

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

To the members of the Board
Louisiana Real Estate Appraisers State Board of Certification
P.O. Box 9099, Baton Rouge

We have audited the 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, 1997, and have issued our report thereon dated September 19, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. 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.

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 systems, 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 by unauthorized use or disposition, and that a transaction has recorded 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 system, errors or irregularities may nevertheless occur and not be detected. Also, projections 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.

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, 1997, we obtained an understanding of the internal control structure. This scope-wide internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk, in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The complete review of the internal control structure would not necessarily disclose all matters in the internal control system that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control procedures does not reduce to a relatively low level the risk that errors or irregularities 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. We noted no matters involving the internal control structure, and its operations that we consider to be material weaknesses as defined above.

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


Robert A. Brian
A Professional Accounting Corporation

September 19, 1997

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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

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

We have audited the 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, 1997, and have issued our report thereon dated September 19, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting Standards issued by the Comptroller General of the United States. These 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 in 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 Appraisers State Board of Certification'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.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Accounting Standards. This report is intended for the information of the board of commissioners, management, and the Legislative Auditor's Office. However, this report is neither a contract of public account, nor its distribution is warranted.


Daigrepont & Brian
A Professional Accounting Corporation

September 19, 1997

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, 1997

COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem paid to Louisiana Real Estate Appraisers State Board of Certification's members is presented in compliance with House Concurrent Resolution No. 41 of the 1997 Session of the Louisiana Legislature.

LOUISIANA REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION MEMBERS

Logan Poole, Jr.	\$ 1,000
David Barabasz	-
Frank Costello	400
Thompson Carr	400
H. Lynn Arban	-
David White	-
Dale Sweeney	800
Norris Long	150
Jim Sherman	100
James A. Gallagher	-
TOTAL	<u>\$ 3,750</u>

SUPPLEMENTARY INFORMATION

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, 1997

4. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**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, 1997**

I. MAJOR EXPENSES

The Board is operated within the Louisiana Real Estate Commission. Both direct and indirect payroll and related benefits are paid by the Commission and funds charged to the Board. Also, the Commission bears charges of 4.75% of other general operating expenses to the Board. For Board year ending June 30, 1997, a total of \$13,856 was back-charged for all of these expenses.

II. VOUCHERS AND MON LEASE

See note 1.

III. PENSION PLAN

See note 1.

IV. LITIGATION AND CLAIMS

At June 30, 1997, the Board had no known claims or litigation.

V. REVENUE

The Board has no capital or operating income.

VI. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

VII. CASH AND INVESTMENTS

Cash

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

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 certificates accounts of federally or state chartered credit unions.

As reflected on the Balance Sheet, the Louisiana Real Estate Appraisers State Board of Certification has cash totaling \$21,270 as June 30, 1997. Under state law, federal deposit insurance on the pledge of securities owned by the fiscal agent bank must secure these deposits. The maximum 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 withholding receipts held by the state treasurer. The bank deposits of \$543,588 at June 30, 1997 were insured by FDIC insurance.

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, 1997

C. BASIS OF ACCOUNTING (continued)

Expenditures

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

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. 39:1531-1542) which requires all licensing agencies to prepare a comprehensive budget presenting a complete financial plan for the coming year.

The accounting department compiles for the Executive Director estimates of revenues and requests 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. 49:568, to the legislative auditor, and to the legislative fiscal office.

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

The Commission submitted the 96-97 budget in December 1995 and the beginning cash balance was budgeted. No changes or amendments were made to the submitted budget.

All appropriations lapse at yearend and there were no encumbrances at yearend.

H. INVENTORIES

The Board has no significant inventory.

LOUISIANA REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
OFFICE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1987

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 Real Estate Commission and the Louisiana Department of Economic Development, as provided by Louisiana Revised Statutes 45:109. 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 income of real estate appraiser certifications. Included in this responsibility are (a) duties to publish, adopt and enforce relevant regulations and educational standards as well as to administer and enforce the provisions of the Louisiana Real Estate Appraisers Certification Law, LSA-R.S. 45:1011 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 (GAAP) program to generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In June of 1987, the FAFSS issued a 100-page codification of governmental accounting and financial reporting standards. This codification and subsequent GAAP pronouncements are recognized as generally accepted accounting principles for the state and local governments.

The Louisiana Real Estate Appraisers State Board of Certification prepares its financial statements in accordance with the standards established by the GASB. GASB Codification 1900 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 Statewide Reporting and Accounting Policy, and certified by the State of Louisiana Legislative Budget.

B. FUNDS ACCOUNTING

The accounts of the Louisiana Real Estate Appraisers State Board of Certification 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. Revenues are accounted for in three individual funds based upon the purposes for which they are to be spent and the means by which operating activities are conducted. 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 license fees and other fees for the Board are accounted for in this fund. General operating expenditures are paid from this fund.

C. BASIS OF ACCOUNTING

Funds of accounting refer to those revenues and expenditures are recognized and reported in the financial statements. Funds of accounting refer to the timing of the measurements made, regardless of the measurement basis 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 to meet current needs. Under the modified accrual basis of accounting, some revenues is susceptible to accrual while others are not.

ILLINOIS REAL ESTATE APPRAISERS STATE BOARD OF CERTIFICATION
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUNDS BALANCE - GOVERNMENTAL
 FUND TYPES - BUDGET AND ACTUAL
 YEAR ENDING JUNE 30, 1997

	BUDGET	ACTUAL	CHANGE FAVORABLE (UNFAVORABLE)
REVENUES			
Licenses, permit and fees	\$ 144,545	\$ 98,716	\$ (45,829)
Sale of commodities	_____45	_____25	_____20
TOTAL REVENUES	144,545	98,741	(45,804)
EXPENDITURES			
General government			
Personnel services			
and related benefits	78,276	62,244	16,032
Taxes	14,000	11,647	2,353
Operating services	11,000	11,059	(59)
Capital expenditures	2,900	4,212	(1,312)
Professional services	18,820	14,572	4,248
TOTAL EXPENDITURES	125,026	103,734	21,292
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES \$ 18,719		1,907	\$ 16,812
FUND BALANCE, July 1, 1996		48,525	
FUND BALANCE, June 30, 1997		\$ 50,432	

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
 BALANCE SHEET - GOVERNMENTAL FUND TYPE
 JUNE 30, 1991

ASSETS	
Cash	\$ 11,711
TOTAL ASSETS	\$ 11,711
 LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts payable	\$ 1,780
Accrued wages	1,240
Due Louisiana Real Estate Commission	8,691
TOTAL LIABILITIES	11,711
FUND EQUITY	
Fund Balance, Unreserved/Unassigned	11,711
TOTAL FUND EQUITY	11,711
TOTAL LIABILITIES AND FUND EQUITY	\$ 23,422

The accompanying notes are an integral part of this statement.

COMPONENT UNIT FINANCIAL STATEMENTS

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
of 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, 1997. 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 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 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, 1997, and the results of its operations for the year 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 component unit board members 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 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 general-purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 15, 1997 on our re-evaluation of Louisiana Real Estate Appraisers State Board of Certification's internal control structure and a report dated September 15, 1997 on its compliance with laws and regulations.


Robert A. Brian
Certified Public Accountant

September 18, 1997

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LOUISIANA REAL ESTATE APPRAISERS
STATE BOARD OF CERTIFICATION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
ANNUAL FINANCIAL STATEMENTS
YEAR ENDING JUNE 30, 1987

(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 referred to the State Auditor, the State Office of Public Administration, the State Office of Legislative Audit, and the State Office of the Parish Clerk of Court.

RELEASE DATE OCT 01 1987