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STATE OF LOUISIANA

**LOUISIANA STATE RADIO AND
TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Reports**

As of and for the Years Ended June 30, 1999 and 1998

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 SEP 29 1999

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
6554 FLORIDA BLVD., SUITE 109
BATON ROUGE, LOUISIANA 70806
(225) 231-4710

GOVERNING BOARD

District	Member	License
1	John R. Leonard	1021
2	Herman B. Swainer, Jr.	2564
3	Blaise Waguespack	0025
4	A. J. Nicholson	0389
5	J. Frank Miller	2025
6	Stanley J. Brohn	0006
7	Harold E. Richard	0169
8	Foster Barron	0734
At-Large	Bill Comeaux	0815
At-Large	Thomas E. Metz	0607

Jessie E. Pugh, Administrator

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George F. Delaune

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

**Board Members of
Louisiana State Radio and Television Technicians Board
State of Louisiana
Baton Rouge, Louisiana**

I have audited the accompanying general purpose financial statements of the **LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD**, a component unit of the State of Louisiana, as of and for the years ended June 30, 1999 and 1998, as listed in the Table of Contents. These financial statements are the responsibility of management of the Louisiana State Radio and Television Technicians Board. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the accompanying general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Radio and Television Technicians Board as of June 30, 1999 and 1998, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated September 18, 1999, on my consideration of the Louisiana State Radio and Television Technicians Board's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts.

George F. Delaune, CPA

September 18, 1999

LOUISIANA STATE RADIO & TELEVISION TECHNICIANS BOARD
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
JUNE 30, 1999

	<u>Governmental Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
ASSETS				
Cash and cash equivalents	\$72,734			\$72,734
Investments	45,000			45,000
Fixed assets		\$21,405		21,405
Amount to be provided for retirement of general long-term obligations			\$7,350	7,350
TOTAL ASSETS	<u>\$117,734</u>	<u>\$21,405</u>	<u>\$7,350</u>	<u>\$146,489</u>
LIABILITIES AND FUND EQUITY				
<i>Liabilities:</i>				
Accounts payable	\$601			\$601
Payroll deductions and withholdings	337			337
Deposits on licenses	2,823			2,823
Accrued compensated absences			\$7,350	7,350
Total Liabilities	<u>3,761</u>		<u>7,350</u>	<u>11,111</u>
<i>Fund Equity:</i>				
Investment in general fixed assets		\$21,405		21,405
Fund balances - Unreserved - undesignated	<u>113,973</u>			<u>113,973</u>
Total Fund Equity	<u>113,973</u>	<u>21,405</u>		<u>135,378</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$117,734</u>	<u>\$21,405</u>	<u>\$7,350</u>	<u>\$146,489</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE RADIO & TELEVISION TECHNICIANS BOARD
GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Licenses, permits and fees	\$94,260	\$78,151	(\$16,109)
Interest earnings	5,200	2,164	(3,036)
Other revenues		36	36
	99,460	80,351	(19,109)
<i>Expenditures:</i>			
Current -			
Salaries and benefits	64,000	65,293	(1,293)
Travel	5,500	4,335	1,165
Operating services	16,460	11,216	5,244
Supplies	4,100	3,764	336
Professional services	9,400	3,159	6,241
Capital outlays			
	99,460	87,767	11,693
<i>Excess of Revenues (Expenditures)</i>	99,460	(7,416)	(\$7,416)
Fund Balance - July 1, 1998		121,389	
FUND BALANCE - June 30, 1999		\$113,973	

The accompanying notes are an integral part of this statement.

