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**Sai-Pat Discovery Center
Shreveport, Louisiana**

Financial Statements

As of and for the Years Ended June 30, 2004 and 2003

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the audit and other appropriate public officials. This
report is available for public inspection at the Board's
archive office at the Legislative Auditor and, where
appropriate, at the office of the parish clerk of court.

Release Date 10-13-04

Sci-Park Discovery Center
Bossierport, Louisiana

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COOK & MORSHART

Certified Public Accountants

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CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditor's Report

To the Board of Directors
Sci-Park Discovery Center
Shreveport, Louisiana

We have audited the accompanying statements of financial position of Sci-Park Discovery Center (a nonprofit organization), as of June 30, 2004 and 2003, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Sci-Park Discovery Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that 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 Sci-Park Discovery Center, as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 17, 2004 on our consideration of Sci-Park Discovery Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Cook & Morshart
Certified Public Accountants
September 17, 2004

Boi-Fort Discovery Center
Bossierport, Louisiana
Statements of Financial Position
June 30, 2004 and 2003

	2004	2003
Assets		
Current assets:		
Cash and cash equivalents	\$ 581,895	\$ 202,443
Accounts and grants receivable	329,879	488,584
Promises to give	117,803	104,331
Prepaid expenses	46,866	88,389
Inventory	49,208	42,783
Total current assets	1,085,251	1,112,429
Other assets:		
Endowment cash and cash equivalents	38,500	38,580
Long-term promises to give	111,761	147,385
Cash restricted for facility expansion	226,811	
Grant and contracts receivable restricted for facility expansion	2,455,118	
Promises to give restricted for facility expansion	1,858,761	
Total other assets	4,690,751	185,945
Property and equipment:		
Fixed assets	5,888,132	6,278,626
Accumulated depreciation	(2,318,541)	(1,838,364)
Total property and equipment	3,569,591	4,440,262
Total Assets	\$ 9,247,012	\$ 4,737,811
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 267,232	\$ 188,803
Accrued liabilities	115,076	150,688
Deferred revenue	3,758,667	683,306
Total current liabilities	4,140,975	922,807
Net assets:		
Unrestricted		
Operating	3,517,682	3,882,818
Temporarily restricted	2,957,348	157,808
Permanently restricted	38,500	38,500
Total net assets	6,513,530	4,079,126
Total Liabilities and Net Assets	\$ 9,247,012	\$ 4,737,811

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

Sid-Patt Discovery Center
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, support and reclassifications:				
Grants	\$ 841,293	\$ 100,004	\$ -	\$ 1,000,037
Operating campaign	90,000	10,000	-	100,000
Admissions	700,321	-	-	700,321
Memberships	344,809	-	-	344,809
Summer camp and camp fee	67,070	-	-	67,070
Birthday parties	95,891	-	-	95,891
Gift shop revenue	230,343	-	-	230,343
Food service	30,580	-	-	30,580
Special events	20,826	-	-	20,826
Fund-raising event	115,205	-	-	115,205
Contributions	397,887	61,000	-	448,887
Space Center expansion campaign	140,500	1,300,004	-	1,440,504
Interest income	1,889	-	-	1,889
Other revenue	30,710	-	-	30,710
Net assets released from restrictions:				
Distribution of restrictions	147,600	147,600	-	-
Total revenues, support and reclassifications	3,551,114	2,398,608	-	5,949,722
Expenses				
Program services				
Exhibits and programs	1,647,490	-	-	1,647,490
Marketing	361,843	-	-	361,843
Operation	360,432	-	-	360,432
Gift shop	308,430	-	-	308,430
Total program services	3,718,245	-	-	3,718,245
Supporting services				
Administrative and general	448,883	-	-	448,883
Development	390,580	-	-	390,580
Total supporting services	739,512	-	-	739,512
Total operating expenses	4,457,757	-	-	4,457,757
Other expenses				
Transfer to Sid-Patt Foundation	42,832	-	-	42,832
Total expenses	4,500,589	-	-	4,500,589
Changes in net assets	100,600	2,398,608	-	2,500,888
Net assets as of beginning of year	3,882,818	197,600	20,600	4,099,818
Net assets as of end of year	\$ 3,917,882	\$ 2,607,248	\$ 20,600	\$ 6,545,810

