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**LOUISIANA AUCTIONEERS LICENSING BOARD
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

ANNUAL FINANCIAL REPORT

**As of and for the year ended
June 30, 2004**

(With Accountant's Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-15-04

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Annual Financial Report
As of and for the year ended
June 30, 2004
With Supplemental Information Schedule

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MICHAEL K. GLOVER

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(225) 295-1860

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana Auctioneers Licensing Board
Baton Rouge, Louisiana

I have audited the accompanying financial statements of the Louisiana Auctioneers Licensing Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the Louisiana Auctioneers Licensing Board management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Controller General of the United States. 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 also 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.

As discussed in Note A, the financial statements present only the Louisiana Auctioneers Licensing Board and do not purport to, and do not, present fairly the financial position of the State of Louisiana of the Office of the Governor, as of June 30, 2004 and the changes in financial position and cash flows, for the year ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Auctioneers Licensing Board a component unit of the State of Louisiana, as of June 30, 2004, and the changes in financial position and cash flows for the year ended June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Audit Standards*, I have also issued my report dated August 20, 2004, on my consideration of Louisiana Auctioneers Licensing Boards' internal control over financial reporting and my test of its compliance with certain provision of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 5 - 8 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Louisiana Auctioneers Licensing Board a component unit of the State of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Michael K. Brown Assoc

Baton Rouge, Louisiana

August 20, 2004

MICHAEL K. GLOVER

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Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

I have audited the financial statement of the Louisiana Auctioneers Licensing Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, and have issued my report thereon dated August 20, 2004.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Louisiana Auctioneers Licensing Board, a component unit of the State of Louisiana, financial statements are free of material misstatement, I 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 the compliance with those provisions was not an objective on my audit and, accordingly, I do not express such an opinion. The results of my test disclosed instances of a material noncompliance described in item 2 and an immaterial noncompliance described in item 3 in the accompanying schedule of findings and questionable cost.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana Auctioneers Licensing Board internal control over financial reporting in order 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 considered 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 Louisiana Auctioneers Licensing 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 and questionable cost as item 2.

A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements 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 that might be reportable conditions and, accordingly, would

Report on Compliance and on
Internal Control over Financial Reporting
Page 2

not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I considered item 2 to be a material weakness.

This report is intended solely for the information of management and interested federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Michael R. Allen

Baton Rouge, LA
August 20, 2004

Louisiana Auctioneers Licensing Board
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2004

The Management's Discussion and Analysis of the Louisiana Auctioneers Licensing Board's Financial performance presents a narrative overview and analysis of the Louisiana Auctioneers Licensing Board's financial activities for the year ending June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Louisiana Auctioneers Licensing Board's financial statements.

FINANCIAL HIGHLIGHTS

The Louisiana Auctioneers Licensing Board's assets exceed its liabilities at the close of fiscal year 2004 by \$256,349, which represents a .007% decrease from last fiscal year. The net assets decreased by \$1,776.

The Louisiana Auctioneers Licensing Board's revenues increased \$1,817. (or 2%) and the net results from activities decreased by \$25020. (or 112%).

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Louisiana Auctioneers Licensing Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities in net assets and may provide a useful indicator of whether the financial position of the Louisiana Auctioneers Licensing Board is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the Louisiana Auctioneers Licensing Board's assets changed as a result of the current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transaction occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement presents information showing how the Louisiana Auctioneers Licensing Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to the net cash provided (used) by operating activities (indirect method) as required by GASB 34.

Statement of Net Assets As of June 30, 2004			
		<u>2004</u>	<u>Total</u> <u>2003</u>
Current and other assets	\$	261,353.	\$ 262,668.
Capital assets		0	0
Total assets		<u>261,353.</u>	\$ 262,668.
Other liabilities:		5004.	4,543.
Long-term debt outstanding			
Total liabilities		<u>5004.</u>	\$ <u>4,543.</u>
Net assets:			
Invested in capital assets, net of debt			
Restricted		0	0
Unrestricted		256,349	\$258,125
Total net assets		<u>256,349</u>	\$258,125.

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitation on how these amounts may be spent.

Net assets of the Louisiana Auctioneers Licensing Board decreased by \$ 1776., (or .007%), from June 30, 2003 to June 30, 2004.

Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ending June 30, 2003 & 2004

	Total	
	<u>2004</u>	<u>2003</u>
Operating revenues	\$ 95,899.	\$ 94,082.
Operating expenses	\$ 98,580.	\$ 71,743.
Operating income (loss)	\$ (2,681.)	\$ 22,339.
Non-operating revenues (expenses)	\$ 905.	\$ 1,352.
Income (loss) before transfers	\$ (1776.)	\$ 23,691.
Transfers in	\$ 0.	\$ 0.
Transfers out	\$ 0.	\$ 0.
Net increase (decrease) in net assets	\$ <u>(1,776.)</u>	\$ <u>23,691.</u>

The Louisiana Auctioneers Licensing Board total revenues increased by \$1817, (or 2 %). The total cost of all programs and services increased by \$26,837., (or 37%). This increase was mainly a result of increased staff and travel expenses incurred for investigations

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

For the year ending June 30, 2004, the Louisiana Auctioneers Licensing Board had no significant Capital Assets.

Debt

For the year ending June 30, 2004, the Louisiana Auctioneers Licensing Board had no bonds or notes outstanding.

Economic Factors and Next Year's Budget and Rates

When setting the next year's budget, The Louisiana Auctioneers Licensing Board considers the following factors and indicators:

- * Previous years licensing attrition and expected renewal of licenses,
- * Legislative changes that may affect license renewals,
- * Previous years expenses, and anticipated future needs of the agency
- * The current status of the states economy.

The Louisiana Auctioneers Licensing Board had no unanticipated major expenses for the fiscal year ending June 30, 2004 and does not anticipate any major expenses in the upcoming fiscal year (June 30, 2005)

Contracting the Louisiana Auctioneers Licensing Board Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Louisiana Auctioneers Licensing Board's finances and to show the Board's accountability for the money it receives. If you have any questions regarding this report or need additional information, contact

Ms. Sherrie Wilks
Executive Director
8017 Jefferson Hwy.
Suite A-2
Baton Rouge, LA 70809
<http://lalb.org>

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2004

ASSETS

Current assets:

Cash and cash equivalents	\$ 261,353
Total assets	\$ <u>261,353</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 600
Compensated absences	<u>4,404</u>
Total current liabilities	<u>5,004</u>
Total liabilities	<u>5,004</u>

NET ASSETS

Unrestricted	<u>256,349</u>
Total net assets	\$ <u>256,349</u>

The notes are an integral part of this statement.

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES	
Licenses	\$ 95,899
OPERATING EXPENSES	
Personnel services and related benefits	46,387
Operating services	30,556
Travel	10,829
Professional services	10,808
Total operating expenses	<u>98,580</u>
Operating income (loss)	(2,681)
NONOPERATING REVENUES	
Interest income	905
Increase (decrease) in net assets	<u>(1,776)</u>
Total net assets-beginning (Note 8)	<u>258,125</u>
Total net assets-ending	<u>\$ <u>256,349</u></u>

The notes are an integral part of this statement.

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from counselors and applicants	\$ 95,899
Payments to supplies	(44,863)
Payments to employees	(52,956)
Other	
Net cash used by operating activities	<u>(1,920)</u>
CASH FROM INVESTMENT ACTIVITIES	
Interest income	<u>905</u>
Net (decrease) in cash and cash equivalents	(1,015)
Cash and cash equivalents, beginning of year	<u>262,368</u>
Cash and cash equivalents, end of year	<u>\$ 261,353</u>

RECONCILIATION OF OPERATING LOSS AND NET CASH USED BY OPERATING ACTIVITIES	
Operating loss.	\$ (2,681)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Change in assets and liabilities	
Prepaid expenses	300
Accounts payable	(1,063)
Compensated absences	1,524
Net cash used by operating activities	<u>\$ (1,920)</u>

The notes are an integral part of this statement.

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Louisiana Auctioneers Licensing Board (the Board) is a component unit of the State of Louisiana under the Office of the Governor, as provided by Louisiana Revised Statutes (LSA-R.S) 36:4.1. The Board is composed of seven members, five of whom shall be auctioneers; one selected from each public service commission district, and two shall be consumers from the public at-large, all appointed by the Governor. The members serve terms concurrent to the term of office of the Governor appointing them, except that each member shall serve until his successor has been appointed and begins serving. The Board is charged with the responsibility to contribute to the safety, health and property of the people of the State in the transfer of property by auction. Operations of the Board are funded entirely through self-generated revenues.

Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included in the reporting entity. In conformance with GASB Codification Section 2100, this entity is a component unit of the State of Louisiana because the governor appoints the board members, the state exercises oversight responsibility, and public service is rendered within the state's boundaries. The accompanying financial statements present only the transactions of the Louisiana Auctioneers Licensing Board, a component unit of the State of Louisiana.