LOUISIANA STATE RADIO & TELEVISION TECHNICIANS BOARD
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
JUNE 30, 1998

	Governmental Fund Type	Account Groups		Totals (Memorandum Only)
	General	General Fixed Assets	General Long-Term Obligations	
ASSETS				
Cash and cash equivalents	\$77,436			\$77,436
Investments	46,666			46,666
Fixed assets		\$21,405		21,405
Amount to be provided for retirement of general long-term obligations			\$7,189	7,189
TOTAL ASSETS	\$124,102	\$21,405	\$7,189	\$152,696
LIABILITIES AND FUND EQUITY				
<i>Liabilities:</i>				
Accounts payable	\$732			\$732
Payroll deductions and withholdings	318			318
Deposits on licenses	1,663			1,663
Accrued compensated absences			\$7,189	7,189
Total Liabilities	2,713		7,189	9,902
<i>Fund Equity:</i>				
Investment in general fixed assets		\$21,405		21,405
Fund balances - Unreserved - undesignated	121,389			121,389
Total Fund Equity	121,389	21,405		142,794
TOTAL LIABILITIES AND FUND EQUITY	\$124,102	\$21,405	\$7,189	\$152,696

The accompanying notes are an integral part of this statement.

LOUISIANA STATE RADIO & TELEVISION TECHNICIANS BOARD
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Licenses, permits and fees	\$106,090	\$84,443	(\$21,647)
Interest earnings	3,000	4,165	1,165
Other revenues		27	27
	109,090	88,635	(20,455)
<i>Expenditures:</i>			
Current -			
Salaries and benefits	64,600	62,548	2,052
Travel	3,800	2,267	1,533
Operating services	16,460	11,302	5,158
Supplies	4,600	3,342	1,258
Professional services	10,800	7,452	3,348
Capital outlays	7,500		7,500
	107,760	86,911	20,849
<i>Excess of Revenues (Expenditures)</i>	\$1,330	1,724	\$394
Fund Balance - July 1, 1997		119,665	
FUND BALANCE - June 30, 1998		\$121,389	

The accompanying notes are an integral part of this statement.

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 1 - INTRODUCTION

The Louisiana State Radio and Television Technicians Board was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 237:2301-2318. The Board is under the control of the Department of Economic Development and a component unit of the State of Louisiana and is an integral part of such reporting entity. The board is composed of eleven (11) members appointed by the Governor of Louisiana, who serve four (4) year terms. The Board is charged with the responsibility of regulating the radio and television repairs profession in the state. The Board administers examinations; issues, suspends, and/or revokes licenses of technicians and apprentices; and determines examination content and technical knowledge necessary to protect the public welfare. The Board's office is located in Baton Rouge, Louisiana, and employs 2 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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. The Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The Louisiana State Radio and Television Technicians Board prepares its financial statements in accordance with the standards established by the GASB.

Reporting Entity

GASB Codification Section 2100 and GASB Statement 14, "The Financial Reporting Entity," have defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Radio and Television Technicians Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying general purpose financial statements present information only as to the transactions of the Louisiana State Radio and Television Technicians Board, a component unit of the State of Louisiana.

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Annually the State of Louisiana issues a general purpose financial statement which includes the activity contained in the accompanying financial statement. The general purpose financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

Fund Accounting

The accounts of the Louisiana State Radio and Television Technicians 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 comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Revenues are accounted for in these 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 accompanying financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Board and is classified as a governmental fund. It accounts for the Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

Account Groups

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations. Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses as appropriate, 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 modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Revenues

Licenses and fees are recorded in the year these revenues are earned.

Interest income is recorded when received.

Substantially all other revenues are recorded when they become available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated annual and sick leave, which is recognized when paid.

Budget Practices

The Board prepares its budget on the modified accrual basis of accounting and all appropriations contained in the budget lapse at year end.

The proposed budgets are prepared by the administrator, adopted by the Board, and made available to the Department of Economic Development in compliance with Louisiana Revised Statute 36:803. The executive committee has the authority to make changes or amendments within various budget classifications. Budgeted amounts included in the accompanying financial statements include the original adopted budget.

Encumbrances

Encumbrance accounting is used when purchase orders are recorded in order to reserve that portion of the applicable appropriation. The Board does not follow the encumbrance method of accounting.

Cash and Investments

Cash includes cash, demand deposits, time deposits, and certificates of deposit at year end. Under state law, the Board may deposit funds with a bank organized under Louisiana law or of any other state of the United States, or under the laws of the United States. Furthermore, the Board may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Under state law, the Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Compensated Absences

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds, including long-term debt and compensated absences for accumulated unpaid annual leave benefits of General Fund employees, are accounted for in the general long-term obligations account group, not in the governmental funds.