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

Sci-Park Discovery Center
Brewer, Louisiana
Statement of Activities
For the Year Ended June 30, 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, support and reclassifications:				
Grants	\$ 604,217	\$	\$	\$ 604,217
Operating savings	198,800	87,800		286,600
Admissions	702,861			702,861
Memberships	148,858			148,858
Summer camp and camp fee	84,853			84,853
Birthday parties	65,434			65,434
Gift shop revenue	751,181			751,181
Food service	37,880			37,880
Special events	47,585			47,585
Contributions	209,687			209,687
Interest income	8,733			8,733
Other revenue	71,288			71,288
Net assets released from restrictions:				
Satisfaction of restrictions	100,000	(8,880)	(100,000)	
Total revenues, support and reclassifications	3,027,446	68,920	(100,000)	3,011,296
Expenses				
Program services				
Salaries and programs	1,809,298			1,809,298
Marketing	337,241			337,241
Operation	238,776			238,776
Gift shop	188,267			188,267
Total program services	2,664,622			2,664,622
Supporting services				
Administrative and general	588,792			588,792
Development	183,673			183,673
Total supporting services	832,465			832,465
Total operating expenses	3,597,087			3,597,087
Other expenses				
Transfer to Sci-Park Foundation	282,663			282,663
Total expenses	3,879,750			3,879,750
Changes in net assets	(864,132)	83,800	(100,000)	(880,332)
Net assets as of beginning of year	4,288,858	84,000	108,508	4,511,366
Net assets as of end of year	\$ 3,424,726	\$ 167,800	\$ 28,508	\$ 4,079,034

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

Development, Levee
Statement of Functional Expenses
for the Year Ended June 30, 2004

	Program Services			Supporting Services			Total Expenses
	Subdiv and Programs	Marketing	Operation	Cost Share	Fund Program Services	Administration and General	
Quantity:							
Personal benefits and related costs	\$ 653,289	\$ 17,731	\$ 78,009	\$ 73,735	\$ 1,110,201	\$ 247,482	\$ 1,471,152
Office supplies and postage	1,083	14,634		53	19,379	17,000	36,879
Printing and program support services	12,289	30,899			52,180	18,495	70,258
Construction services			188,668		188,668	36,006	244,664
Public relations and advertising	4,332	217,800			222,132	8,499	230,631
Professional and support services	25,523	6,278	465	205	32,181	57,834	89,209
Maintenance and repair services	68,238		84,248		152,486	4,211	160,705
Expansion project costs	60,246				60,246		60,246
Depreciation expense	309,834				309,834	69,893	379,727
Cost of program	468,217	60	33,137	138,788	633,662	3,811	744,513
Total operating expenses	\$ 1,647,465	\$ 267,843	\$ 266,425	\$ 266,425	\$ 3,176,245	\$ 448,665	\$ 2,962,643

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

Development, Louisiana
 Statement of Financial Expenses
 for the Year Ended June 30, 2003

	Program Services			Supporting Services			Total Expenses
	Publics and Programs	Marketing	Operations	Cost Study	Total Program Services	Administration and General	
Quantity							
Increased benefits and related costs	\$ 824,826	\$ 500,853	\$ 71,388	\$ 68,342	\$ 1,665,118	\$ 268,858	\$ 1,933,976
Office supplies and postage	1,789	17,883		3,287	32,855	18,270	51,128
Printing and program support services	12,581	32,337			34,818	12,876	47,694
Operation services	728		578,958		179,276	34,854	214,132
Public relations and advertising	1,830	177,218			179,048	8,826	187,874
Professional and support services	18,890	8,731	3,320		31,332	38,494	69,826
Maintenance and repair services	60,588	86,134			146,722	5,241	151,963
Capital project costs	18,842				18,842		18,842
Depreciation expense	397,882				397,882	60,859	458,741
Cost of program	620,811		28,668	118,348	868,208	4,277	872,486
Total operating expenses	\$ 1,850,256	\$ 557,341	\$ 328,175	\$ 188,267	\$ 2,665,825	\$ 338,762	\$ 3,004,587

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

Sci-Park Discovery Center
Shreveport, Louisiana
Statements of Cash Flows
For the Years Ended June 30, 2004 and 2003

