

Financial Report

Nicholls State University Foundation, Inc.

Thibodaux, Louisiana

June 30, 2003

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Nicholls State University Foundation, Inc.

June 30, 2003

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Nicholls State University Foundation, Inc.
Thibodaux, Louisiana.

We have audited the accompanying statement of financial position of Nicholls State University Foundation, Inc. (the Foundation), a nonprofit organization, as of June 30, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the Foundation as of June 30, 2003 and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 10, an error in accounting for funds held in custody was discovered. Accordingly, net assets at July 1, 2002, have been restated to correct the error.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
October 21, 2003.

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STATEMENT OF FINANCIAL POSITION**Nicholls State University Foundation, Inc.**

June 30, 2003

Assets

Cash and cash equivalents	\$ 3,281,855
Investments - American Express	467,842
Investments - Legg Mason	24,021
Investments - Common Fund	1,323,990
Accrued Interest	40,025
Pledged support, net of discount	177,847
Unconditional promises to give	560,000
Antique collection	<u>75,830</u>
 Total	 <u>\$ 5,951,410</u>

Liabilities

Accounts payable	\$ 100
Note payable	50,000
Funds held in custody	<u>1,354,402</u>
 Total liabilities	 <u>1,404,502</u>

Net Assets

Unrestricted	510,362
Temporarily restricted	1,069,044
Permanently restricted	<u>2,967,502</u>
 Total net assets	 <u>4,546,908</u>
 Total	 <u>\$ 5,951,410</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Nicholls State University Foundation, Inc.**

For the year ended June 30, 2003

Unrestricted Net Assets

Revenue:

Contributions - Memberships	\$ 90,500
Dividends	2,355
Interest	7,578
Loss from investments (net)	(24,448)
Miscellaneous	<u>(9,365)</u>

Total revenues	<u>66,620</u>
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Net assets released from restrictions:

Satisfaction by payment	<u>781,483</u>
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Total unrestricted revenue	<u>848,103</u>
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Expenses

Program services:

Chef John Folse Culinary Institute	203,103
Colonels Brigade	188,846
Free Enterprise Week	8,649
Louisiana Center for Women in Government	1,210
NSU 50th Anniversary	10,313
Athletic Lights	1,000
A+ Scholarship Promotion	14,129
Bayou Currents Journal	3,000
Honors Program	37,093
Honors A & S	1,583
Institutional Advancement	1,330
Millennium	20,000
College of Business	1,846
Tribute	58,438
Saints Promotion	360
Popeye	3,783
Gros Reception	251
Capital Campaign	339
Upward Bound	1,600
Chair & Professorship expenses	5,605
Scholarships	113,100
Speical Fundraising Events	<u>105,905</u>

Total program services	<u>781,483</u>
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**Exhibit B
(Continued)**

STATEMENT OF ACTIVITIES

Nicholls State University Foundation, Inc.

For the year ended June 30, 2003

Support Services:	
Athletic	7,977
Institutional Development	130,487
Interest on bus	8,712
Management and general:	
Foundation office	1,224
Foundation meeting	7,206
Professional services	14,675
Other	6,023
Total support services	176,304
Total expenses	957,787
Decrease in Unrestricted Net Assets	(109,684)
Changes in Temporarily Restricted Net Assets	
Contributions	458,003
Dividends	30,861
Interest income	24,891
Unrealized gain on investments	25,599
Colonels Brigade support	178,997
John Folsie Culinary Institute Fees	125,831
Special Fundraising Events	137,478
Net assets released from restrictions:	
Restrictions satisfied by payments	(781,483)
Increase in Temporarily Restricted Net Assets	200,177
Changes in Permanently Restricted Net Assets	
Contributions	551,041
Dividends	321
Interest income	4,879
Loss from investments (net)	(250)
Transfer of professorship to NSU	(7,690)
Increase in Permanently Restricted Net Assets	548,301
Increase in Net Assets	638,794
Net Assets	
Beginning of year, as restated	3,908,114
End of year	\$ 4,546,908

See notes to financial statements.

