

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

G. BUDGETS (CONTINUED)

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

The Commission submitted the 95-96 budget in December 1994 and the beginning cash balance was budgeted. No changes or amendments were made to the submitted budget.

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

H. INVENTORIES

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

I. VACATION AND SICK LEAVE

The Louisiana Real Estate Commission accrues vacation and sick leave when earned. Employees earn and vest vacation and sick leave in varying amounts, according to their years of service. Upon retirement or resignation, unused vacation leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, vacation leave in excess of 300 hours, and unused sick leave is used in the retirement benefit computation as earned service.

At June 30, 1996, employees of the Commission has accumulated and vested \$59,860 of employee leave benefits, which was computed in accordance with GASB Codification Section C-60. Of this amount, \$41,068 is recorded as an obligation of the General Fund and \$18,792 is recorded within the general long-term obligation account group.

J. PENSION PLAN

Substantially all employees are members in the Louisiana State Employees Retirement System. In addition to the employee contributions withheld at 7.5% of gross salary, the Commission contributes an additional 11.9% of gross salary to the LASERS system. Contributions to the system are funded through employee and employer contributions of \$45,814 and \$73,299 respectively. The total current year payroll of the agency (all types of wages) was \$726,509 and its current year payroll covered by the retirement system was \$610,664.

LOUISIANA REAL ESTATE COMMISSION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - GENERAL FUND ACTIVITIES
 YEAR ENDED JUNE 30, 1996

	<u>OPERATING</u>	<u>SUPER NOW</u>	<u>INVESTMENT</u>	<u>TOTAL</u>
REVENUES				
Licenses, permits and fees	\$ 256,482	\$925,175	\$ -	\$1,181,657
Uses of money and property	8,052	20,581	38,805	67,438
Sale of commodities	21,871	-	-	21,871
Other receipts	<u>19,750</u>	<u>-</u>	<u>-</u>	<u>19,750</u>
TOTAL REVENUES	<u>306,155</u>	<u>945,756</u>	<u>38,805</u>	<u>1,290,716</u>
EXPENDITURES				
General government				
Salaries	524,934	-	-	524,934
Fringe benefits	84,393	-	-	84,393
Travel	53,867	-	-	53,867
Services	194,394	-	192	194,586
Supplies	14,727	-	-	14,727
Professional fees	60,605	-	-	60,605
Debt service	16,431	-	-	16,431
Capital outlay	<u>9,958</u>	<u>-</u>	<u>-</u>	<u>9,958</u>
TOTAL EXPENDITURES	<u>959,309</u>	<u>-</u>	<u>192</u>	<u>959,501</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(653,154)</u>	<u>945,756</u>	<u>38,613</u>	<u>331,215</u>
OTHER FINANCIAL SOURCES (USES)				
Transfers in	810,823	-	-	810,823
Transfers out	<u>(200,320)</u>	<u>(10,503)</u>	<u>(600,000)</u>	<u>(810,823)</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>610,503</u>	<u>(10,503)</u>	<u>(600,000)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(42,651)</u>	<u>935,253</u>	<u>(561,387)</u>	<u>331,215</u>
FUND BALANCE, July 1, 1995	<u>40,257</u>	<u>10,333</u>	<u>993,262</u>	<u>1,043,852</u>
FUND BALANCE, June 30, 1996	<u>\$ (2,394)</u>	<u>\$945,586</u>	<u>\$ 431,875</u>	<u>\$1,375,067</u>

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
COMBINING BALANCE SHEET - GENERAL FUND ACTIVITIES
JUNE 30, 1996

	<u>OPERATING</u>	<u>SUPER NOW</u>	<u>INVESTMENT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 93,476	\$945,586	\$ 431,875	\$1,470,937
Receivables				
Employees	875	-	-	875
Other	5,333	-	-	5,333
Due from other funds	<u>33,861</u>	<u>-</u>	<u>-</u>	<u>33,861</u>
TOTAL ASSETS	<u>\$133,545</u>	<u>\$945,586</u>	<u>\$431,875</u>	<u>\$1,511,006</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 69,651	\$ -	\$ -	\$ 69,651
Accrued wages	25,220	-	-	25,220
Compensated absences	<u>41,068</u>	<u>-</u>	<u>-</u>	<u>41,068</u>
TOTAL LIABILITIES	<u>135,939</u>	<u>-</u>	<u>-</u>	<u>135,939</u>
FUND EQUITY				
Fund balance unreserved-undesignated	<u>(2,394)</u>	<u>945,586</u>	<u>431,875</u>	<u>1,375,067</u>
TOTAL FUND EQUITY	<u>(2,394)</u>	<u>945,586</u>	<u>431,875</u>	<u>1,375,067</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$133,545</u>	<u>\$945,586</u>	<u>\$431,875</u>	<u>\$1,511,006</u>

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
GENERAL FUNDS
JUNE 30, 1996

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source from which they are derived.