	2004	2003
Operating Activities		
Changes in net assets	+	2,004,862
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	321,763	314,771
Cash restricted for facility expansion	(229,815)	
Grant and contracts restricted for facility expansion	(2,482,116)	
Prepaid to give restricted for facility expansion	(1,264,761)	
Increases (decrease) in operating assets:		
Accounts receivable	166,604	(128,712)
Prepaid to give	32,000	328,249
Prepaid expenses	44,913	43,262
Inventories	(2,507)	(3,664)
Increases (decrease) in operating liabilities:		
Accounts payable	156,238	(13,821)
Accrued liabilities	(26,808)	4,000
Deferred revenue	2,380,857	(17,398)
Net cash provided (used) by operating activities	448,932	(62,222)
Investing Activities		
Purchases of property and equipment	(18,368)	(26,267)
Purchases of permanent exhibits	(21,174)	
Purchases for space center expansion work in progress	(228,916)	
Purchases of exhibits in progress	4,850	(162,618)
Net cash used in investing activities	(263,608)	(418,403)
Net increase (decrease) in cash	185,324	(25,679)
Cash and cash equivalents as of beginning of year	362,440	618,127
Cash and cash equivalents as of end of year	547,764	592,448

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

Sci-Park Discovery Center
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003

111 Summary of Significant Accounting Policies

A. Nature of Activities

Sci-Park Discovery Center, (Sci-Park), is a private nonprofit organization incorporated November, 1980, under the laws of the State of Louisiana. Sci-Park is governed by a Board of Directors.

Sci-Park provides an educational and entertaining environment for people of all ages to explore and actively participate in the world of science and technology. Sci-Park develops a comprehensive view of the world through the interaction of science and the humanities and serves as a catalyst to encourage lifelong learning. Sci-Park's support comes primarily from donor contributions, government grants, admissions and memberships and other attendance based income.

The following program and supporting services are included in the accompanying financial statements:

Exhibits and Programs - Encourages people of all ages to have a better understanding of science through a variety of educational programs including birthday parties, summer camps, public and school workshops, laser films, interactive programs, exhibit demonstrations, and various outreach activities provided both within and outside the science center.

Marketing - Provides promotions, advertising, newsletters and services necessary to inform the public about the Center's programs and to expand its audience.

Operations - Provides the services and functions necessary to operate and maintain the building.

Gift Shop - Assists for the operation of a gift shop within the Center that sells various science related items.

Management, Administrative and General - Includes the functions necessary to provide coordination and implementation of Sci-Park's mission and program strategy; support administrative governance of the Board of Directors; manage the financial and budgetary responsibilities of Sci-Park; and promote the Center's programs to a broad based audience.

Development - Provides the services necessary to encourage and secure private financial support from individuals, foundations, and corporations, as well as efforts to obtain government funding and other grants.

(Continued)

Sci-Port Discovery Center
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

B. Basis of Accounting

The financial statements of Sci-Port have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

Sci-Port is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Sci-Port's tax-exempt purpose is subject to taxation as unrelated business income. Sci-Port had no such income for this audit period.

E. Use of 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, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Sci-Port considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

G. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

(Continued)

Sci-Port Discovery Center
Cottlevort, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

H. Inventory

Inventory consists of various small items held for resale in the gift shop contained in the science center. Inventories are stated at the lower of cost or market determined by the first-in, first-out method.

I. Property and Equipment

Sci-Port capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Sci-Port reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Sci-Port reclassifies temporarily restricted net assets to unrestricted net assets at that time. Leasehold improvements are capitalized and amortized over the term of the lease or the estimated useful life of the improvements, whichever is less. Exhibits with a limited display life have been capitalized and amortized over their useful lives. Depreciation is computed using the straight-line method over the estimated useful life of each asset.

J. Deferred Revenue

Income from summer camp registration fees, birthday party deposits, and grants not yet expended are deferred and recognized over the periods to which the amounts relate.

K. Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose of restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

(Continued)

Sci-Port Discovery Center
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

L. Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Sci-Port.

M. Donated Assets

Noncash donations are recorded as contributions at their estimated fair value at the date of donation.

N. Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long these donated assets must be maintained, Sci-Port reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Sci-Port reclassifies temporarily restricted net assets to unrestricted net assets at that time.

O. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

P. Retirement Obligations

Effective November, 1995, Sci-Port began offering a 401(k) plan for its employees. Employees with at least one year of service may contribute up to 15% of their gross wages to the plan. Sci-Port will match the employees' contributions at 50% in the dollar up to 3% of the employees' gross wages. The amount contributed to the plan for the years ended June 30, 2004 and 2003 was 115,338 and 114,714, respectively.