STATEMENT OF CASH FLOWS**Nicholls State University Foundation, Inc.**

For the year ended June 30, 2003

Cash Flows from Operating Activities

Increase in net assets	<u>\$ 638,794</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net loss from investments	8,508
Appreciation in value of investments	(24,378)
Loss on etchings	21,800
(Increase) decrease in:	
Pledged support	55,743
Accrued interest	(22,031)
Unconditional promises to give	(160,000)
Funds held in custody	314,402
Contributions restricted for endowment purposes	<u>(555,991)</u>
Total adjustments	<u>(361,947)</u>
Net cash provided by operating activities	<u>276,847</u>

Cash Flows from Investing Activities

Proceeds from sale of assets	5,100
Proceeds from sale of investments	59,475
Purchase of investments	<u>(465,145)</u>
Net cash used in investing activities	<u>(400,570)</u>

Cash Flows from Financing Activities

Payment on note payable	(10,000)
Collection of endowment support	<u>555,991</u>
Net cash provided by financing activities	<u>545,991</u>
Net increase in cash and cash equivalents	422,268

Cash

Beginning of year	<u>2,859,587</u>
End of year	<u><u>\$ 3,281,855</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Nicholls State University Foundation, Inc.**

June 30, 2003

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Organization**

The Nicholls State University Foundation, Inc. (the Foundation) was incorporated under Title 12, Section 101 et seq of the State of Louisiana laws as a non-profit organization on June 25, 1964.

The objects and purposes of this corporation are to promote, stimulate and improve the educational, cultural, moral and material welfare of Nicholls State University (the University); to promote, improve and encourage closer cultural, moral, and intellectual intercourse therewith between the members of this corporation and the University; to give financial aid to needy and deserving students; to promote and encourage research and scholastic excellence among the faculty members of the University; to buy, sell; lease, erect, or otherwise acquire lands and all necessary buildings and appurtenances to further such ends, to hold, maintain and operate same, to sell, lease or dispose thereof and generally to do all things necessary or proper to achieve such ends. This corporation is organized and shall be operated exclusively for educational, scientific and literary purposes.

b) Financial Statement Presentation

Financial statement presentation follows the recommendations of the Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements for Not-For-Profit Organizations. Under SFAS No. 117, net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, nets assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Statement Presentation (continued)

Permanently Restricted Net Assets - Net assets that are not subject to donor-imposed stipulations that the principal not be expended, but rather invested to provide a permanent source of income for the Foundation's programs.

c) Basis of Accounting

Assets, liabilities, revenues and expenses are recognized on the accrual method of accounting for financial statement presentation and the cash basis for federal income tax purposes.

d) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reported amounts of support, revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

e) Cash and Cash Equivalents

For purposes of the statement of cash flow, the Foundation considers all highly liquid investments with an initial maturity of twelve months or less to be cash equivalents.

f) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in assets.

g) Bad Debts

The financial statements of the Foundation contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or change in net assets.

h) Contributions

Contributions are recognized when the donor makes a pledge to contribute to the Foundation that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Contributions (continued)

the existence or nature of any donor restriction. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase 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.

i) Collections

Donations of collections are recorded as support at their estimated fair value at the date of their donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for 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 support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

j) Expense Allocation

The costs of providing various programs and other activities are summarized on a functional basis in the financial statements. Accordingly, certain costs are allocated among the programs and supporting services benefited.

k) Required Transfers

The Foundation has received various matching grants from the State of Louisiana under the Eminent Scholars Endowed Chairs and Endowed Professorships programs which are only approved after certain levels of private funding have been raised. The Foundation must comply with certain policies, procedures, and regulations regarding the administration of these programs. One of these requirements of the Board of Regents for Higher Education's investment policy relates to increasing each program's endowment balance each year and some transfers to permanently restricted net assets were made to comply with this policy.

l) Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

NOTE 2 - RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of Nicholls State University. The Foundation conducts numerous program services including assistance with research, scientific endeavors, educational assistance through faculty salary supplemental compensation and student scholarships, equipment purchases for specific departments, etc. These restrictions are considered to expire when payments for restricted purposes are made. None of the temporarily restricted net assets are time-restricted by donors.