The following activities comprise the Commission's General Funds:

Operating Fund accounts for the receipts and disbursement of funds received for licenses, permits and fees from the real estate industry.

Operating Super Now Fund accounts for the operating excess funds invested in high yield savings accounts and certificates of deposits.

Investment Fund accounts for the receipts and disbursements of excess funds not needed for the day-to-day operations invested in Certificates of Deposits and governmental money market funds.

SUPPLEMENTARY INFORMATION

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

S. RESIDUAL EQUITY TRANSFER

As of July 1, 1995 the Louisiana Real Estate Appraisers State Board of Certification was created from the Real Estate Appraiser Subcommittee of the Louisiana Real Estate Commission. The fund balance of the Subcommittee was transferred to this new entity.

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

O. DUE TO/FROM OTHER FUNDS

Individual fund type balances due to/from other funds at June 30, 1996 are as follows:

<u>FUND</u>	<u>DUE TO OTHER FUND</u>	<u>DUE FROM OTHER FUND</u>
Appraisal	\$ 8,052	\$ -
Research and education	14,209	-
Recovery	11,600	-
Operating	<u>-</u>	<u>33,861</u>
Total	<u>\$ 33,861</u>	<u>\$ 33,861</u>

P. TOTAL COLUMN ON COMBINED STATEMENTS

Total Column on the Combined Statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to consolidation.

Q. RELATED PARTY TRANSACTIONS

The Commission made the following related party disbursements for the year ended June 30, 1996:

State of Louisiana:

Department of Public Safety & Corrections	\$ 203
Department of Civil Service	2,048
Division of Administration	1,780
Office of Risk Management	21,812
Office of Telecommunications	20,916
Secretary of State	22,211

R. 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Commission's records are maintained on the modified accrual basis of accounting using the following practices:

Revenues

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

Expenditures

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

D. GENERAL FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Depreciation has not been provided on general fixed assets. All fixed assets are valued at historical cost.

A summary of changes in general fixed assets follows:

	<u>JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>JUNE 30, 1996</u>
Land	\$ 198,460	\$ -	\$ -	\$ 198,460
Buildings	968,132	-	-	968,132
Equipment	<u>357,682</u>	<u>12,384</u>	<u>18,079</u>	<u>351,987</u>
TOTAL	<u>\$1,524,274</u>	<u>\$ 12,384</u>	<u>\$ 18,079</u>	<u>\$1,518,579</u>

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

J. PENSION PLAN (CONTINUED)

Under present statutes, the agency does not guarantee any of the benefits granted by the retirement system.

K. LITIGATION AND CLAIMS

At June 30, 1996, the Commission was involved in litigation or was aware of claims totaling \$70,171, which were not covered by insurance. This probable liability has been recorded as a contingent liability in the Recovery fund. No claims or litigation costs were incurred in the current year.

L. LEASES

The Louisiana Real Estate Commission does not record items under capital leases as an asset and an obligation in the accompanying financial statements. The Commission has no significant operating leases as of June 30, 1996.

M. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Louisiana Real Estate Commission provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Commission's employees become eligible for those benefits if they reach normal retirement age while working for the commission. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and by the Commission. The Commission'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 June 30, 1996 the cost of retiree benefits totaled \$16,715 and there are seven participants currently eligible to receive benefits.

N. CASH AND INVESTMENTS

Cash

For reporting purposes, cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits with maturities of 90 days or less. Under state law, the Louisiana Real Estate Commission may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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

E. GENERAL LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligation account group, not in governmental funds.

The following is a summary of the long-term obligation transactions during the year.

	<u>COMPENSATED ABSENCES</u>	<u>LEAF LOANS PAYABLE</u>	<u>TOTAL</u>
Long-term obligations, July 1, 1995	\$18,985	\$16,431	\$35,416
Additions	-	-	-
Deductions	<u>(193)</u>	<u>(16,431)</u>	<u>(16,624)</u>
Long-term obligations, June 30, 1996	<u>\$18,792</u>	<u>\$ -</u>	<u>\$18,792</u>

F. ENCUMBRANCES

The Louisiana Real Estate Commission does not follow the encumbrance method of accounting.

G. BUDGETS

The Commission is subject to the provisions of the Louisiana Licensing Agency Budget Act (LSA-R.S. 39:1331-1342) which requires all licensing agencies to prepare a comprehensive budget presenting a complete financial plan for the ensuing year.