(Continued)

Sci-Port Discovery Center
 Slieveport, Louisiana
 Notes to Financial Statements
 June 30, 2004 and 2003
 (Continued)

(2) Concentrations of Credit Risk

Financial instruments that potentially subject Sci-Port to concentrations of credit risk consist principally of temporary cash investments and promises to give receivables. Sci-Port maintains its cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 2004, Sci-Port had cash balances totaling \$479,409. Of this amount, \$282,190 was secured by FDIC, and the remaining \$197,243 was not secured. At June 30, 2003, Sci-Port had cash balances totaling \$403,260. Of this amount, \$372,890 was secured by FDIC, \$105,182 was secured under a sweep agreement with a bank, and the remaining \$25,188 was not secured.

Approximately 48% of Sci-Port's Contributions was provided by a donation from one individual for the Space Center expansion. This amount is recorded in Promises to Give receivable and is reflected in Temporarily Restricted Net Assets at June 30, 2004.

(3) Promises to Give

Sci-Port conducted fundraising campaigns to provide funds for needed exhibits, programs, equipment, and rent's related to the existing facility, which opened November, 1989, to provide for ongoing programs, and to provide funding for renovations to the children's discovery area. Promises receivable expected to be collected over more than one year are discounted at 1.26% for the year ended June 30, 2004, and at .85% for the year ended June 30, 2003.

	2004	2003
Receivable in less than one year	\$ 121,833	\$ 186,230
Less allowance for uncollectible promises	(3,758)	(4,808)
Current portion	117,832	181,222
Receivable in one to five years	176,460	160,832
Less discounts to present value	(3,887)	(3,857)
Long-term portion	172,573	156,975
Net unconditional promises to give at June 30	\$ 290,405	\$ 238,197

(Continued)

Sci-Park Discovery Center
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

(H) Assets Restricted for Facility Expansion

During the year ended June 30, 2004, Sci-Park began a campaign to raise money for expansion of their current facility which will include the addition of a new space center. Assets restricted for facility expansion at June 30, 2004 consisted of the following:

	2004
Cash	4 235,811
Grants / contracts receivable	2,455,119
Promises to give	1,955,751
	\$ 4,646,681

Included in grants / contracts receivable are the following:

State of Louisiana	4 1,708,000
National Aeronautics and Space Administration (NASA)	755,119
	\$ 2,463,119

The amounts included in grants / contracts receivable are also reflected in deferred revenue at June 30, 2004. Revenue will be recognized subsequently as it is earned.

Promises receivable expected to be collected over more than one year are discounted at 1.5% for the year ended June 30, 2004. Promises receivable are recorded at their net realizable value.

	2004
Receivable in less than one year	4 331,074
Receivable in one to five years	1,577,187
Receivable in more than five years	155,000
	2,063,261
Less discounts to net present value	(107,510)
	\$ 1,955,751

(Continued)

Sci-Park Discovery Center
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

64 Operating Leases

During the years ended June 30, 2004 and 2003, Sci-Park leased certain equipment under an operating lease. Rental costs for the years ended June 30, 2004 and 2003 were \$1,793 and 44,938, respectively.

Commitments under lease agreements having initial or remaining non-cancelable lease terms in excess of one year are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2006	\$ 776
2008	776
2003	126
	<u>\$ 2,328</u>

65 Property and Equipment

At June 30, 2004, the costs of property and equipment were as follows:

	<u>Estimated Useful Life</u>	<u>Costs</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Exhibits in progress		\$ 4,850	\$ -	\$ 4,850
Space center expansion work in progress		271,082	-	271,082
Leasehold improvements	3 years	31,713	6,498	25,235
Vehicles	5 years	55,033	40,758	14,243
Furniture and equipment	3 - 7 years	889,287	443,900	248,384
Permanent exhibits	10 years	4,507,583	1,718,368	2,789,187
		<u>\$ 5,563,132</u>	<u>\$ 2,218,940</u>	<u>\$ 3,344,581</u>

Depreciation expense for the year ended June 30, 2004 was \$371,157.

