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**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
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**

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 06 1999

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louisiana State Board of Architectural Examiners
Department of Economic Development
State of Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana State Board of Architectural Examiners, 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 State Board of Architectural Examiner'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 State Board of Architectural Examiners 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 1, 1999 on our consideration of Louisiana State Board of Architectural Examiners internal control structure and a report dated September 25, 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 State Board of Architectural Examiners. 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.

McKee & Associates

September 25, 1999

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

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>	General Fixed <u>Assets</u>	General L-T <u>Debt</u>	Total (Memo Only) <u>1999</u>
ASSETS				
Cash & Cash Equivalents	\$ 95,248			\$ 95,248
Investments	123,997			123,997
Fixed Assets		\$51,490		51,490
Amt. To Be Provided For Retirement of L-T Debt			\$13,930	13,930
TOTAL ASSETS	<u>\$219,245</u>	<u>\$51,490</u>	<u>13,930</u>	<u>\$284,665</u>
 LIABILITIES AND FUND EQUITY				
LIABILITIES				
Compensated Absences			13,930	13,930
TOTAL LIABILITIES	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>13,930</u>	<u>13,930</u>
FUND EQUITY				
Investment in General Fixed Assets		\$51,490		51,490
Fund Balance: Unreserved-Undesign.	219,245			219,245
TOTAL FUND EQUITY	<u>\$219,245</u>	<u>\$51,490</u>		<u>\$270,735</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$219,245</u>	<u>\$51,490</u>	<u>13,930</u>	<u>\$284,665</u>

The accompanying notes are an integral part of this statement

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED JUNE 30, 1999 AND JUNE 30, 1998

	GENERAL FUND	
	<u>6-30-99</u>	<u>6-30-98</u>
REVENUES		
Licenses and Fees	\$276,600	\$278,530
Interest Income	10,664	7,802
Other Revenues	19	1,615
	<hr/>	<hr/>
Total Revenues	\$287,283	287,947
	<hr/>	<hr/>
EXPENDITURES		
Personal Services	\$128,452	123,024
Operating Services	80,867	58,965
Materials and Supplies	6,063	4,758
Travel	22,170	19,478
Education and Research	9,330	10,477
Professional Services	50,062	42,131
Capital Outlay	536	20,160
	<hr/>	<hr/>
Total Expenditures	\$297,480	278,992
	<hr/>	<hr/>
EXCESS REVENUES OVER EXPENDITURES (10,197)		8,955
FUND BALANCE, beginning of year	229,442	220,487
	<hr/>	<hr/>
FUND BALANCE, end of year	<u>219,245</u>	<u>229,442</u>

The accompanying notes are an integral part of this statement

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED JUNE 30, 1999 AND JUNE 30, 1998

	General 6-30-99	Fund 6-30-98
	<u> </u>	<u> </u>
Excess, (Deficit) of Revenues over Expenditures	\$(10,197)	8,955
Fund Balance, Beginning of Year as Previously Reported	\$229,442	220,487
	<u> </u>	<u> </u>
FUND BALANCE, END OF YEAR	\$219,245	229,442
	=====	=====

The accompanying notes are an integral part of this statement

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

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>	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES			
Licenses and Fees	\$276,600	\$293,000	\$ (16,400)
Interest Income	10,664	7,000	3,664
Miscellaneous	19	774	(755)
	<hr/>	<hr/>	<hr/>
Total Revenues	\$287,283	300,774	(13,491)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Exam Costs	\$128,452	126,174	(2,278)
Board Travel, etc.	80,867	80,000	(867)
Board Per Diem	6,063	5,000	(1,063)
Bank Charges	22,170	22,600	430
Accounting Consulting	9,330	10,000	670
Annual Audit	50,062	56,000	5,938
Operating Services	536	1,000	464
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$297,480	300,774	3,294
	<hr/>	<hr/>	<hr/>
Excess, (Deficit) of Revenues over Expenditures	(\$10,197)	-0-	(10,197)
Fund Balance, Beginning as Previously Reported	\$229,442	229,442	
	<hr/>	<hr/>	<hr/>
FUND BALANCE, END	\$219,245	229,442	(10,197)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The Louisiana State Board of Architectural Examiners (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 (LSA-R.S.36:803. The Board is composed of five members, appointed by the Governor. The members serve terms of six years. The Board is charged with the responsibility of licensing and regulating the practice of architecture in the State of Louisiana. The Board's operations are funded entirely through annual self-generated revenues.

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 Louisiana State Board of Architectural Examiners 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 Louisiana State Board of Architectural Examiners, a component unit of the State of Louisiana.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL 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.

A. 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. Generally operations expenditures are paid from this fund. The Board has no other Funds.

B. GENERAL FIXED ASSETS AND GENERAL LONG-TERM OBLIGATIONS

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 governmental funds. Depreciation has not been provided on general fixed assets. All fixed assets are valued at historic costs or estimated historical cost.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Long-term obligation expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations.

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 accrual basis of accounting.

D. BUDGET PRACTICES

An annual budget is adopted for the general fund on the basis consistent with generally accepted accounting principles (GAAP).