Temporarily restricted net assets are available for the following purposes:

	<u>07/01/02</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/03</u>
A+ Scholar Contributions	\$ 2,258	\$ 484	\$ -	\$ 2,742
A+ Scholar Fundraisers	16,180	26,536	25,380	17,336
A & S Honors	-	2,270	1,583	687
Accounting Department	-	5,000	-	5,000
Adam Pecararo	-	10,201	-	10,201
Airboat Transportation Scholarship	285	-	-	285
Ann Raziano Memorial Scholarship	1,252	2	-	1,254
Anthony J. Rouse, Sr. Scholarship	1,025	(6)	-	1,019
Assoc. of Governmental Accountant	11,509	2,009	500	13,018
Athletic Light Fund	988	12	1,000	-
A Tribute to Dr. Donald J. Ayo	-	62,705	58,438	4,267
Bank One Women's Athletic	-	9,989	-	9,989
Barker Scholarship	96	404	500	-
Baseball Shed	4,941	4,994	-	9,935
Bayou Current Journal	-	3,000	3,000	-
Bell South Professorship	-	3,686	272	3,414
Bell South / Picou	-	78	-	78
Black Tie Gala Scholarship	14,521	14,371	10,026	18,866
Block & Bouterie Pre Law	-	499	-	499
Bourgeois Manuf. Tech Scholarship	1,976	1,993	-	3,969
Boysie & Joy Bollinger	-	250	250	-
Bucks for Trucks	300	-	-	300
Candies Chair	-	28,116	3,847	24,269
Candy Fleet	-	500	500	-
Capital Campaign	71,112	5,202	339	75,975
Cenac Towing	-	6,206	-	6,206
CETFE Geomatics/Surveying	-	10	-	10
Charlene Crowley Prize	2,834	4	500	2,338
Chef John Folse Culinary Institute Contributions	2,215	3	-	2,218

NOTE 2 - RESTRICTIONS ON ASSETS (Continued)

	<u>07/01/02</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/03</u>
Chef John Folse Culinary Institute Fees	27,734	125,723	151,638	1,819
Chef John Folse Culinary Institute French Program	148	-	-	148
Chef John Folse Culinary Institute Fundraisers	37,106	82,861	80,026	39,941
Chef John Folse Culinary Ruth Fertel Building	466,866	125,411	76,601	515,676
Chef John Folse-Popeyes	18,736	(151)	3,783	14,802
Cheremie Professorship	-	3,712	272	3,440
Cigar Nite	1,544	13,319	7,392	7,471
Clarence James Minority Scholarship	2,785	(3)	-	2,782
Clarence Riviere	388	1	-	389
College of Business	-	19,847	1,846	18,001
Colonels Brigade	22,407	178,997	188,846	12,558
Crosby Tugs	-	500	500	-
Cycle World Scholarship	20	-	-	20
Danos & Curole	-	2,000	2,000	-
Durel Martin Professorship	-	346	-	346
Dean's Consulting	-	10,000	-	10,000
Debra Melton Scholarship	60	1,067	-	1,127
Dist. Ed/Telemedical	8,154	10	-	8,164
Dr. Gros Reception	1,094	-	251	843
Dr. Jerry Gee Scholarship	6,282	132	-	6,414
Dr. Neil Maki	1,500	9,960	2,829	8,631
D'Ville House Scholarship	2,092	3	-	2,095
Ed Orgeron	3	-	-	3
Education Banquet	58	-	-	58
Elray Lapeyrouse	-	1,500	1,500	-
Emily D'Arcangelo	10,104	12	-	10,116
Enest Pierce Scholarship	3,321	503	-	3,824
Fred Roth Memorial	5,257	5	-	5,262
Free Enterprise Week	4,247	22,012	8,649	17,610
G & B Marine/Gilco Scholarship	330	(3)	-	327
G & D Froisy Scholarship	150	150	-	300
Good Year - Houma/Thibodaux Scholarship	1	-	-	1
Henry J. Lafont Criminal Justice Scholarship	675	497	500	672
Education Honors Scholarship	35,491	58,800	37,093	57,198
Institutional Advancement	-	3,192	1,330	1,862
Jones Law Enf. Scholarship	-	998	-	998
Journalism	-	2,950	2,800	150
Jubilee	-	500	-	500
K & B Machine Scholarship	753	(2)	-	751
King Trucking Scholarship	548	1	-	549
L & M BoTruc	-	1,000	1,000	-
Lacrosse Fund	903	1	-	904
Lesley Marcello Award	2,457	3	-	2,460
Lester & Myrtle Fremin Culinary Scholarship	78	422	500	-

NOTE 2 - RESTRICTIONS ON ASSETS (Continued)