Fund Equity

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations. Reservations and designations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Total Column on Balance Sheet

Total columns on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 3 - CASH AND INVESTMENTS

At June 30, 1999 and 1998, the Board has cash and cash equivalents (book balances) totaling \$72,734 and \$77,436, respectively, in demand deposits and certificates of deposit maturing in 30 days.

Investments in certificates of deposit at June 30, 1999 and 1998, amounts to \$45,000 and \$46,666, respectively.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 times 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.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

At June 30, 1999 and 1998, the Board has deposits (collected bank balances) and security from risk as follows:

	<u>06-30-99</u>	<u>06-30-98</u>
Demand deposits	\$ 16,609	\$ 20,147
Certificates of deposit - cash equivalents	59,298	23,218
Certificates of deposit - investments	<u>45,000</u>	<u>82,720</u>
Total	120,907	126,085
Secured by federal deposit insurance	<u>120,907</u>	<u>123,218</u>
Unsecured/Uncollateralized	<u>\$ 0</u>	<u>\$ 2,867</u>

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets composed of furniture and office equipment follows:

	<u>Office Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Balance, July 1, 1997	\$ 5,823	\$ 15,582	\$ 21,405
Additions			
Deletions			
Balance, June 30, 1998	<u>5,823</u>	<u>15,582</u>	<u>21,405</u>
Additions			
Deletions			
Balance, June 30, 1999	<u>\$ 5,823</u>	<u>\$ 15,582</u>	<u>\$ 21,405</u>

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 5 - LONG-TERM OBLIGATIONS

Long-term obligations consist of compensated absences.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. The liability for unused annual leave at June 30, 1999 and 1998, computed in accordance with GASB Codification Section C60.105, is estimated to be \$7,350 and \$7,189, respectively. These amounts are recorded in the general long-term obligations account group.

NOTE 6 - PENSION PLAN

LASERS

The clerical employee of the Board is a member of the Louisiana State Employees Retirement System ("System"), a multiple-employer, public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 25% of their highest consecutive 36 month average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System.

In addition to the employee contribution withheld at 7.5% of gross salary, the Board contributes an additional percentage of gross salary to the System (13% from July 1, 1998 to June 30, 1998, and 12.4% from July 1, 1998 to June 30, 1999). Contributions to the System during 1999 and 1998 were funded through employee and employer contributions of \$3,930 and \$3,938, respectively. The total payroll of the Board, fully covered by the system, was \$19,750 and \$19,212, respectively for years 1999 and 1998. Under present statutes, the Board does not guarantee any of the benefits granted by the system.

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Deferred Compensation

The Board has elected to match the contributions made by the Director to the Louisiana Public Employees Deferred Compensation Plan, the employee was not eligible to join the pension plan due to his age. For the two years ending June 30, 1999 and 1998, the Board contributed \$2,304 and \$2,009 of matching funds, respectively.

NOTE 7 - LITIGATION AND CLAIMS

There were no judgments, claims or similar contingencies pending against the Board at June 30, 1999 and 1998.

NOTE 8 - LEASES

The Board leases office space under an operating lease. On March 24, 1999, the office was moved and a contract was negotiated for a period of 5 years, commencing April 1, 1999, and ending March 31, 2004. Rent expenditure for 1999 and 1998 was \$4,650 and \$4,660, respectively.

Future minimum lease payments under this lease are as follows:

Year Ending June 30,	Amount
2000	\$ 4,620
2001	4,620
2002	4,620
2003	4,620
2004	3,465

Since the payment schedule is considered systematic and rational under GASB Statement No. 13, rental expenditure is based on the relevant lease agreement and not in accordance with lease terms as required by GASB Statement No. 13.

LOUISIANA STATE RADIO AND TELEVISION TECHNICIANS BOARD
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 9 - FEDERAL FINANCIAL ASSISTANCE

The Board received no federal funds during the fiscal years 1999 and 1998.

