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**LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA**

**General Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended June 30, 1999  
With Supplemental Information Schedule**

**September 27, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~\_\_\_\_\_ OCT 16 1999~~

**McRight & Associates  
Certified Public Accountants  
Baton Rouge, Louisiana**

**CONTENTS**

Independent Auditor's Report . . . . .	03-04
Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups . . . . .	05
Statement of Revenues, Expenditures and Changes in Fund Balance . . . . .	06
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP) and Actual . . . . .	07
Notes to the Financial Statement . . . . .	08-13
Supplementary Information	
Schedule of Per Diem Paid Board Members . . . . .	14
Independent Auditor's Report on Internal Control Structure and on Compliance with Laws and Regulations . . . . .	16-17
Schedule of Prior Year Findings . . . . .	18

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Louisiana Real Estate Appraisers  
State Board of Certification  
Department of Economic Development  
State of Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana Real Estate Appraisers, State Board of Certification, a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Louisiana Real Estate Appraisers, State Board of Certification's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Louisiana Governmental Auditing Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Real Estate Appraisers State Board of Certification as of June 30, 1999 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with **Government Auditing Standards**, we have also issued a report dated September 27, 1999 on our consideration of Louisiana Real Estate Appraisers, State Board of Certification's internal control structure and a report dated September 27, 1999, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The "schedule" listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Louisiana Real Estate Appraisers, State Board of Certification. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read 'Mc [unclear] ASO', is written over the typed name 'Mc [unclear] ASO'.

September 27, 1999

**LOUISIANA REAL ESTATE APPRAISERS**  
**STATE BOARD OF CERTIFICATION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
**STATE OF LOUISIANA**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 1999**

	Governmental Fund Type <u>General Fund</u>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$66,409
<b>TOTAL ASSETS</b>	<u>\$66,409</u>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>LIABILITIES</b>	
Accounts Payable	226
Due to Louisiana Real Estate Commission	13,751
Other Liabilities	651
<b>TOTAL LIABILITIES</b>	<u>\$14,628</u>
<b>FUND EQUITY</b>	
Investment in General Fixed Assets	
Fund Balance: Unreserved-Undesignated	51,781
<b>TOTAL FUND EQUITY</b>	<u>\$51,781</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$66,409</u>

The accompanying notes are an integral part of this statement

**LOUISIANA REAL ESTATE APPRAISERS**  
**STATE BOARD OF CERTIFICATION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
**STATE OF LOUISIANA**  
**COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	GENERAL FUND <u>6-30-99</u>
<b>REVENUES</b>	
License, permits and fees	\$ 92,280
Use of money	2,235
Other	412
	\$ 94,927
 <b>EXPENDITURES</b>	
Personal services and benefits	62,323
Operating services	15,213
Materials and supplies	2,856
Travel and other charges	17,107
Professional services	5,073
	\$102,572
<b>Total Expenditures</b>	\$102,572
<b>Excess, (Deficit) of</b>	
<b>Revenues over</b>	
<b>Expenditures</b>	\$( 7,645)
 <b>Fund Balance, Beginning of Year</b>	
<b>as Previously Reported</b>	\$ 59,426
	\$ 51,781
<b>FUND BALANCE, END OF YEAR</b>	\$ 51,781

The accompanying notes are an integral part of this statement

**LOUISIANA REAL ESTATE APPRAISERS**  
**STATE BOARD OF CERTIFICATION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
**STATE OF LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE**  
**BUDGET (GAAP) AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
License, permits and fees	\$ 92,280	\$96,000	\$(3,720)
Use of money	2,235	2,400	( 165)
Other	412	560	( 148)
	<hr/>	<hr/>	<hr/>
<b>Total Revenues</b>	<b>\$ 94,927</b>	<b>98,960</b>	<b>(4,033)</b>
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Personal services and benefits	62,323	76,433	14,110
Operating services	15,213	14,508	( 705)
Materials and supplies	2,856	4,754	1,898
Travel and other charges	17,107	18,080	973
Professional services	5,073	11,190	6,117
	<hr/>	<hr/>	<hr/>
<b>Total Expenditures</b>	<b>\$102,572</b>	<b>124,965</b>	<b>22,393</b>
	<hr/>	<hr/>	<hr/>
<b>Excess, (Deficit) of Revenues over Expenditures</b>	<b>\$( 7,645)</b>	<b>(26,005)</b>	<b>18,360</b>
	<hr/>	<hr/>	<hr/>
<b>Fund Balance, Beginning as Previously Reported</b>	<b>\$ 59,426</b>	<b>59,426</b>	
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 51,781</b>	<b>33,421</b>	<b>18,360</b>
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this statement

**LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1998**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting entity:**

The Louisiana Real Estate Appraiser State Board of Certification (the Board) is a component unit of the State of Louisiana created within the Louisiana Department of Economic Development, as provided by Louisiana Revised Statute 36:109. The Board is composed of nine members, appointed by the Governor. The members serve terms of three years. The Board is charged with the responsibility of regulating the issuance of real estate appraisers certifications. Operations of the board are funded through self generated funds.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In June of 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

The Board prepares its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statements present only transactions of the Board, a component unit of the State of Louisiana.

**LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

Annually the State of Louisiana issued general purpose financial statements which include the activity contained in the accompanying financial statements. The General purpose financial statements are issued by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy, and audited by the Louisiana Legislative Auditor.

**B. FUND ACCOUNTING**

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that is comprised of its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

**GOVERNMENTAL FUNDS:**

**General Fund:**

The General Fund is the principal fund and is used to account for the general operations of the Board. The various fees and charges due the Board are accounted for in this fund. The Board has no other Funds.