	<u>07/01/02</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/03</u>
Louis St. Martin Scholarship	3,746	5	-	3,751
Louise Falgout	-	500	500	-
La Center for Women in Government	26,397	140	1,210	25,327
L. J. Hebert, Jr.	5,655	7	-	5,662
M & L Engine, Inc. Academic Scholarship	135	365	500	-
Marine Biology Program	528	1	-	529
Millennium Scholarship Fundraisers	20,548	25	20,000	573
Moll	-	3,315	500	2,815
Monk & Gueydan	-	3,404	500	2,904
Moving Fund	-	1,000	-	1,000
Music Major Scholarship	-	4,315	1,938	2,377
Nicholls' 50th Anniversary	13,751	343	10,313	3,781
Nicholls' 50th Anniversary - Maint. Fund	8,211	10	-	8,221
NSU Athletic Enhancement	-	50,000	50,000	-
NSU Dyslexia CTR Scholarship	1,778	2	-	1,780
NSU History Book	101	-	-	101
NSU Piano Fund	2,128	3	-	2,131
N. Laughlin Memorial Scholarship	959	(2)	-	957
Nursing Continuing Education	-	499	-	499
Peltier Professorship	-	3,674	270	3,404
Pitre Professorship	-	3,711	271	3,440
Rae Shipyard	-	250	250	-
Riviere Professorship	-	3,943	271	3,672
Ralph Morel Memorial	2,943	4	500	2,447
Regie Truxillo Scholarship	775	(1)	500	274
Robert W. Folse	-	600	600	-
Saints	379	-	360	19
Statewide Computer System	191	-	-	191
Sue Miller College of Education Fu	289	(2)	-	287
S. Lirette Sr. Scholarship	2,055	(3)	-	2,052
Synergy	-	1,000	-	1,000
Ta Wa Si Scholarship	-	21,000	-	21,000
Ta Wa Si Nursing	-	2,000	-	2,000
Thibodaux Volunteer Fire Dept.	-	2,641	2,641	-
Tri-Parish All Star	3,000	-	3,000	-
T. Shepard Endowed Professorship	725	2,613	400	2,938
Upward Bound	186	1,594	1,600	180
Walls	-	9,868	9,868	-
Discount on Pledged Support	(18,397)	10,042	-	(8,355)
	<u>\$ 868,867</u>	<u>\$ 981,660</u>	<u>\$ 781,483</u>	<u>\$ 1,069,044</u>

NOTE 2 - RESTRICTIONS ON ASSETS (Continued)

Permanently restricted net assets consist of endowment fund investments to be held indefinitely and unconditional promises to give. The income from endowment investments is expendable for the following specific program services as temporarily restricted net assets:

	07/01/02 as restated	Increases	Decreases	06/30/03
A+ Scholarship	\$ 30,000	\$ 10,000	\$ -	\$ 40,000
Anthony J. Rouse, Sr. Scholarship	26,184	-	-	26,184
CETFE Geomatics/Surveying	-	60,000	-	60,000
Barker Scholarship	40,000	-	-	40,000
Bell South Culinary Institute	60,000	-	-	60,000
Bell South / Picou	-	60,000	-	60,000
Betty Block Kohn	-	20,000	-	20,000
Biology Professorship	-	2,000	-	2,000
Boysie & Joy Bollinger Scholarship	30,966	-	-	30,966
Candy Fleet Scholarship	10,000	-	-	10,000
Cenac Towing Endowed Chair	617,995	4,378	-	622,373
Cenac Towing Scholarship	20,500	-	-	20,500
CJF Popeyes	-	30,000	-	30,000
Clarence James Minority Scholarship	25,000	-	-	25,000
Clarence J. Riviere	60,388	-	-	60,388
Crosby Tugs, Inc. Scholarship	10,000	-	-	10,000
Danos & Curole	40,000	-	-	40,000
Durel Martin Professorship	-	60,000	-	60,000
Debra B. Melton Scholarship	10,018	-	-	10,018
Dr. Bonnie Bourg	20,288	39,712	-	60,000
Drilling Engineers Professorship	-	30,000	-	30,000
Duplantis Truckline Scholarship	1,116	-	-	1,116
Elray J. Lapeyrouse	20,000	-	-	20,000
Fred Roth Memorial	5,084	-	-	5,084
G & B Marine/Gilco Scholarship	12,000	-	-	12,000
Harvey Peltier, Sr.	60,000	-	-	60,000
Henry J. Lafont Criminal Justice Scholarship	2,376	503	-	2,879
Hibernia Excellence in Education	10,000	5	-	10,005
Hibernia Professorship	-	16,893	-	16,893
Jimmy & Genny Buquet	-	60,000	-	60,000
K & B Machine	10,000	-	-	10,000
L & M BoTruc Rental Scholarship	40,000	-	-	40,000
LA Shrimp Assoc Scholarship	34,085	-	-	34,085
Lafourche Parish Bar Assoc. Scholarship	10,582	218	-	10,800
Ledet Endowed Professorship	1,005	68	-	1,073
Lester & Myrtle Fremin Culinary Scholarship	10,000	6	-	10,006

