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SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER

**AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003**

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LEGISLATIVE COUNCIL
OCT 13 2004

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 State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 10 - 20 - 04

**PATRICIA LEGO LEWIS
CERTIFIED PUBLIC ACCOUNTANT**



SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER

AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

PATRICIA LEGO LEWIS
CERTIFIED PUBLIC ACCOUNTANT

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PATRICIA LEGO LEWIS, CPA

Accounting and Consulting Firm
Notary Public

2281 887-8004
2714 Pine Street
Baton Rouge, Louisiana 70804

Fax (225) 887-8008
P.O. Box 882
Baton Rouge, Louisiana 70804

Independent Auditor's Report

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

I have audited the accompanying statements of financial position of Southern University Business and Industry Cluster (a Louisiana not-for-profit corporation) as of December 31, 2003 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, 2003, 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, CPA
August 20, 2004

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003

ASSETS

Cash and Cash Equivalents	\$ 16,997
Furniture & Equipment (Net of Depreciation)	1,133
Total Assets	<u>\$ 18,130</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ 0
Net Assets	18,130
Total Liabilities and Net Assets	<u>\$ 18,130</u>

The accompanying notes are an integral part of these financial statements.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003

Support and revenues:	
Proposals	\$ 26,800
Membership Dues	22,190
Contributions	
Unrestricted	7,510
Total Unrestricted Support & Revenues	<hr/> 36,500
Expenses:	
Program Services	72,497
Management & General	2,113
Total Expenses	<hr/> 74,610
Decrease in Net Assets	<hr/> (38,110)
Net Assets Revenues, Beginning of Year	36,280
Net Assets, End Of Year	<hr/> <hr/> \$ 18,170

The accompanying notes are an integral part of these financial statements.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENTS OF CASH FLOWS
YEAR ENDER DECEMBER 31, 2009

Cash Flows From Operation Activities	
Decrease in net assets	\$ (18,150)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	_____769
Net cash used for operating activities	_____ (17,381)
Net Decrease in Cash and Cash Equivalents	_____ (17,381)
Cash and Cash Equivalents at Beginning of Year	_____ 34,449
Cash and Cash Equivalents at End of Year	_____ \$ 16,997

The accompanying notes are an integral part of these financial statements.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 1993

	<u>Program Services</u>	<u>Supporting Services Management & General</u>	<u>Total</u>
Awards	\$ 18,015	\$ -	\$ 18,015
Supplies/Office Expense	488	210	698
Student Support	7,149	-	7,149
Beyond Classr. Expenses	8,564	-	8,564
Proposals/Projects	20,665	-	20,665
Conferences /Meetings Expense	17,616	-	17,616
Accounting/Auditing Fees	-	1,200	1,200
TOTAL EXPENSES	72,497	1,410	73,907
BEFORE DEPRECIATION	72,497	1,410	73,907
Depreciation Expense	-	700	700
TOTAL EXPENSES	\$ 72,497	\$ 2,113	\$ 74,610

The accompanying notes are an integral part of these financial statements.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

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 and to educate and prepare individuals to be successful in the workforce and society. In addition, the Southern University Business and Industry Cluster is a dynamic voluntary student oriented organization whose programs are developmental in nature. This forum-like structure encourages active dialogues and serves as a change agent on issues of mutual concern and benefit. 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 accrual basis of accounting. The funds consist of the following:

Assets

Unrestricted assets - consists of assets (except land, and buildings,) 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.

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.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

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 \$100 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 straight-line method over estimated useful lives of 5 to 7 years for furniture and equipment.

NOTE 2: CASH

The carrying values of the cash accounts are as follows as of December 31, 2003.

	<u>Bank</u> <u>Balance</u>	<u>FIMC</u> <u>Interest</u>
Checking	\$ 16,997	\$ 16,997

NOTE 3: FIXED ASSETS

A summary of fixed assets as of December 31, 2003 is as follows:

	<u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Book</u> <u>Value</u>
Equipment/Furn.	\$4,921	\$3,789	\$1,132

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

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

As December 31, 2000, 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.

NOTE 8: INCOME TAXES

The organization is a nonprofit corporation whose revenue is derived from contributions and other fund-raising activities and is not subject to federal or state income taxes.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY
SCHEDULE OF FINDINGS
DECEMBER 31, 2003

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 no-profit organizations that raise private funds for the support of higher education be audited annually.

Cause: The management of the organization was not aware of the report requirement.

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

Recommendation: All future financial statements be audited timely.

Management Response: The director concurs with this recommendation.