

LOUISIANA REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2006

**D. GENERAL FIXED ASSETS**

The Board has no fixed assets.

**E. GENERAL LONG-TERM OBLIGATIONS**

The Board has no long-term debt.

**F. ENCUMBRANCES**

The Board does not use encumbrance accounting.

**G. BUDGETS**

The Board is subject to the provisions of the Louisiana Licensing Agency Budget Act (LSA-R.S. 38:1331-1342) which requires all licensing agencies to prepare a comprehensive budget presenting a complete financial plan for the ensuing year.

The accounting department compiles for the Executive Director estimates of revenues and request for appropriations of the annual budget (GAAP Basis).

No later than the first day of January in each year, the Commission submits a copy of its proposed budget for the ensuing fiscal year to the Joint Legislative Committee on the Budget, to the chairman of a standing committee of the Legislature having jurisdiction as listed in R.S. 49:148, to the legislative auditor, and to the legislative fiscal office.

The Joint Legislative Committee must have prior written notification of any proposed transfers of funds from one category of expenditures to another if the transfer will constitute a ten percent change in either the category or if the total budget increases or decreases five percent.

The Commission submitted the 25-26 budget in December 2004 and the beginning cash balance was budgeted. No changes or amendments were made to the submitted budget.

All appropriations lapse at year end and there were no encumbrances at year end.

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**DAIGREPONT & BRIAN**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

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ROBERT D. DAIGREPONT, C.P.A.

CLARENCE S. BRIAN, C.P.A.

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Louisiana Real Estate Appraisers State Board of Certification  
Baton Rouge, 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, 1996. 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 of these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Government Auditing Standards, issued by the U.S. General Accounting Office. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose 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 provided 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, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The schedule of compensation paid board members listed in the table of contents is

Independent Auditor's Report  
Page Two

presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Louisiana Real Estate Appraisers Board. 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 general-purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated September 27, 1996 on our consideration of Louisiana Real Estate Appraisers State Board of Certification's internal control structure and a report dated September 27, 1996 on its compliance with laws and regulations.

*Deloitte & Touche*

Deloitte & Touche  
A Professional Accounting Corporation

September 27, 1996

COMPONENT UNIT FINANCIAL STATEMENTS

LOUISIANA REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION  
 DEPARTMENT OF ECONOMIC DEVELOPMENT  
 STATE OF LOUISIANA  
 BALANCE SHEET - GOVERNMENTAL  
 FUND TYPE  
 JUNE 30, 1994

<b>ASSETS</b>	
Cash	\$ 43,361
<b>TOTAL ASSETS</b>	<u>\$ 43,361</u>
 <b>LIABILITIES AND FUND EQUITY</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 385
Accrued wages	3,934
Due to other funds	<u>5,222</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,222</u>
 <b>FUND EQUITY</b>	
Fund balances	
Unassigned	
Designated	-
Undesignated	<u>40,139</u>
<b>TOTAL FUND EQUITY</b>	<u>40,139</u>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <u>\$ 43,361</u>

The accompanying notes are an integral part of this statement.

LOUISIANA REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL  
 FUND TYPES - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Licenses, permits and fees	\$ 125,205	\$ 108,345	\$ (16,860)
Sale of commodities	45	45	
<b>TOTAL REVENUES</b>	<u>125,250</u>	<u>108,390</u>	<u>(16,860)</u>
<b>EXPENDITURES</b>			
General government			
Personnel services and related benefits	38,695	65,270	26,575
Travel	23,000	7,334	15,666
Operating services	21,808	18,979	(2,829)
Operating supplies	3,045	1,371	1,674
Professional services	5,192	10,525	5,333
<b>TOTAL EXPENDITURES</b>	<u>121,740</u>	<u>103,079</u>	<u>18,661</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>3,510</u>	<u>5,311</u>	<u>1,801</u>
<b>FUND BALANCE, July 1, 1995</b>		-	
Residual equity transfer		28,328	
<b>FUND BALANCE, June 30, 1996</b>		<u>\$ 28,328</u>	

The accompanying notes are an integral part of this statement.

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LOUISIANA REAL ESTATE APPRAISERS  
STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1960

A COMPONENT UNIT OF THE STATE OF LOUISIANA)

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. 03, 1961**



LOUISIANA REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1984

**B. FUND ACCOUNTING**

The accounts of the Louisiana Real Estate Appraisers State Board of Certification are organized on the basis of funds and accounts 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. Revenues are accounted for in these individual funds based upon the purposes 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:

**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. General operating expenditures are paid from this fund.

**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:

**Revenues**

Revenues are recognized when they become measurable and available as net current assets. Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not.

**Expenditures**

Expenditures are recognized under the modified accrual basis of accounting. Expenditures are recognized when the goods or services are received.

LOUISIANA REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1996

**H. INVENTORIES**

The Board has no significant inventory.