NOTE 2 - RESTRICTIONS ON ASSETS (Continued)

	<u>07/01/02 as restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/03</u>
Louise Falgout	20,000	-	-	20,000
M & L Engine, Inc. Academic Scholarship	10,000	-	-	10,000
Maxine Giardina Professorship	-	20,000	-	20,000
Minor J. Cheramie Professorship	60,000	-	-	60,000
Moll Scholarship Fund	8,496	50	-	8,546
Monk & Gueydan Scholarship	8,710	51	-	8,761
Morris & Sandra Hebert - Geomatics	-	60,000	-	60,000
Nicholl 50th Anniversary	30,000	10,000	-	40,000
Nolan Gaubert	-	10,000	-	10,000
N. Laughlin Memorial Scholarship	10,000	-	-	10,000
Orleans A. Pitre	60,000	-	-	60,000
Otto Candies Chair	628,038	-	-	628,038
Palmer Dyslexia	7,690	-	7,690	-
P. M. Endowed Professorship	14,184	90	-	14,274
Robert Wayne Folse	12,100	-	-	12,100
R. Truxillo Scholarship	10,000	-	-	10,000
Sue Miller College of Education Fund	10,000	-	-	10,000
S. Lirette, Sr. Scholarship	20,000	-	-	20,000
Stephanie Hebert Dyslexia	-	2,000	-	2,000
T. Baker Smith & Sons	-	60,000	-	60,000
Thibodaux Kiwanis Club Scholarship	2,818	17	-	2,835
Thibodaux Volunteer Fire Dept. Scholarship	32,224	-	-	32,224
T. Shepard Endowed Professorship	60,000	-	-	60,000
Walls Scholarship	197,354	-	-	197,354
	<u>\$ 2,419,201</u>	<u>\$ 555,991</u>	<u>\$ 7,690</u>	<u>\$ 2,967,502</u>

NOTE 3 - INVESTMENTS

Fair market value of investments as of June 30, 2003, are summarized as follows:

U. S. Treasury Notes	\$ 127,188
Legg Mason Equity Funds	24,021
American Express mutual funds	214,394
Common Stock - Hibernia - 6,907 shares	126,260
Common Funds	<u>1,323,990</u>
	<u>\$ 1,815,853</u>

Note 3 - INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2003. Interest, dividends, and net gain (loss) have been distributed to Unrestricted, Temporarily Restricted, or Permanently Restricted based on each classification's pro-rata share of investments.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest	\$ 7,578	\$ 24,891	\$ 4,879	\$ 37,348
Dividends	2,355	30,861	321	33,537
Net gain (loss)	(24,448)	25,599	(250)	901
 Total investment return	 \$ (14,515)	 \$ 81,351	 \$ 4,950	 \$ 71,786

Investment, custodial and advisory fees paid during the year ending June 30, 2003 were \$2,588.

Note 4 - ANTIQUE COLLECTION

Antique collection consists of various antique furniture, dinnerware, paintings and other household items donated to the foundation.

Note 5 - PLEDGED SUPPORT

The following have pledged support through agreements with the Nicholls State University Foundation, Inc.:

	Pledged	Received Prior Years	Received or Charged Off 06/30/03	Receivable 06/30/03
Coca Cola	\$ 189,000	\$ 141,000	\$ 6,000	\$ 42,000
Hibernia National Bank	50,000	25,000	10,000	15,000
Terrebonne General Medical Center	60,000	33,000	8,000	19,000
Sprint	110,000	16,500	22,000	71,500
Individuals	87,297	28,810	19,785	38,702
	<u>\$ 496,297</u>	<u>\$ 244,310</u>	<u>\$ 65,785</u>	<u>\$ 186,202</u>

Note 5 - PLEDGED SUPPORT (Continued)

Receivable in less than one year	\$	61,851
Receivable in one to five years		118,351
Receivable in more than five years		<u>6,000</u>
 Total		 186,202
Less discounts to net present value		<u>(8,355)</u>
 Net pledged support at June 30, 2003	 \$	 <u>177,847</u>

Pledged support receivable in more than one year are discounted based on U.S. Government issues.