Basis of Presentation

The financial statements of the Board are prepared in accordance with accounting principles generally accepted in the United States of America. The Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Board may also apply all FASB pronouncements or interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

Basis of Accounting

The accompanying financial statement have been prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Notes to Financial Statements

Use of Estimates

The preparation of financial statements inconformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days after year end and other investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States.

Under state law, the districts 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.

Capital Assets

Capital assets purchased in excess of \$5,000 are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Estimated useful live is management's estimate of how long the asset is estimated to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Furniture	5-7 years
Equipment	5-10 years

Revenues and Expenses

Revenues and expense are recorded on the accrual basis of accounting. Operating income includes revenues and expenses related to the continuing operation of the license Board. Principal operating revenues are license renewal and continuing education fees charged to licensees for the renewal of their license. Principal operating expenses are the costs of providing services and includes administrative expenses. Other revenues and expenses are classified as non-operating in the financial statements. Licenses are renewed on January 1, of each year. Using the accrual method of accounting, the revenues for licenses are recorded in the Statement of Activities as earned. Expenses are recorded as they are incurred.

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Notes to Financial Statements

Encumbrances

Encumbrance accounting is used to record purchase orders as they are incurred to reserve that portion of the application appropriation. This method of accounting is not employed.

Statement of Cash Flows

This statement is prepared using the direct method. For purposes of this statement, this entity considers all highly liquid investments with a maturity of three months or less when purchased as a cash equivalent.

2. BUDGET PRACTICES

The budget is legally adopted and amended, as necessary, by the Board. All expenditure appropriations lapse at year end. The budgeted amounts are not included in the financial statements.

3. LITIGATION

There are no judgments, claims or similar contingencies pending against the Board at June 30, 2004.

4. BOARD MEMBERS' PER DIEM

The Board members are paid per diem of \$97 per day for each day in actual attendance of board meetings and for attending to official business of the Board as authorized by the House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

5. COMPENSATED ABSENCES

A. Annual and Sick Leave

The Louisiana Auctioneers Licensing Board 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 services. It is credited at the end of each month of regular service. 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 only be used when approved by the Board.

Current liabilities consist of compensated absences. The following is a summary of long-term liability obligation transactions during the year ended.

Balance, July 1, 2003	\$ 2,880
Additions	4,639
Reductions	(3,115)
Balance, June 30, 2004	\$ 4,404
	=====

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Notes to Financial Statements

6. OPERATING LEASES

The total payments for operating leases during fiscal year 2004 amounted to \$10,500. The annual lease payments are as follows:

2005	\$ 10,775
2006	11,075
2007	11,375
<u>2008</u>	<u>950</u>
	\$ 34,175
	=====

7. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposits. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The bank account balances were secured as follows:

Bank deposits in bank accounts per balance sheet	\$ <u>261,253</u>
Bank balances (category 3 only, if any) Identify amounts reported as category 3 by the descriptions below:	
a. Uninsured and uncollateralized	162,368
b. Uninsured and collateralized with securities held by the pledging institution	
c. Uninsured and collateralized with securities held by the pledging insititutions trust department or agent, but not in the entities name.	
Total Category 3 bank balances	\$ <u>162,368</u>
Total bank balances (All categories including category 3 reported above)	\$ <u>262,368</u>

8. DEFINED BENEFIT PENSION PLAN

The employees of the Board are members of Louisiana State Employees' Retirement System (LASERS), a single-employer defined benefit pension plan. LASERS is a component unit of the State of Louisiana included in the State's CAFR as a pension trust fund. LASERS was established and provided for within Title 11 Chapter 401 of the Louisiana Revised Statutes. LASERS is a statewide public retirement system for the benefit of state employees, which is administered by a separate board of trustees. LASERS issues a publicly available financial report that includes financial statements and required

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Notes to Financial Statements

8. DEFINED BENEFIT PENSION PLAN (Con't)

supplementary information for the defined benefit pension plan. This report can be obtained by writing to LASERS, 8401 United Plaza Blvd, PO Box 44213, Baton Rouge, LA 70809 or can be obtained from their web site www.lasers.state.la.us.

All state employees except certain classes of employees specifically excluded by Statute become members of LASERS as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership.