(Continued)

Sci-Port Discovery Center
 Shreveport, Louisiana
 Notes to Financial Statements
 June 30, 2004 and 2003
 (Continued)

At June 30, 2003, the costs of property and equipment were as follows:

	Estimated Useful Life	Costs	Accumulated Depreciation	Net
Exhibits in progress		\$ 108,288	\$ -	\$ 108,288
Leasehold improvements	3 years	31,713	6,903	24,811
Vehicles	5 years	55,003	35,891	19,112
Furniture and equipment	3 - 7 years	879,021	378,828	500,193
Permanent exhibits	10 years	4,423,981	1,476,825	2,947,156
		<u>\$ 5,278,006</u>	<u>\$ 1,892,547</u>	<u>\$ 3,385,459</u>

Depreciation expense for the year ended June 30, 2003 was 4374,771.

Sci-Port entered into a cooperative endeavor agreement on September 29, 1989 with the City of Shreveport to manage and operate the Sci-Port Discovery Center facility. The term of the agreement is for ten (10) years. Subject to the consent of the City of Shreveport, Sci-Port shall have the right and option to extend the agreement for four (4) additional successive periods of five (5) years each following the expiration of the primary term. Certain assets consisting of buildings, structures, improvements, immovable property, furnishings, fixtures, equipment and exhibits purchased with the City of Shreveport or State of Louisiana funds are owned by the City of Shreveport.

The value of the land and buildings purchased with City of Shreveport or State of Louisiana funds and occupied or operated by Sci-Port is not included in the accompanying financial statements. Title to such land and buildings are held by the City of Shreveport.

Furnishings, fixtures, equipment and exhibits purchased with the City of Shreveport or State of Louisiana funds are included in the accompanying financial statements because, although title is held by the City of Shreveport, the full economic value of their use is now and will continue to be in perpetuity held by Sci-Port. The City of Shreveport grants to Sci-Port the exclusive rights to use these assets as long as Sci-Port operates the Discovery Center under the agreement previously mentioned. These assets consisted of the following at June 30, 2004 and 2003:

	2004		2003	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Exhibits	\$ 1,464,188	\$ 402,646	\$ 1,464,188	\$ 328,438
Theater equipment	1,419,280	362,944	1,419,280	317,327
	<u>\$ 2,883,468</u>	<u>\$ 765,590</u>	<u>\$ 2,883,468</u>	<u>\$ 645,765</u>

(Continued)

Sci-Port Discovery Center
 Sliverport, Louisiana
 Notes to Financial Statements
 June 30, 2004 and 2003
 (Continued)

Depreciation on these assets for the years ended June 30, 2004 and 2003, was \$143,726 and \$143,726, which is included in the total depreciation of \$371,187 and \$334,771 for the years ended June 30, 2004 and 2003.

Sci-Port also receives funds from the City of Sliverport and the State of Louisiana to supplement the cost of operations. These contracts are subject to annual contract renewals. To the extent that property and equipment are deemed purchased with these funds, title or ownership may revert to the City of Sliverport or the State of Louisiana.

(7) **Accrued Liabilities**

Accrued liabilities consisted of the following:

	2004	2003
Accrued lease payable	\$ 64,606	\$ 76,390
Accrued payroll	17,981	87,348
Payroll and sales taxes payable	12,482	7,248
	\$ 95,069	\$ 169,986

(8) **Temporarily Restricted Net Assets**

The temporarily restricted net assets at June 30, 2004 and 2003 consist of campaign donations received for specific purposes defined by the donor of which the restrictions were not met as of that date. Detail is as follows:

	2004	2003
Operations campaign	\$ 20,800	\$ 157,800
Space center expansion campaign	2,476,348	--
Gifts at Work - children's discovery area campaign	81,800	--
	\$ 2,578,948	\$ 157,800

(9) **Permanently Restricted Net Assets**

Permanently restricted net assets at June 30, 2004 and 2003, consist of contributions for an admissions endowment and contributions for an education outreach endowment. The investment earnings from these endowments are restricted for admissions assistance and education outreach.

(Continued)

Sci-Port Discovery Center
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

During the year ended June 30, 2002, 4100,000 was received from a donor to establish an endowment fund for education outreach. The funds were transferred from Sci-Port Discovery Center to the Sci-Port Foundation during the year ended June 30, 2003, to establish this endowment, and are shown as a reclassification of net assets in the accompanying financial statements.