**I. SHARED EXPENSES**

The Board is operated within the Louisiana Real Estate Commission. All payroll and related benefits are paid by the Commission and book charged to the Board. Also, 4.5% of other general operating expenses are backcharged to the Board by the Commission. For fiscal year ending June 30, 1996, a total of \$49,525 was backcharged for these expenses.

**J. VACATION AND SICK LEAVE**

See note I.

**K. PENSION PLAN**

See note I.

**L. LITIGATION AND CLAIMS**

As June 30, 1996, the Board had no known claims or litigation.

**M. LEASES**

The Board has no capital or operating leases.

**N. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The board has no post-retirement health care and life insurance benefits.

**O. CASH AND INVESTMENTS**

**Cash**

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates if deposit. Under state law, the Louisiana Real Estate Appraisers State Board of Certification may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board.

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

**C. CASH AND INVESTMENTS (continued)**

Further, the Board may invest in time certificates of deposit of state banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

As reflected on the Balance Sheet, the Louisiana Real Estate Appraisers State Board of Certification had cash totaling \$49,161 at June 30, 1998. 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, 1998, were secured as follows:

	<u>CASH</u>
Carrying Amount on Balance Sheet	<u>\$ 49,161</u>
Bank Balances:	
1. Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	50,544
2. Collateralized with securities held by pledging financial institution's agent in the commission's name	<u>\$ -</u>
<b>Total Bank Balances</b>	<b><u>\$ 50,544</u></b>

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ROBERT D. DAIGREPONT, C.P.A.

CLAUDIA E. BRIAN, C.P.A.

**COMPLIANCE REPORT BASED ON AN AUDIT OF GENERAL-PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Louisiana Real Estate Appraisers State Board of Certification  
Baton Rouge, Louisiana

We have audited the general-purpose financial statements of the Louisiana Real Estate Appraisers State Board of Certification as of and for the year ended June 30, 1996, and have issued our report thereon dated September 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to Louisiana Real Estate Appraisers State Board of Certification is the responsibility of the Board's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of Louisiana Real Estate Appraisal Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

We noted certain immaterial instances of non-compliance that we have reported to the Board in a separate letter dated September 29, 1996.

Compliance Report  
Page Two

This report is intended for the information of the management.  
However, this report is a matter of public record and its distribution  
is not limited.

*Dalgrope & Brian*

Dalgrope & Brian  
A Professional Accounting Corporation

September 27, 1986

**DAIGREPONT & BRIAN**  
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Robert D. Daigrepont, C.P.A.

Clara E. Brian, C.P.A.

**REPORT ON THE INTERNAL CONTROL STRUCTURE**  
**IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Louisiana Real Estate Appraisers State Board of Certification  
Baton Rouge, Louisiana

We have audited the general-purpose financial statements of the Louisiana Real Estate Appraisers State Board of Certification as of and for the year ended June 30, 1996, and have issued our report thereon dated September 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The management of the Louisiana Real Estate Appraisers State Board of Certification is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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DAIGREPONT & BRIAN, C.P.A.

CLAUDIA E. BRIAN, C.P.A.

**MANAGEMENT LETTER**

Board of Directors  
Louisiana Real Estate Appraisers State Board of Certification  
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the Louisiana Real Estate Appraisers State Board of Certification as of and for the year ended June 30, 1996, and issued our report thereon dated September 27, 1996.

Although we found no reportable control weaknesses or significant compliance findings we do want to alert you to the following violation:

**Condition**

The compliance questionnaire was completed but not adopted by the governing body by means of a formal resolution in an open meeting.

**Cause**

It was an oversight of management.

**Effect**

There is no effect on the financial statements.

**Recommendation**

We suggest the Board have the 95-96 questionnaire adopted at the next board meeting and be sure that questionnaires for subsequent years are adopted prior to the audit.

**Response**

Management agreed to do as suggested.

If you have any questions, please call us.

Sincerely,

*Daigrepont & Brian*

Daigrepont & Brian  
A Professional Accounting Corporation

September 27, 1996

LOUISIANA REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1996

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana Real Estate Appraisers State Board of Certification is a component unit of the State of Louisiana created within the Louisiana Real Estate Commission and the Louisiana Department of Economic Development, as provided by Louisiana Revised Statutes 38:189. The Board is composed of nine members, appointed by the Governor. Initially, three members of the Board shall be appointed for one year terms, three members for two year terms and three members for three year terms. Thereafter, all members shall be appointed for three years. The Board is charged with the responsibility of regulating the issuance of real estate appraiser certifications. Included in this responsibility are the duties to establish, adopt and enforce rules and regulations and educational standards as well as to administer and enforce the provisions of the Louisiana Real Estate Appraisers Certification Law, RSA-R.S. 37:2431 et. seq. Operations of the Board are funded with license fees, education provider fees, and license review fees.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting and Financial Reporting Standards (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 Real Estate Appraisers State Board of Certification prepares its financial statements in accordance with the standards established by the GASB. GASB Codification 2188 establishes criteria for determining the reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statements present only transactions of the Louisiana Real Estate Appraisers State Board of Certification, a component unit of the State of Louisiana.

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



**SUPPLEMENTARY INFORMATION**