LASERS administers retirement, disability, death and survivor benefits to employees and beneficiaries of employees of this state employee retirement system. The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job classification. The substance majority of member may retire with full benefits at ages ranging from any age upon completing thirty years of creditable service, to age sixty upon completing ten years of creditable service. Additionally, members may chose to retire with 20 years of service at any age, with an actuarially reduced benefit.

State law provides for fiscal year 2004 contribute rates of 7.5% by employees and 13% by employers. Contribution requirement to the System are set by Statute and differ from the contribution requirement determined using actuarial methods. Contributions to the retirement system for the fiscal year 2004 were \$2,919. Eligible employees were not established until August of 2003. The contributions equaled the required contributes set by Statute.

SUPPLEMENTAL INFORMATION

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Schedule of Board Members' Per Diem
As of and for the year ended June 30, 2004

<u>Name</u>	<u>Amount</u>
Barbara Bonnette	\$ 873
Ray Camp	873
Charles N Cummings	97
Demlar Gay	1,455
Bobby L. Green	194
Allen Persick	1,164
Terry Shirley	2,231
Tessa Steinkemp	485
	\$ <u>7,372</u>

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Summary of Findings and Questioned Costs
For the two years ended June 30, 2004

A. SUMMARY OF AUDIT RESULTS

Financial statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	<u> X </u>	Yes	<u> </u>	No
Reporting conditions identified that are considered material weaknesses?	<u> X </u>	Yes	<u> </u>	No
Noncompliance material to financial statements?	<u> </u>	Yes	<u> X </u>	No

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

1. Finding

The State ethics rules may have been violated when a board member made the motion to approve a new hiring position and voted in favor for this same position. In the same meeting this board member was nominated and approved for hiring in the new position. This board member recused himself from this proceeding.

Observation

If this board has to comply with the State ethics rules, there are two possible violations. The first is concerning RS 42:1112 regarding that no public servant shall participate in a transaction in which he has a personal substantial economical interest of which he may be reasonably expected to know involving the governmental entity. The second is concerning RS 42:1121 prohibiting any former member of a board, for a period of two years following the termination of his public service on such board, to be employed in any capacity by that board.

Recommendation

The State board of ethics should determine whether or not there is an ethics violation. It is my recommendation to request this Ethics Board to review this case and the minutes of March 16, 2004. The Board may also want to consider reviewing the code of ethics with each board member and employees each year and require an annual certification letter from the board member and employees attesting to their compliance.

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Summary of Findings and Questioned Costs
For the two years ended June 30, 2004

2. Finding

State law requires deposit accounts that are in an amount in excess of FDIC coverage to be insured by pledged securities owned by the lending institution.

Observation

The bank balance exceeded FDIC insurance and the excess was not collateralized by pledged securities owned by the bank. The bank is currently aware of this issue and correcting this oversight.

Recommendation

Collateral pledged to cover any balances in excess of the FDIC insurance coverage should be reviewed by the Board and its employees on a regular basis. When the bank has collateral pledged on an account the securities assigned to this account should be given to the Board for their review. This confirmation should be reviewed and compared with the corresponding bank balance to determine if the pledged securities are sufficient to cover the uninsured balance.

Not having sufficient collateral pledged against the bank balance in excess of FDIC insurance is considered a material non compliance with laws regulating this entity and a material weakness of internal controls.

3. Finding

The licensing agency submitted the budget by the due date of January 1, to the respective agencies as required by RS 39:1335; however, the Board did not approve the budget until May 2004.

Recommendation

The license agency Board should approve the budget before it is submitted to the respective state agencies.

This is not considered a material noncompliance with laws and regulations.

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA
Response to findings of Financial Audit
for fiscal year ending June 30, 2004

The findings of the Independent Certified Public Accountant's (ICPA) audit for the fiscal year ending June 30, 2004, have been received and reviewed. In response to these findings, the Louisiana Auctioneers Licensing Board has the following comments.

Finding 1.

The Board was not aware that its' actions may have constituted a violation of the Code of Governmental Ethics. The Executive Director has now obtained a copy of the Ethics laws, and will distribute a copy to each member of the Board so that all parties can become familiar with them to avoid any future infractions. Additionally, upon learning that a possible violation may have occurred, the former Board member in question tendered a resignation of the position being held.

Finding 2.