Each budget is presented on the accrual basis of accounting. All 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 not employed by the Board as a management control device, by comparing budgeted expenditures with actual expenditures.

The budget must be revised and approved by the Board of Examiners for any increase in budgetary expenditures. All budgetary appropriations lapse at the end of each fiscal year.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

E. ENCUMBRANCES

The Louisiana State Board of Architectural Examiners does not follow the encumbrances method of accounting.

F. CASH AND CASH EQUIVALENTS

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

The Louisiana State Board of Architectural Examiners had cash and cash equivalents totaling \$219,245 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 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.

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

	<u>Cash</u>	<u>Total</u>
Bank Balances:		
Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	\$219,245	\$219,245

G. INVESTMENTS

Investments at June 30, 1999, are all time certificates of deposits having maturities exceeding ninety days. These investments are secured from risk by federal deposit insurance.

At June 30, 1999, the investments' amortized cost is \$123,997 which approximates market.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 1999

H. INVENTORIES

Inventories are considered immaterial and are recorded at cost and recognized as an expenditure when purchased.

I. ANNUAL AND SICK LEAVE

The Louisiana State Board of Architectural Examiners has the following policy related to annual and sick leave for the Board's unclassified clerical employees. The earning of annual and sick leave is based on the equivalent of full-time service. It is credited at the end of each month of regular duty.

Accrued unused annual and sick leave shall be carried forward to the succeeding calendar year without limitation. Annual leave must be applied for by the employee and may be used only when approved by the Board. Upon retirement or resignation, unused annual leave of up to 300 hours are paid to employees at the employee's current rate of pay.

Annual leave in excess of 300 hours and sick leave are used in the retirement benefit computation as earned service.

At June 30, 1999, the employees of the Board had accumulated and vested \$16,535 of employee leave benefits, which were computed in accordance with GASB Codification Section C60, as modified by GASB Statement Number 16. All of this amount is recorded as an obligation of the Long Term Debt Group of Accounts.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

J. 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.

2. CHANGES IN GENERAL FIXED ASSETS

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture & Equipment	\$50,954	\$ 536	\$ -0-	\$51,490

3. PENSION PLAN

Substantially all employees of the board are members of the Louisiana State Employees Retirement System (System), a cost-sharing, multiple-employer public employee retirement system (PERS). The System is a statewide public retirement system, which is organized for the purpose of providing retirement and other benefits for employees of the state and its various departments and agencies and their beneficiaries, and is administered and controlled by a separate board of trustees. Contributions of participating state agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

All full-time board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5 percent of their highest consecutive 36-month average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 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, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (504) 922-0600.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Covered employees are required by state statute to contribute 7.5 percent of gross salary and the board is required to contribute at an actuarially determined rate. The current rate is 13.0 percent of annual covered payroll. The contribution requirements of plan members and the board are established and may be amended by state statute. As provided by R.S. 11:102, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation from the prior fiscal year. The Board's contributions to the System for years ending June 30, 1999, 1998, 1997, were \$6,872, \$6,872, and \$6,872, respectively, equal to the required contributions for each year.

4. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has no retired employees, and at present does not provide life insurance benefits.

5. OPERATING LEASES

The Board currently leases office space in Baton Rouge, Louisiana on a monthly basis. Monthly lease payments are \$1,840 or \$21,092 annually.

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Long term obligations at June 30, 1999 consisted of \$13,930 payable for future compensated absences, which was an increase of \$580 over the prior year.

7. LITIGATION AND CLAIMS

There were no unasserted claims or assessments as of June 30, 1999.

8. YEAR 2000 DISCLOSURE

The Board has completed updating its computer equipment to be in compliance with year 2000.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
 STATE OF LOUISIANA
 SCHEDULE OF PER DIEM PAID BOARD MEMBERS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

9. Schedule of per Diem Paid to Board Members

Amounts paid to board members for the year ended June 30, 1999 are as follows:

NAME	AMT PAID	AMT ACCRUED	TOTAL
E. Wallace Elberson	\$1,275	-0-	\$1,275
Ronald B Blicht	675	-0-	675
Kim E. Mithell	825	-0-	825
Fabian A Patin	750	-0-	750
Raymond G. Post, Jr	900	-0-	900
Glenn Angelle	1,050	-0-	1,050
	<hr/>	<hr/>	<hr/>
TOTAL	\$5,475	-0-	\$5,475
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 \$75 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.

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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 State Board of Architectural Examiners
State of Louisiana
Baton Rouge, Louisiana

We have audited the general purpose financial statements of Louisiana State Board of Architectural Examiners, Baton Rouge, Louisiana, as of and for the two years ended June 30, 1999, and have issued our report thereon dated September 25, 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 State Board of Architectural Examiners 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 State Board of Architectural Examiners, Baton Rouge, Louisiana 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. We noted no matters involving the internal control over financial reporting audits operation that we consider to be material weakness.

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

M. R. M. Assoc. Inc.

September 25, 1999

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

There were no prior year audit findings that required corrective actions.