NOTE 10 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board provides certain continuing health care and life insurance benefits for only one retired employee. Substantially all of the Board employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the retiree and by the Board. The Board recognizes the cost of providing these benefits (Board's portion of premiums) as an expenditure when paid during the year, which was \$1,685 and \$1,356 for the years ended June 30, 1999 and 1998, respectively.

NOTE 11 - COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$100 for each two day Board meeting they attend, as authorized by Louisiana Revised Statute 27:2303.

The amounts paid to Board members during the years are as follows:

Board Member	6-30-99	6-30-98
Foster Barron	\$ 300	\$ 100
Stanley Brohn	350	200
Bill Comeaux	400	200
John R. Leonard	400	200
Thomas Metz	300	200
Frank Miller	300	100
A. J. Nicholson		
Harold Richard	400	200
Herman Swanier, Jr.	400	200
Blaise Waguespack	400	100
	<u>\$ 3,250</u>	<u>\$ 1,500</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

George F. Delaune

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OFFICERS ASSOCIATION

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board Members of
Louisiana State Radio & Television Technicians Board
State of Louisiana
Metairie, Louisiana

I have audited the general purpose financial statements of the LOUISIANA STATE RADIO & TELEVISION TECHNICIANS BOARD, a component unit of the State of Louisiana, as of and for the years ended June 30, 1999 and 1998, and have issued my report thereon dated September 18, 1999. I conducted my audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana State Radio & Television Technicians Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 99-1, 99-2, 99-3, and 99-4.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Louisiana State Radio & Television Technicians Board's internal control over financial reporting to determine my auditing procedures for the

purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Louisiana State Radio & Television Technicians Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 99-1, 99-2, and 99-5.

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information and use of the Louisiana State Radio & Television Technicians Board and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

George F. Delaune, CPA

September 18, 1999

LOUISIANA STATE RADIO & TELEVISION TECHNICIANS BOARD
SCHEDULE OF FINDINGS
YEARS ENDED JUNE 30, 1999 AND 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Louisiana State Radio & Television Technicians Board.
2. Five reportable conditions were disclosed during the audit of the general purpose financial statements of Louisiana State Radio & Television Technicians Board.
3. Four instances of noncompliance were disclosed during the audit of the general purpose financial statements of Louisiana State Radio & Television Technicians Board.
4. There were no federal awards received by Louisiana State Radio & Television Technicians Board.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Noncompliance and Internal Control

99-1 Collateralization of Deposits

Condition: At June 30, 1998, deposits were undersecured/undercollateralized in the amount of \$2,867.

Criteria: State law requires all deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Effect: Violation of state law.

Cause: The Administrator was not aware of this requirement.

Recommendation: The Director should make sure that deposits are properly secured at all times.

Response: Management concurred with the recommendation and transferred funds to another bank before the end of June 30, 1999.

Noncompliance and Internal Control

99-2 Budget Monitoring

Condition: Budgeted revenues exceeded actual revenues by almost 19% for both years examined and no budget amendments were made.

Criteria: Louisiana Revised Statute 39:1338 requires the agency to adjust budgets when revenues or expenditures increase or decrease by 5% from the prior submitted budget.

Effect: Violation of state law.

Cause: The Administrator was not aware of this requirement.

Recommendation: The adopted budget is monitored on a month-to-month basis instead of a cumulative year-to-date basis. It is my recommendation to change the financial statement presentation so that actual transactions can be compared against the total budget throughout the year. By using this presentation, the monitoring of the budget will be controlled and necessary adjustments will be more readily seen.

Response: Management concurred with the recommendation and has instructed the contract accountant to present the budget in total throughout the year.

Noncompliance

99-3 Fiscal Agent

Condition: The agency could not produce a current fiscal agent agreement.

Criteria: State law requires all agencies to negotiate a fiscal agent contract with a bank for the depository of funds.

Effect: Violation of state law.

Cause: The Administrator was not aware of this requirement.

Recommendation: The agency should seek proposals from local banks in accordance with the Interim Emergency Board regulations.

Response: Management concurred with the recommendation and will seek proposals from local banks for the depository of agency funds.

Noncompliance

99-4 Investment Policy

Condition: The agency could not furnish an adopted investment policy.