It was noted in this finding that the deposit amounts in excess of FDIC coverage were not insured by pledged securities. In fact, the excess securities were insured by pledged securities from July 1, 2003 through March of 2004, (the first 3 quarters) as evidences by pledge reports on file in the Board office. However, in April of 2004, a coding error was made at a branch bank causing the deposits in question to be dropped from the public fund category, thus dropping the pledged securities for April, May and June. The Bank has admitted responsibility for this mistake and is correcting the coding error to re-implement the pledging of securities to cover deposit amounts in excess of FDIC coverage. In the future, the bank will send written notification to the Director prior to releasing any pledged collateral securities. This written notice will require the Directors' signature in order to allow the bank to release or reduce any pledged securities. Additionally, the accountant will review the pledge reports for accuracy and reconciliation with bank balances on a regular basis.

Finding 3.

In finding three it was noted that licensing agencies are required to submit their budget no later than the first of January, and that the Board did not approve the submitted budget for 2003-2004 until May of 2004. In the future, the board will formally approve the proposed budget prior to its submission January.

The Board strives for compliance in all matters, and will take immediate measures to correct any and all issues brought to its attention.

LOUISIANA AUCTIONEERS LICENSING BOARD
STATE OF LOUISIANA

Summary of Prior year Findings and Questioned Costs
For the two years ended June 30, 2004

There were no findings to report.

LOUISIANA AUCTIONEERS LICENSING BOARD

(Agency Name)

STATE OF LOUISIANA

Annual Financial Statements

June 30, 2004 ___

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

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**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
BALANCE SHEET
AS OF June 30, 2004**

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$ 261,353
Investments (Note C2)	
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	261,353
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	
Total assets	\$ 261,353
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ 600
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	4,404
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	5,004
NON-CURRENT LIABILITIES:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	0
Total liabilities	5,004
NET ASSETS	
Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	256,349
Total net assets	256,349
Total liabilities and net assets	\$ 261,353

The accompanying notes are an integral part of this financial statement.
Statement A

**STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED June 30, 2004**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	95,899
Other	_____
Total operating revenues	95,899
OPERATING EXPENSES	
Cost of sales and services	98,580
Administrative	_____
Depreciation	_____
Amortization	_____
Total operating expenses	98,580
Operating income(loss)	(2,681)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	905
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	905
Income(loss) before contributions and transfers	(1,776)
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	(1,776)
Total net assets – beginning as restated	258,125
Total net assets – ending	\$ 256,349

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED June 30, 2004

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
BTA	\$ 98,580	\$ 95,899	\$	\$	(2,681)
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					905
Miscellaneous					
Special items					
Transfers					
Total general revenues, special items, and transfers					905
Change in net assets					(1,776)
Net assets - beginning					258,125
Net assets - ending				\$	256,349

**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30, 2004**

Cash flows from operating activities		
Cash received from customers	\$	95,899
Cash payments to suppliers for goods and services		(44,863)
Cash payments to employees for services		(52,956)
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		(1,920)
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		-
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		905
Net cash provided(used) by investing activities		905
Net increase(decrease) in cash and cash equivalents		(1,015)
Cash and cash equivalents at beginning of year		262,368
Cash and cash equivalents at end of year	\$	261,353

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED June 30, 2004**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$	<u>(2,681)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization		
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		300
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals		(1,063)
Increase(decrease) in accrued payroll and related benefits		
Increase(decrease) in compensated absences payable		1,524
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
 Net cash provided(used) by operating activities	 \$	 <u><u>(1,920)</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	_____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	_____

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004 _____

INTRODUCTION

The Louisiana Auctioneers Licensing Board was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 36:4.1. The following is a brief description of the operations of Louisiana Auctioneers Licensing Board which includes the parish/parishes in which the Louisiana Auctioneers Licensing Board is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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 GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Auctioneers Licensing Board present information only as to the transactions of the programs of the Louisiana Auctioneers Licensing Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses 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 accounts of the Louisiana Auctioneers Licensing Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Auctioneers Licensing Board are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 Notes to the Financial Statement

As of and for the year ended June 30, 2004

disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial institution,

or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2004 consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 261,253	\$ _____	\$ _____	\$ 261,253
Bank balances (category 3 only, if any) Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	162,368	_____	_____	162,368
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held held by the pledging institution's trust department or agent, but not in the entities name	_____	_____	_____	-
Total Category 3 bank balances	\$ 162,368	\$ -	\$ -	\$ 162,368
Total bank balances (All categories including category 3 reported above)	\$ 262,368	\$ _____	\$ _____	\$ 262,368

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. Bank One	#1580783346	\$ 1,584
2. Bank One	#2006007589	137,046
3. Bank One	#2115098655	122,623
4. _____	_____	_____
Total		\$ 261,253

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the Balance Sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the Balance Sheet.