**C. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Board's records are maintained on the modified accrual basis of accounting using the following practices:

**LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

**Revenues:**

Licenses, fees, and fines are recorded in the year received, which approximates when measurable and available. All other revenues are recorded when received. Licenses are renewed annually in December.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liabilities are incurred and the goods or services have been received.

**D. GENERAL FIXED ASSETS AND GENERAL LONG-TERM OBLIGATIONS**

The Board has no fixed assets.

**E. GENERAL LONG-TERM OBLIGATIONS**

The Board has no long-term debt.

**F. ENCUMBRANCES**

The Board does not follow the encumbrances method of accounting.

**G. BUDGET PRACTICES**

The board submitted its annual budget to the various agencies prescribed by LSA-R.S. 39:1331-1342 and 36:803. The board adopted the budget for each fiscal year prior to the start of the fiscal year.

**LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

All funds budgeted are immediately available, as the Board's operations are financed with self-generated revenue. Therefore, the budget is known as a nonappropriated budget.

The Board normally does not use encumbrance accounting, so the budget was not integrated in the accounting records. In addition, the budget was employed by the Board as a management control device, by comparing budgeted expenditures with actual expenditures.

The budget is prepared on the cash basis, there are no substantial differences between cash and modified accrual basis of budgeting. Budgeted amounts included in the accompanying financial statements represents the original adopted budget since there were no subsequent amendments.

**H. INVENTORIES**

The Board has no significant inventory.

**I. VACATION AND SICK LEAVE**

The Board does not have any employees.

**J. RETIREMENT BENEFITS**

The Board does not have any employees.

**K. LITIGATION AND CLAIMS**

At June 30, 1999 the Board had no known claims or litigation.

**L. LEASES**

At June 30, 1999 the Board did not have any leases.

**LOUISIANA REAL ESTATE APPRAISERS  
 STATE BOARD OF CERTIFICATION  
 DEPARTMENT OF ECONOMIC DEVELOPMENT  
 STATE OF LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 1999**

**M. FUND DEFICIT**

AT June 30, 1999 none of the funds had a deficit balance.

**N. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Board had no employees during the year ended June 30, 1999.

**O. CASH AND CASH EQUIVALENTS**

For reporting purposes, cash and cash equivalent include cash, demand deposits, time deposits and certificates of deposit.

The Board had cash and cash equivalents totaling \$66,409 at June 30, 1999. Cash and cash equivalents are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all items equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer.

The deposits at June 30, 1999 were accrued as follows:

	June 30, 1999
Demand Deposits	\$66,409
	\$66,409
Total Bank Balances (Secured by FDIC)	\$66,409

**LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

**P. INVESTMENTS**

The Board does not maintain investment accounts.

**Q. TOTAL COLUMN ON STATEMENTS**

The total column on the statements is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**R. RELATED PARTY TRANSACTIONS**

The Board is operated within the Louisiana Real Estate Commission. Both direct and indirect payroll and related benefits are paid by the Commission and back-charged to the Board. Also, the Commission back-charged 4.5% of other general operating expenses to the Board. For fiscal year ending June 30, 1999, a total of \$78,168 was back-charged for all of these expenses and \$13,751 is owed the Louisiana Real Estate Commission at June 30, 1999.

**S. SUBSEQUENT EVENTS**

At June 30, 1999 there were no known subsequent events that required disclosure.

**T. YEAR 2000 DISCLOSURE**

As of June 30, 1999 the Board had completed its update of its computers and electronic equipment for Y2K compliance.

**LOUISIANA REAL ESTATE APPRAISERS  
 STATE BOARD OF CERTIFICATION  
 DEPARTMENT OF ECONOMIC DEVELOPMENT  
 STATE OF LOUISIANA  
 SCHEDULE OF PER DIEM PAID BOARD MEMBERS  
 FOR THE YEAR ENDED JUNE 30, 1999**

NAME	AMT PAID	AMT ACCRUED	TOTAL
Logan Babin, Sr.	\$ 400	-0-	\$ 400
Kirk Michel	500	-0-	500
Thomas Gore	200	-0-	200
Karen Long	800	-0-	800
Jim Sherman	350	-0-	350
James A. Gallagher	400	-0-	400
TOTAL	<u>\$2,650</u>	<u>-0-</u>	<u>\$2,650</u>

The schedule of per diem paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$50 for each day they attend a board meeting, as authorized by Louisiana Revised Statute 37:3061.

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

# McRight & Associates

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Jeanette R. McRight, CPA, MBA

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE AND COMPLIANCE BASED SOLELY ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS

BOARD OF DIRECTORS  
LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA

We have audited the general purpose financial statements of Louisiana Real Estate Appraisers, State Board of Certification, Baton Rouge, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 27, 1999. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Louisiana Real Estate Appraisers, State Board of Certification's general purpose 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.

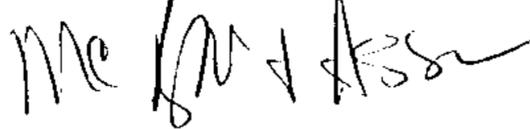
### Internal Control Over Financial Reporting

In planning and performing our audit of the general purpose financial statements of Louisiana Real Estate Appraisers, State Board of Certification for the year ended June 30, 1999, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal

control structure. 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 a 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 general purpose 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended for the information of the board of directors, management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read "McL...".

September 27, 1999

**LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1999**

There were no audit finding in the prior year.