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

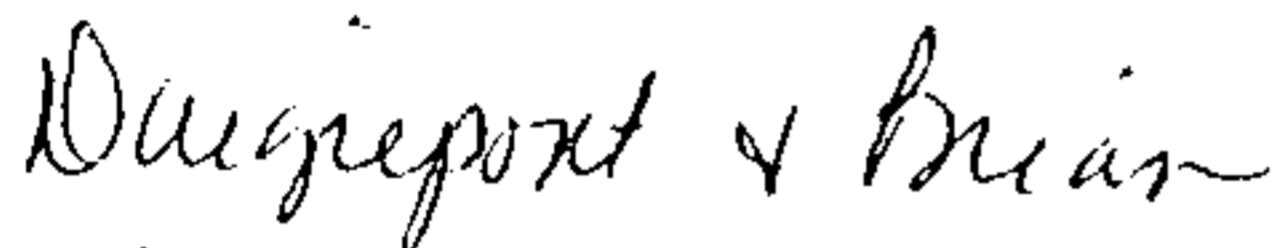
No later than the first day of January in each year, the Commission submits a copy of its proposed budget for the ensuing fiscal year to the Joint Legislative Committee on the Budget, to the chairman of a standing committee of the legislature having jurisdiction as listed in R.S. 49:968, to the legislative auditor, and to the legislative fiscal office.

Internal Control Structure
Page Two

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 Commission, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weakness 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 structure elements 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 weakness 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.



Daigrepont & Brian
A Professional Accounting Corporation

September 27, 1996

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
SPECIAL REVENUE FUNDS
JUNE 30, 1996

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

The following types of funds comprise the Commission's Special Revenue Funds:

Research and Education Fund's Checking and Super Now accounts for the receipts and disbursement of funds received to promote advancement and more efficient administration of the real estate industry.

Recovery Fund accounts for the receipts and disbursements of funds in connection with monetary damages involving the sale or lease of real property.

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

N. CASH AND INVESTMENTS (CONTINUED)

Cash

As reflected on the Balance Sheet, the Louisiana Real Estate Commission had cash and cash equivalents totaling \$2,181,797 at June 30, 1996. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at June 30, 1996, were secured as follows:

	<u>CASH</u>	<u>CASH EQUIVALENTS</u>	<u>TOTAL</u>
Carrying Amount on Balance Sheet	<u>\$1,749,922</u>	<u>\$ 431,875</u>	<u>\$2,181,797</u>
Bank Balances:			
1. Insured (FDIC) or Collateralized with securities held by the entity or its agent in the entity's name	400,000	431,875	831,875
2. Collateralized with securities held by pledging financial institution's agent in the commission's name	<u>\$1,287,435</u>	<u>\$ -</u>	<u>\$1,287,435</u>
Total Bank Balances	<u>\$1,687,435</u>	<u>\$ 431,875</u>	<u>\$2,119,310</u>

Investments

The Commissions had no investments.

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS
JUNE 30, 1996

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
ASSETS		
Cash	\$1,470,937	\$ 568,379
Investments	-	-
Receivables		
Employee	875	500
Other	5,333	-
Due from other fund	33,861	-
Fixed assets	-	-
Amount to be provided to retire general long term debt	-	-
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$1,511,006</u>	<u>\$ 568,879</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	\$ 69,651	\$ 18,992
Accrued wages	25,220	-
Due to other funds	-	25,809
Contingent liabilities	-	70,171
Compensated absences	41,068	-
Deposits	-	-
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>135,939</u>	<u>114,972</u>
FUND EQUITY		
Investment in general fixed assets	-	-
Fund balances		
Unreserved		
Designated	-	453,907
Undesignated	<u>1,375,067</u>	<u> </u>
TOTAL FUND EQUITY	<u>1,375,067</u>	<u>453,907</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,511,006</u>	<u>\$ 568,879</u>

The accompanying notes are an integral part of this statement.

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LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1996

(A COMPONENT UNIT OF THE STATE OF LOUISIANA)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 09 1996

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DAIGREPONT & BRIAN
A PROFESSIONAL ACCOUNTING CORPORATION

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ROBERT D. DAIGREPONT, C.P.A.

CLAUDIA S. BRIAN, C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louisiana Real Estate Commission
Baton Rouge, Louisiana

We have audited the accompanying general-purpose financial statements of the Louisiana Real Estate Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 1996. These general-purpose financial statements are the responsibility of the Louisiana Real Estate Commission management. Our responsibility is to express an opinion of these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Government Auditing Standards, issued by the U.S. General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Real Estate Commission as of June 30, 1996, and the results of its operations and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are

DAIGREPONT & BRIAN
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ROBERT D. DAIGREPONT, C.P.A.