Cash in State Treasury \$ _____
 Petty cash \$ _____

2. INVESTMENTS

The _____ (BTA) does (does not) maintain investment accounts as authorized by _____ (Note legal provisions authorizing investments by (BTA)).

**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004** _____

legal risk _____

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____

- b. Securities underlying reverse repurchase agreements _____

- c. Unrealized investment losses _____

- d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____

 - 2. Description of the terms of the agreement _____

- e. Losses during the year due to default by counterparties to deposit or investment transactions _____

- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements _____

- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements at Year-End

- i. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____

- j. Commitments on _____ (fiscal close), to repurchase securities under yield maintenance agreements _____

- k. Market value on _____ (fiscal close), of the securities to be repurchased _____

- l. Description of the terms of the agreements to repurchase _____

- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____

**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004** _____

- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____
- t. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____
- u. Any income from investments associated with one fund that is assigned to another fund _____

Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

- v. **Briefly describe the deposit and/or investment policies related to the custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.** _____
- w. **List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments** _____
- x. **List the fair value and terms of any debt investments that re highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.)** _____
- y. **Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are unrated, disclose that amount).** _____
- z. **Disclose the interest rate risk of debt investments by listing the investment type and the method that is used to identify and manage the interest rate risk of those investments (by**

**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement**

As of and for the year ended June 30, 2004 _____

one of the following 5 methods: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model.)

aa. Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable. _____

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS N/A

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2004						
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003	Additions	Transfers*	Retirements	Balance 6/30/2004
Capital assets not being depreciated							
Land	--	--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other capital assets							
Furniture, fixtures, and equipment	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total furniture, fixtures, and equipment	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Buildings and improvements							
Less accumulated depreciation	--	--	--	--	--	--	--
Total buildings and improvements	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Depreciable land improvements							
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Infrastructure							
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other capital assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	--	--	--	--	--	--	--
Total cost of capital assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Less accumulated depreciation	--	--	--	--	--	--	--
Capital assets, net	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfer reported elsewhere in this report

**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004** _____

E. INVENTORIES N/A

The unit's inventories are valued at _____ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: Do not include postage. This must be shown as a prepayment.**

F. RESTRICTED ASSETS N/A

Restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current assets section on Statement A, consist of \$ _____ in cash with fiscal agent, \$ _____ in receivables, and \$ _____ investment in _____ (identify the type investments held.) State the purpose of the restriction: _____

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Auctioneers Licensing Board has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

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 is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE N/A

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at _____ (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$ _____. The leave payable (is) (is not) recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana Auctioneers Licensing Board are members of the Louisiana Employees' Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana Auctioneers Licensing 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

**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD**

Notes to the Financial Statement

As of and for the year ended June 30, 2004 _____

\$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life 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. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended 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 State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Louisiana Auctioneers Licensing Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2004, was 13% of annual covered payroll. The Louisiana Auctioneers Licensing Board contributions to the System for the years ending June 30, 2004, was \$2,919 equal to the required contributions for each year. This was the first year the Board has contributed to the System.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS N/A

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

**If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all (BTA) employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the (BTA). For 2004, the cost of providing those benefits for the _____ retirees totaled \$_____.

The _____ (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the (BTA). Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the (BTA). The (BTA) recognizes the cost of providing these benefits ((BTA)'s portion of premiums) as an expenditure when paid during the year, which was \$_____ for the year ended _____, 20____. The cost of providing those benefits for _____ retirees is not separable from the cost of providing benefits for the _____ active employees. (or, The (BTA)'s cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended _____, 20____ the costs of _____ retiree benefits totaled \$_____).

STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004___

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2004 amounted to \$10,500.
A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010-2014</u>	<u>FY2015-2019</u>
Office rental	\$ 10,775	\$ 11,075	\$ 11,375	\$ 950	\$ -	\$ -	\$ -
Total	\$ 10,775	\$ 11,075	\$ 11,375	\$ 950	\$ -	\$ -	\$ -

2. CAPITAL LEASES N/A

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

**STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004** _____

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending June 30:</u>	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

**STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004** _____

Provide a general description of the direct financing agreement, and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining Principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		-		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		-		
Less: Estimated Residual Value of Leased Property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____		

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2004 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year):

Year ending _____:	
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total	\$ _____

4. LESSOR – OPERATING LEASE N/A

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20__:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year):

<u>Year Ended</u> <u>June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2005	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2006					-
2007					-
2008					-
2009					-
2010-2014					-
2015-2019					-
2020-2024					-
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year _____ totaled \$ _____.

Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2004:

	<u>Balance</u> <u>June 30,</u> <u>2003</u>	<u>Year ended June 30, 2004</u>		<u>Balance</u> <u>June 30,</u> <u>2004</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
		<u>Additions</u>	<u>Reductions</u>		
Bonds and notes payable:					
Notes payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Reimbursement contracts payable					
Bonds payable					
Total notes and bonds	_____	_____	_____	_____	_____
Other liabilities:					
Contracts payable					
Compensated absences payable	2,880	4,639	3,115	4,404	4,404
Capital lease obligations					
Liabilities payable from restricted assets					
Claims and litigation					
Other long-term liabilities					
Total other liabilities	2,880	4,639	3,115	4,404	4,404
Total long-term liabilities	2,880	4,639	3,115	4,404	4,404

**STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004** _____

A detailed summary, by issues, of all debt outstanding at June 30, 20___, including outstanding interest of \$ _____ is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. LITIGATION N/A

1. The _____ (BTA) is a defendant in litigation seeking damages as follows:

<u>Date of Action</u>	<u>Description of Litigation and Probable outcome (remote, reasonably possible or probable)</u>	<u>Primary Attorney</u>	<u>Damages Claimed</u>	<u>Insurance Coverage</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals			\$ _____	\$ _____

The _____ (BTA)'s legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

2. Claims and litigation costs of \$ _____ were incurred in the current year and are reflected in the accompanying financial statement.

M. RELATED PARTY TRANSACTIONS N/A

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions). _____

N. ACCOUNTING CHANGES N/A

Accounting changes made during the year involved a change in accounting _____ (principle, estimate, error or entity). The effect of the change is being shown in _____.

**STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

O. IN-KIND CONTRIBUTIONS N/A

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____ -

P. DEFEASED ISSUES N/A

In _____, 20____, the _____(BTA), issued \$ _____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$ _____, plus an additional \$ _____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt of \$ _____).

Q. COOPERATIVE ENDEAVORS N/A

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004

The liability outstanding as of June 30, 2004, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance</u> <u>June 30, 2004</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2004. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2003. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2003-2004:

<u>CFDA</u> <u>Number</u>	<u>Program Name</u>	<u>State Match</u> <u>Percentage</u>	<u>Total Amount</u> <u>of Grant</u>
_____	_____	\$ _____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)		\$ _____	-

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A

At June 30, 20__, the _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____ to correct this deficiency. The _____ (BTA) did _____

T. SHORT-TERM DEBT N/A

The _____ (BTA) issues short-term notes for the following purposes: _____

**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of S-T debt (e.g., tax anticipation notes):	Beginning Balance	Issued	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

The _____ (BTA) uses a revolving line of credit for the following purposes: _____ . Short-term debt activity for the year ended June 30, 20__, was as follows:

Line of credit	Beginning Balance	Draws	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

U. DISAGGREGATION OF RECEIVABLE BALANCES N/A

Receivables at June 30, 20__, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -
_____	_____	_____	_____	_____	_____ -
Gross receivables	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Less allowance for uncollectible accounts	_____ -	_____ -	_____ -	_____ -	_____ -
Receivables, net	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -

V. DISAGGREGATION OF PAYABLE BALANCES N/A

Payables at June 30, 20__, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -
_____	_____	_____	_____	_____	_____ -
Total payables	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

**STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**_____

W. SUBSEQUENT EVENTS N/A

[Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.]

X. SEGMENT INFORMATION N/A

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment_____.

A. Condensed Balance Sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted; unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance Sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.

**STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	-	-
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	-	-
Beginning net assets	_____	_____
Ending net assets	-	-

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	-	-

STATE OF LOUISIANA
LOUISIANA AUCTIONEERS LICENSING BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2004_____

Y. DUE TO/DUE FROM AND TRANSFERS N/A

1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A

The following adjustments were made to restate beginning net assets for June 30, 20____.

STATE OF LOUISIANA
 LOUISIANA AUCTIONEERS LICENSING BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004__

Fund balance July 1, 2003, <u>previously reported</u>	Adjustments <u>+ or (-)</u>	Beginning net assets, July 1, 2003, <u>As restated</u>
\$ _____	\$ _____	--
_____	_____	--
_____	_____	--
_____	_____	--
_____	_____	--
_____	_____	--

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 20__, previously reported, must correspond to Net Assets at June 30, 20__, per the information received from OSRAP.)