Criteria: Act No. 374 of the 1995 Regular Session of the Legislature required all agencies to adopt an investment policy to regulate the investment of idle funds.

Effect: Violation of state law.

Cause: The Administrator was not aware of this requirement.

Recommendation: The agency should adopt an investment policy as required by state law.

Response: Management concurred with the recommendation and will adopt an investment policy that complies with Act No. 374.

Internal Control

99-5 Y2K Compliance

Condition: The agency's computer was purchased in 1993, ran under a DOS 6.0 operating system and Window's 3.1. When asked if the system was certified for Y2K, the agency could not produce any documentation to certify that the computer system was Y2K compliant.

Criteria: The state requires all agencies to disclose the steps taken to certify computer equipment for the year 2000.

Effect: The agency did not adopt a plan to insure that their computer equipment was Y2K compliant.

Cause: The Administrator was not aware of this requirement.

Recommendation: The agency should hire a computer consultant to test the computer system for Y2K and make the necessary modifications or acquisitions to bring their computer system into compliance.

Response: Management concurred with the recommendation and will test its equipment and make the necessary modifications or acquisitions to bring the system into compliance.



State of Louisiana

RADIO AND TELEVISION TECHNICIANS BOARD
6554 FLORIDA BLVD SUITE 109
BATON ROUGE, LA 70806
(225) 231-4710



CORRECTIVE ACTION PLAN

September 18, 1999

Legislative Auditor
State of Louisiana

Louisiana State Radio & Television Technicians Board respectfully submits the following corrective action plan for the years ended June 30, 1999 and 1998.

Name and address of independent public accounting firm: George F. Delaune, CPA, APC; 7663 Anchor Drive; Ventress, LA 70783-4120.

Audit period: July 1, 1997 to June 30, 1999

The findings from the June 30, 1999 and 1998, schedule of findings are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Noncompliance and Internal Control

99-1 Collateralization of Deposits

Recommendation: The Administrator should make sure that deposits are properly secured at all times.

Action Taken: Funds have been transferred to another bank to insure that funds are properly secured.

Noncompliance and Internal Control

99-2 Budget Monitoring

Recommendation: The adopted budget is monitored on a month-to-month basis instead of a cumulative year-to-date basis. It is my recommendation to change the financial statement presentation so that actual transactions can be compared against the total budget throughout the year. By using this presentation, the monitoring of the budget will be controlled and necessary adjustments will be more readily seen.

Action Taken: We have requested our contract accountant to comply with the recommendation to present budget statements where actual transactions are compared to the total budget on a year-to-date basis.

Noncompliance

99-3 Fiscal Agent

Recommendation: The agency should seek proposals from local banks in accordance with the Interim Emergency Board regulations.

Action Taken: We have requested the auditor to assist us to requesting proposals for a fiscal agent.

Noncompliance

99-4 Investment Policy

Recommendation: The agency should adopt an investment policy as required by state law.

Action Taken: We have requested the auditor to assist us in adopting an investment policy.

Internal Control

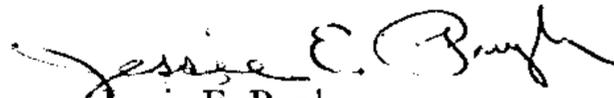
99-5 Y2K Compliance

Recommendation: The agency should hire a computer consultant to test the computer system for Y2K and make the necessary modifications or acquisitions to bring their computer system into compliance.

Action Taken: We have contacted a computer consultant to test our equipment for Y2K compliance and will follow the consultant's recommendations to update/upgrade the equipment to bring it into compliance.

If the Legislative Auditor has questions regarding this plan, please call Jessie E. Pugh, Administrator at (225) 231-4710.

Sincerely yours,


Jessie E. Pugh
Administrator

LOUISIANA STATE RADIO & TELEVISION TECHNICIANS BOARD
RESOLUTION OF PRIOR YEAR AUDIT FINDINGS

Inadequate Segregation of Duties

Management acknowledges this continuing condition and has determined that the cost necessary to establish adequate segregation of duties is not justifiable at the current time.

I do not find where this condition should be repeated in light of the size of the agency.