(10) Third Party Reimbursement

During the years ended June 30, 2004 and 2003, Sci-Port received contractual revenue from state, parish, and city grants in the amount of \$1,007,817 and \$608,076, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(11) Donated Materials, Facilities, and Services

Various materials and services were donated to Sci-Port by various individuals and organizations. Donated materials and services for the years ended June 30, 2004 and 2003 were \$278,838 and \$216,734, respectively, and were recorded at fair market value at the date of donation, and have been included in revenue and expenses for this year.

In addition, during the year ended June 30, 2004 and 2003, the Calde Parish and Bossier Parish school boards hired an employee to serve as the Sci-Port Education Coordinator. The amounts that the school boards paid for the salary and benefits of this position totaled \$126,485 and \$138,358 for the years ended June 30, 2004 and 2003, respectively. These amounts were reflected as grants revenue and education expenses.

(12) Sci-Port Foundation

Sci-Port Foundation is a separate tax exempt organization under Section 501 (c) (3) of the Internal Revenue Code. The Foundation was established during 2001 to support, benefit and carryout the purposes of Sci-Port Discovery Center through encouraging, motivating and facilitating donations to the Foundation for the benefit of Sci-Port, receiving and managing funds contributed to the Foundation for the benefit of Sci-Port, and making distributions of income and principal to or for the benefit of Sci-Port.

Sci-Port Foundation and Sci-Port Discovery Center maintain separate Boards of Directors. They do not meet the consolidation criteria.

During the years ended June 30, 2004 and 2003, \$42,032 and \$203,583 were transferred from Sci-Port Discovery Center to the Sci-Port Foundation. These transfers are shown in the accompanying statement of activities under other expenses transfer to Sci-Port Foundation.

(Continued)

Sci-Port Discovery Center
 Shreveport, Louisiana
 Notes to Financial Statements
 June 30, 2004 and 2003
 (Continued)

13) Commitment

Sci-Port is in the planning stages for construction of a 25,000 square foot expansion to its existing facility in Shreveport to provide new exhibits and programs addressing the space sciences, math, and astronomy. The project has been let for bid, with bids due by October, 2004. Total project costs are unknown at this time. Public funding has been secured from the State of Louisiana and the City of Shreveport. Additional funding has also been secured through a grant from NASA and private donations. A fundraising campaign is being conducted to provide the remaining funding needed.

Sci-Port and the City of Shreveport jointly entered into a sales agreement with a private corporation for the purchase and installation of equipment for the new space center. Total cost of the equipment is 41,575,000. Sci-Port will pay 1080,250 (55%) and the City of Shreveport will pay 3708,750 (45%). A deposit of 4157,500 was due upon the signing of the agreement and was paid in July 2004. This amount is recorded as an accounts payable in the accompanying financial statements.

14) Contingency

Sci-Port is the defendant in a lawsuit with a former employee. Sci-Port feels the case is without merit and plans to defend the charges vigorously. The ultimate outcome of the case is unknown at this time, and, as such, any estimated liability which would be incurred by Sci-Port as a result of an unfavorable outcome cannot be determined at this time.

15) Deferred Revenue

Deferred revenue at June 30, 2004 and 2003 was comprised of the following:

	<u>2004</u>	<u>2003</u>
Contracts and grants	\$ 2,74,000	\$ 338,653
Contracts and grants restricted for:		
Facility expansion	3,485,116	-
Summer camp and camps-in	75,400	16,748
Special events	1,300	3,828
Miscellaneous	1,050	-
Birthday parties	2,508	1,213
	<u>\$ 3,790,892</u>	<u>\$ 400,505</u>

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CERTIFIED PUBLIC ACCOUNTANTS

INSTITUTE OF INTERNAL
AUDITORS

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
Sci-Port Discovery Center
Shreveport, Louisiana

We have audited the financial statements of Sci-Port Discovery Center as of and for the year ended June 30, 2004, and have issued our report thereon dated September 17, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Sci-Port Discovery Center'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. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sci-Port Discovery Center'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 solely for the information and use of management, the Board of Directors, others within the organization and auditing agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cook & Monahan

Cook & Monahan
Certified Public Accountants
September 17, 2024

Sci-Park Discovery Center
Shreveport, Louisiana
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 2004

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year audit for the year ended June 30, 2003.

Corrective Action Plan for Current Year Audit Findings

There are no findings for the current year audit for the year ended June 30, 2004.

There are no management letter comments for the current year audit for the year ended June 30, 2004.