

LOUISIANA MINORITY BUSINESS COUNCIL, INC.

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT ACCOUNTANTS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2008

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 9/30/09

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Member
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Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors of the
Louisiana Minority Business Council, Inc.

We have reviewed the accompanying statement of financial position of the **Louisiana Minority Business Council, Inc. (LMBC)** as of December 31, 2008, and the related statements of activities and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of **LMBC**.

A review consists principally of inquiries of **LMBC** personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

**INDEPENDENT ACCOUNTANTS' REPORT
(CONTINUED)**

To the Board of Directors of the
Louisiana Minority Business Council, Inc.
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Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedule of Functional Expenses is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 11, 2009

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

ASSETS

Cash and cash equivalents	\$107,310
Unconditional promises to give (NOTE 2)	105,241
Other receivables	<u>6,117</u>
 Total assets	 <u>\$218,668</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 10,039
Deferred revenue (NOTE 2)	<u>63,624</u>
 Total liabilities	 <u>73,663</u>
Net assets:	
Unrestricted net assets	<u>145,005</u>
 Total net assets	 <u>145,005</u>
 Total liabilities and net assets	 <u>\$218,668</u>

See Independent Accountants' Report.

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES AND SUPPORT

Membership dues and fees (NOTE 3)	\$207,429
Contributions	92,278
Special events (NOTE 4)	53,293
Grants - State	170,989
Grants - Federal	259,791
Miscellaneous	<u>21,670</u>
 Total revenues and support	 <u>805,450</u>

EXPENSES

Program services	592,327
Support services	<u>172,451</u>
 Total expenses	 <u>764,778</u>

Change in net assets	40,672
Net assets, beginning of year	<u>104,333</u>
Net assets, end of year	<u>\$145,005</u>

See Independent Accountants' Report.

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Flows from Operating Activities:	
Change in net assets	\$ 40,672
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in receivables	(53,625)
Increase in other receivables	(6,117)
Increase in accounts payable	8,956
Increase in deferred revenue	<u>59,374</u>
Net provided by operating activities	<u>49,260</u>
Increase in cash and cash equivalents	<u>49,260</u>
Cash and cash equivalents at beginning of year	<u>58,050</u>
Cash and cash equivalents at end of year	<u>\$107,310</u>
 Supplemental Cash Flow Information:	
Cash paid for interest	\$ <u>690</u>

See Independent Accountants' Report.

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

Louisiana Minority Business Council, Inc. (LMBC) was founded in 1973 and chartered in 1974 for the purpose of assisting major corporations in the development and improvement of minority vendor programs and to bring minority businesses into the mainstream of corporate purchasing.

Its members are major corporations, financial institutions, universities and minority businesses. LMBC serves the State of Louisiana. LMBC is one of the forty-three regional minority supplier development councils affiliated with the National Minority Supplier Development Council (NMSDC). The NMSDC network provides a linkage to promote procurement opportunities for the council's minority suppliers and to increase the supply base of minority firms for the corporate membership.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

LMBC is a not-for-profit corporation whose financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Basis of Reporting

In accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, which establishes standards for external financial reporting by not-for-profit organizations, LMBC classifies resources for accounting and reporting purposes into three net asset categories, which are unrestricted, temporarily restricted and permanently restricted net assets according to externally (donor) imposed restrictions.

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

A description of the three net asset categories is as follows:

- Unrestricted net assets include contributions not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of LMBC are included in this category. LMBC has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of LMBC and, therefore, LMBC's policy is to record these net assets as unrestricted.
- Temporarily restricted net assets include contributions for which donor imposed restrictions have not been met.
- Permanently restricted net assets are contributions stipulated by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At December 31, 2008, LMBC did not have any temporarily restricted or permanently restricted net assets.