STATE OF LOUISIANA
Louisiana Auctioneers Licensing Board

SCHEDULE OF STATE FUNDING
For the Year Ended _____
(Fiscal Close)

N/A

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ _____

STATE OF LOUISIANA

(BTA)

SCHEDULE OF NOTES PAYABLE

, 20__

(Fiscal close)

N/A

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended _____
 (Fiscal Close)

N/A

Fiscal Year
Ending:

Principal

Interest

2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
 Total	 \$ _____ --	 \$ _____ --

SCHEDULE 4-A

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 20__

N/A

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Balance
2005	\$ _____	\$ _____	\$ _____	\$ --
2006	_____	_____	_____	--
2007	_____	_____	_____	--
2008	_____	_____	_____	--
2009	_____	_____	_____	--
2010-2014	_____	_____	_____	--
2015-2019	_____	_____	_____	--
2020-2024	_____	_____	_____	--
2025-2029	_____	_____	_____	--
Total	\$ <u> --</u>	\$ <u> --</u>	<u> --</u>	<u> --</u>

SCHEDULE 4-B

STATE OF LOUISIANA
_____(BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 20__
N/A

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010-2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
Total	\$ _____ --	\$ _____ --

SCHEDULE 4-C

STATE OF LOUISIANA

(BTA)

SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 20__

N/A

Fiscal Year

Ending:

Principal

Interest

2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
Total	\$ <u> --</u>	\$ <u> --</u>

STATE OF LOUISIANA
Louisiana Auctioneers Licensing Board
 SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
 BUDGETARY COMPARISON OF CURRENT APPROPRIATION
 NON-GAAP BASIS
 JUNE 30, 2004

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/04	Revised Budget	Variance Positive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	-
Sales of Commodities and Services					
Other	95,899.00		95,899.00	97,000.00	(1,101.00)
Total Operating revenues	95,899.00	-	95,899.00	97,000.00	(1,101.00)
Operating Expenses:					
Personal services	46,387.00		46,387.00	44,945.00	(1,442.00)
Travel	10,829.00		10,829.00	10,880.00	51.00
Operating Services	30,556.00		30,556.00	29,425.00	(1,131.00)
Supplies					
Professional services	10,808.00		10,808.00	8,550.00	(2,258.00)
Capital outlay				3,500.00	3,500.00
Interagency transfers					
Other charges					
Total Operating Expenses	98,580.00	-	98,580.00	97,300.00	(1,280.00)
Nonoperating Expenses:					
Use of Money and Property	905.00		905.00		905.00
Gain (Loss) on Disposal of Fixed Assets					
Federal Grants					
Interest Expense					
Other					
Total Nonoperating Expenses	905.00	-	905.00		905.00
Capital Contributions					
Operating Transfers In					
Operating Transfers Out					
Change in Net Assets	(1,776.00)	-	(1,776.00)	(300.00)	(1,476.00)

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2004

Budgeted Income (Loss)	\$ _____
Reconciling items:	
Cash carryover	_____
Depreciation	_____
Payroll accrual	_____
Compensated absences adjustment	_____
Capital outlay	_____
Change in inventory	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____ -

Concluded

STATE OF LOUISIANA

Louisiana Auctioneers Licensing Board

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues \$	<u>96,084</u>	\$ <u>95,434</u>	\$ <u>(650)</u>	<u>1%</u>
Expenses	<u>98,580</u>	<u>71,743</u>	<u>27,487</u>	<u>28%</u>
Capital assets	<u></u>	<u></u>	<u>-</u>	<u></u>
Long-term debt	<u></u>	<u></u>	<u>-</u>	<u></u>
Net Assets	<u>256,349</u>	<u>258,125</u>	<u>1,776</u>	<u>1%</u>

Explanation for change: The increase was mainly a result of increased staff and travel expenses incurred for investigations.

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues \$	<u>100,000</u>	\$ <u>97,000</u>	\$ <u>(3,000)</u>	<u>3%</u>
Expenditures	<u>100,000</u>	<u>97,300</u>	<u>(2,700)</u>	<u>3%</u>

Explanation of change: _____

	<u>2004 Final Budget</u>	<u>2004 Actual</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	<u>97,000</u>	<u>96,084</u>	<u>(916)</u>	<u>1%</u>
Expenditures	<u>97,300</u>	<u>98,580</u>	<u>1,280</u>	<u>1%</u>

Explanation of change: _____