Note 6 - UNCONDITIONAL PROMISE TO GIVE

Unconditional promise to give is comprised of the amounts due from the State of Louisiana for the 40% State matching funds in regards to Endowed Chairs and Endowed Professorships. The total amount of unconditional promise to give as of June 30, 2003 totaled \$560,000 which is expected to be received in the next fiscal year.

Note 7 - NOTE PAYABLE

The Note Payable consists of a promissory note with an original balance of \$100,000 dated February 18, 1998. The Note is payable in ten annual installments of \$10,000 through January 15, 2008. Interest on the note is immaterial. The outstanding balance at June 30, 2003 is \$50,000 with maturities summarized as follows:

2004		\$ 10,000
2005		10,000
2006		10,000
2007		10,000
2008		<u>10,000</u>
 Total		 <u>\$ 50,000</u>

Note 8 - FUNDS HELD IN CUSTODY

Under agreements with Nicholls State University (the University), the Foundation holds and manages funds received by the University as State matching funds for the following accounts of the Eminent Scholars Endowed Chairs and Endowed Professorship Programs:

Bell South Culinary Professorship	\$ 42,277
Bell South/Picou Professorship	40,052
Bonnie Bourg Professorship	40,000
Cenac Towing Chair	404,137
CETFE Geomatic/Surveying Professorship	40,007
Clarence J. Riviere Professorship	42,707
Durel Martin Professorship	40,231
Harvey Peltier, Sr. Professorship	42,268
Hebert Professorship	40,000
Jimmy and Glenn Buquet Professorship	40,000
Minor J. Cheramie Professorship	42,293
Orleans A. Pitre Professorship	42,293
Otto Candies Chair	416,179
T. Baker Smith Professorship	40,000
T. Shepard Endowed Professorship	<u>41,958</u>
Total funds held in custody	<u>\$1,354,402</u>

Note 9 - CONCENTRATION OF RISK

The Foundation maintains several bank accounts at Hibernia National Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash at this institution exceeded Federally insured limits by \$525,231 as of June 30, 2003.

Note 10 - SUPPLEMENTAL STATEMENT OF CASH FLOW INFORMATION

1,053 shares of Hibernia stock were donated throughout the year with a donated value of \$20,481. The stock was sold for \$20,167 before June 30, 2003.

1,200 shares of Wal-Mart stock were donated throughout the year with a donated value of \$59,828. The stock was sold for \$59,828 before June 30, 2003.

Interest paid during 2003 amounted to \$ 8,712.

Note 11 - CORRECTION OF ERROR – FUNDS HELD IN CUSTODY

In prior years, an error was made in the accounting of funds received by the University relative to the Eminent Scholars Endowed Chairs and Endowed Professorships Programs. Under these programs, the Foundation raises 60% of the total for a particular chair or professorship and the State of Louisiana, through the Board of Regents for Higher Education (Board of Regents), remits the balance of 40% State matching funds directly to the University. The University deposits the State matching funds with the Foundation. These deposits were previously recorded as revenues and net assets. Based on the affiliation agreement and funds management agreement between the University and the Foundation dated July 1, 2001, which documents the understanding of the parties since inception, these amounts should have been recorded as funds held in custody (a liability) as the University retains the right to withdraw the State matching funds from the Foundation.

Accordingly, net assets at July 1, 2002 were overstated by \$640,000, and have been restated by that amount to correct the error.

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Totals</u>
Net assets at July 1, 2002 as previously reported	\$ 620,046	\$ 868,867	\$3,059,201	\$4,548,114
Correction of error in accounting for amounts held in custody	-	-	(640,000)	(640,000)
As restated	<u>\$ 620,046</u>	<u>\$ 868,867</u>	<u>\$2,419,201</u>	<u>\$3,908,114</u>