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Furniture and Equipment

Furniture and equipment of LMBC with a cost of \$1,000 or more are recorded as assets and are stated at historical cost, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation is provided using the straight-line method over the estimated useful life of five (5) years:

Such assets and related accumulated depreciation consist of the following:

Furniture and equipment	\$ 16,822
Accumulated depreciation	<u>(16,822)</u>
Furniture and equipment, net	<u>\$ -0-</u>

Deferred Revenues

LMBC reports as deferred revenue grants received earlier than the time for revenue recognition.

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Income Taxes

LMBC is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between the programs and support services benefitted.

Cash Equivalents

For purposes of the statement of cash flows, LMBC considers all investments purchased with a maturity of three months or less to be cash equivalents. LMBC had no cash equivalents at December 31, 2008.

Unconditional Promises to Give

Unconditional promises to give are recorded as received. Unconditional promises to give in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and as recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years for which the promises are received to discount the amounts. An allowance for uncollectible promises to give is provided based on management's evaluation of potential uncollectible promises receivable at year end. As of December 31, 2008, no amount was provided as an allowance for uncollectible promises to give.

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Membership Dues and Fees:

Membership dues and fees consisted of the following at December 31, 2008:

NMSDC dues	\$130,689
Corporate dues	33,000
Minority Business Enterprise fees	<u>43,740</u>
Total	<u>\$207,429</u>

NOTE 4 - Special Events:

During the 2008 fiscal year, LMBC held certain special events, which included an annual trade fair. The gross amounts of revenues and expenses from these special events for the year ended December 31, 2008 are as follows:

Special event revenues	\$ 256,508
Special event expenses	<u>(203,215)</u>
Net special event revenues	<u>\$ 53,293</u>

NOTE 5 - Concentration of Credit Risk:

At December 31, 2008, LMBC's cash on deposit with financial institutions were fully insured by the Federal Deposit Insurance Corporation.

SUPPLEMENTARY INFORMATION

LOUISIANA MINORITY BUSINESS COUNCIL, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries and wages	\$246,817	\$ 61,704	\$308,521
Payroll taxes and fringes	41,930	10,483	52,413
Professional services	37,088	16,483	53,571
Travel and entertainment	48,054	5,339	53,393
Insurance	952	8,571	9,523
Telephone	17,251	4,313	21,564
Rent	26,410	6,602	33,012
Parking	10,028	2,507	12,535
Bank charges and credit card fees	-0-	8,566	8,566
Postage and printing	12,072	1,341	13,413
Miscellaneous	1,403	5,546	6,949
Events/programs	24,536	-0-	24,536
Office expense	3,994	3,994	7,988
Educational programs	19,403	2,156	21,559
Office equipment and supplies	16,616	16,617	33,233
Technology	10,765	2,691	13,456
Marketing	26,631	5,408	32,039
Meetings	<u>48,377</u>	<u>10,130</u>	<u>58,507</u>
Total	<u>\$592,327</u>	<u>\$172,451</u>	<u>\$764,778</u>

See Independent Accountants' Report on Supplementary Information.

LOUISIANA MINORITY BUSINESS COUNCIL, INC.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

FOR THE YEAR ENDED DECEMBER 31, 2008

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

To the Board of Directors of the
Louisiana Minority Business Council, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the **Louisiana Minority Business Council, Inc. (LMBC)**, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about LMBC's compliance with certain laws and regulations during the year ended December 31, 2008 included in the accompanying *Louisiana Attestation Questionnaire*. Management of LMBC is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES

Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

LMBC's federal (passed through state and local governments), state and local award expenditures for the fiscal year follow:

Federal or State Grant Name	Grant Year	CFDA No.	Expenditures
<u>Federal Grant</u>			
Department of Commerce - Minority Business Opportunity Center	10/1/07-3/31/08 4/1/08-3/31/09	11.803	\$ 259,791
<u>State Grants</u>			
State Appropriation - House Bill 1	7/1/07-6/30/08	N/A	141,489
Louisiana Economic Development Grant	7/1/07-6/30/08	N/A	29,500
Total			\$ 430,780

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

Federal, State, and Local Awards, Continued

2. For each federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 36 disbursements would be selected.
3. For the items selected in procedure 2, we traced all of the disbursements selected for testing to supporting documentation as to proper amount and payee.

