principally on a straight-line basis in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives.

**Build The Future, Inc.**  
**D/b/a Louisiana Business Partnership**  
**Notes to Financial Statements**  
**June 30, 1998**

**Note 1-Summary of Accounting Policies (Continued)**

G. Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist principally of cash. The Organization places its cash with high quality institutions. At times such amounts may be in excess of the FDIC insurance limits.

H. Concentration in Operations

The Organization has a significant concentration in the volume of revenue it receives. Its revenue is from a single contract with the Louisiana Department of Economic Development Corporation.

**Note 2-Functional Allocation of Expenses**

The costs of providing the various programs, fund-raising 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 fund-raising activities benefitted.

**Note 3-Advance Payable**

The Louisiana Department of Economic Development advanced the Organization \$175,000 for payment of expenses. If documentation of expenses does not fully cover the \$175,000 advance payment, the Organization shall be required to repay any difference by September 15, 1998. At September 15, 1998, the Organization had \$60,219 due on the advance.

**Note 4-Commitments**

At June 30, 1998, the Organization had entered into a contract for \$173,000 to renovate its new office space.

**Note 5-Subsequent Event**

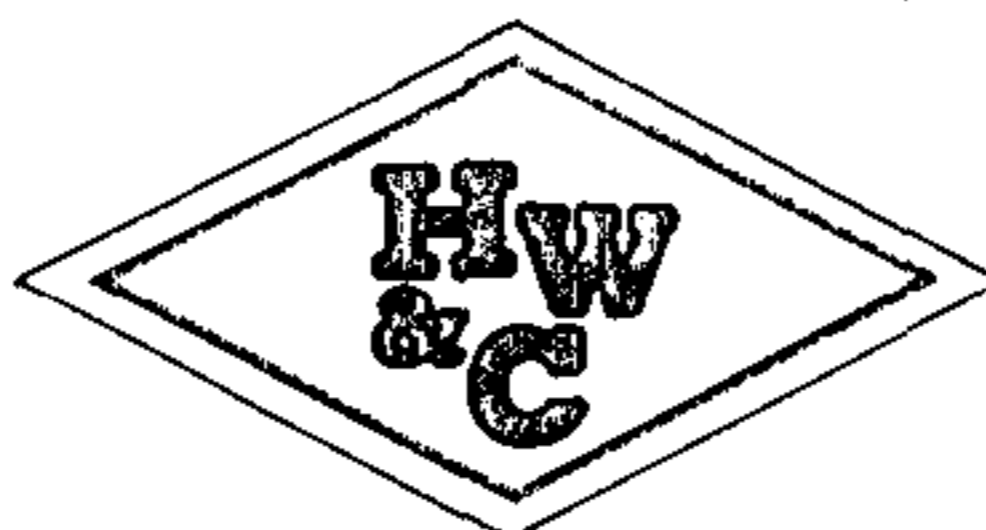
The Organization entered into an operating lease agreement August 21, 1998, for free use of office facilities, expiring December 21, 2001.

**Note 6-Revision of Report**

Subsequent to the issuance of the December 23, 1998 auditor's report, management determined that \$123,109 which was shown as deferred revenue from the Louisiana Department of Economic Development should have been recorded as contract revenue in the statement of activities for the year ended June 30, 1998. Deferred revenue and state contract revenue have been changed in these statements to correctly report the amount.



# HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



H. DANIEL CARROLL, C.P.A.  
ROBERT E. WALES, C.P.A.  
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December 23, 1998

WARREN C. BELL, C.P.A.  
RETIRED  
ROBERT J. ZERNOTT, C.P.A.  
RETIRED  
CARL L. HANCOCK, C.P.A.  
RETIRED

(except for Note 6, as to which the date is February 11, 1999)

## **Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards**

Board of Directors  
Build The Future, Inc. d/b/a Louisiana Business Partnership  
Baton Rouge, Louisiana

Gentlemen:

We have audited the financial statements of Build The Future, Inc. d/b/a Louisiana Business Partnership as of and for the year ended June 30, 1998, and have issued our report thereon dated December 23, 1998. 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 Build The Future, Inc. d/b/a Louisiana Business Partnership's 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Build The Future, Inc. d/b/a Louisiana Business Partnership's 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 for the information of management and the Louisiana Legislative Auditor.

Yours truly,

*Hawthorn, Weymouth & Carroll, L.L.P.*