We examined supporting documentation for all of the selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the disbursements were properly coded to the correct fund and general ledger account.

We determined that each of the disbursements selected for testing was properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the disbursements selected received approval from proper authorities.

Inspection of documentation supporting all of the disbursements selected for testing indicated approvals from proper authorities.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed and noted that all transactions selected for testing complied with allowability requirements summarized in the compliance supplement and/or grant agreement.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements, and all applicable disbursements selected for testing complied with eligibility requirements, if applicable, summarized in the compliance supplement and/or grant agreement.

Reporting

We reviewed the previously listed disbursements for reporting requirements and all applicable disbursements selected for testing complied with reporting requirements, if applicable, as summarized in the compliance supplement and/or grant agreement.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

Only one (1) of the three (3) programs tested in step 2 above required a close-out report. For that program requiring a close-out report, the close-out report's financial information agreed with LAMBC's financial records.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

Open Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

LMBC is only required to post a notice of each meeting and the accompanying agenda on the door of the LMBC office building. We could find no evidence supporting that notices and accompanying agenda for meetings were posted as required by R.S. 42:1 through 42:13 (the open meetings law).

Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

LMBC provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance, noting no exceptions.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

LMBC did not have a reporting requirement to the Louisiana Legislative Auditor in fiscal years prior to the December 31, 2008 fiscal year. Therefore, this procedure is not applicable.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

Other Matters – Late Submission of Report

11. The provisions of Louisiana Revised Statute 24:513 requires audit or review reports to be completed and submitted to the Louisiana Legislative Auditor within six months of the close of an entity's fiscal year. While **LMBC** requested and received approval from the Louisiana Legislative Auditor for an extension of time in which to file its annual financial report, this compliance finding regarding the late submission of the report is still required to be reported.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of **LMBC**, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 11, 2009

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

September 11, 2009

Bruno & Tervalon LLP
Certified Public Accountants
4298 Elysian Fields Avenue
New Orleans, LA 70122

Dear Sirs:

In connection with your review of our financial statements as of December 31, 2008 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of September 11, 2009.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Yes [X] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [X] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

9/16/09 Mia Spicer Secretary Mia Spicer
 Date
 9/16/09 Mary Heywood Treasurer Mary Heywood
 Date
 9/16/09 Phyllis K. Mire President Phyllis K. Mire
 Date

LAMBC

LOUISIANA MINORITY BUSINESS COUNCIL
www.LAmBc.org

September 11, 2009

Bruno & Tervalon LLP
Certified Public Accountants
4298 Elysian Fields Ave.
New Orleans, Louisiana 70122

Re: Independent Accountant's Report on Applying Agreed Upon Procedures

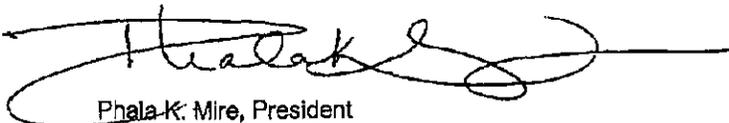
Other Matters – Late Submission of Report

11. The provisions of Louisiana Revised Statute 24:513 requires audit or review reports to be completed and submitted to the Louisiana Legislative Auditor within six months of the close of an entity's fiscal year. While LMBC requested and received approval from the Louisiana Legislative Auditor for an extension of time in which to file its annual financial report, this compliance finding regarding the late submission of the report is still required to be reported.

CORRECTIVE ACTION:

The Louisiana Minority Business Council is accepting the recommendation of our CPA firm by implementing additional accounting policies to provide adequate controls to monitor and adhere to the reporting requirements of the State of Louisiana and any other reporting bodies. By closely monitoring and adhering to the various reporting requirements, we will not be tardy on future reporting requirements.

Respectfully submitted,



Phala K. Mire, President

Visit us today at www.LAmBc.org – LA Minority Business Council! "Keeping YOU Connected"