CLAUDIA S. BRIAN, C.P.A.

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

To the Board of Commissioners
Louisiana Real Estate Commission
Baton Rouge, Louisiana

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

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

Compliance with laws, regulations, contracts, and grants applicable to Louisiana Real Estate Commission is the responsibility of the Commission'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 Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

We noted certain immaterial instances of non compliance that we have reported to the management of Louisiana Real Estate Commission in a separate letter dated September 27, 1996.

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
COMBINING BALANCE SHEET - SPECIAL REVENUE ACTIVITIES
JUNE 30, 1996

	<u>RESEARCH & EDUCATION</u> <u>CHECKING</u>	<u>SUPER NOW</u>	<u>RECOVERY</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 19,054	\$124,861	\$424,464	\$568,379
Receivables				
Employees	500	-	-	500
Interest	-	-	-	-
Due from other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 19,554</u>	<u>\$124,861</u>	<u>\$424,464</u>	<u>\$568,879</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	18,992	-	-	18,992
Contingent liabilities	-	-	70,171	70,171
Due to other funds	14,209	-	11,600	25,809
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>33,201</u>	<u> </u>	<u>81,771</u>	<u>114,972</u>
FUND EQUITY				
Fund balance unreserved - designated	<u>(13,647)</u>	<u>124,861</u>	<u>342,693</u>	<u>453,907</u>
TOTAL FUND EQUITY	<u>(13,647)</u>	<u>124,861</u>	<u>342,693</u>	<u>453,907</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 19,554</u>	<u>\$124,861</u>	<u>\$424,464</u>	<u>\$568,879</u>

FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG- TERM OBLIGATION	
\$142,481	\$ -	\$ -	\$2,181,797
-	-	-	-
-	-	-	1,375
-	-	-	5,333
-	-	-	33,861
-	1,518,579	-	1,518,579
-	-	18,792	18,792
<u>\$142,481</u>	<u>\$1,518,579</u>	<u>\$ 18,792</u>	<u>\$3,759,737</u>
\$ 1,605	\$ -	\$ -	\$ 90,248
-	-	-	25,220
8,052	-	-	33,861
-	-	-	70,171
-	-	18,792	59,860
<u>132,824</u>	-	-	<u>132,824</u>
<u>142,481</u>	-	<u>18,792</u>	<u>412,184</u>
-	1,518,579	-	1,518,579
-	-	-	453,907
-	-	-	<u>1,375,067</u>
-	<u>1,518,579</u>	-	<u>3,347,553</u>
<u>\$142,481</u>	<u>\$1,518,579</u>	<u>\$ 18,792</u>	<u>\$3,759,737</u>

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1996

	GOVERNMENTAL FUND TYPES		TOTALS
	GENERAL	SPECIAL REVENUE	(MEMORANDUM ONLY)
REVENUES			
Licenses, permits and fees	\$1,181,657	\$ 352,882	\$ 1,534,539
Uses of money and property	67,438	19,137	86,575
Sale of commodities	21,871	-	21,871
Other receipts	19,750	-	19,750
TOTAL REVENUES	<u>1,290,716</u>	<u>372,019</u>	<u>1,662,735</u>
EXPENDITURES			
General government			
Salaries	524,934	158,719	683,653
Fringe benefits	84,393	20,398	104,791
Travel	53,867	31,533	85,400
Operating services	194,586	126,125	320,711
Operating supplies	14,727	1,773	16,500
Professional services	60,605	94,973	155,578
College grants	-	8,000	8,000
Recovery claims	-	11,871	11,871
Debt service	16,431	-	16,431
Capital outlay	9,958	2,426	12,384
TOTAL EXPENDITURES	<u>959,501</u>	<u>455,818</u>	<u>1,415,319</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>331,215</u>	<u>(83,799)</u>	<u>247,416</u>
OTHER FINANCIAL SOURCES (USES)			
Transfers in	810,823	408,603	1,219,426
Transfers out	(810,823)	(408,603)	(1,219,426)
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>331,215</u>	<u>(83,799)</u>	<u>247,416</u>
FUND BALANCE, July 1, 1995	1,080,251	537,706	1,617,957
Residual equity transfer	(36,399)	-	(36,399)
FUND BALANCE, June 30, 1996	<u>\$ 1,375,067</u>	<u>\$ 453,907</u>	<u>\$ 1,828,974</u>

The accompanying notes are an integral part of this statement.

LOUISIANA REAL ESTATE COMMISSION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL
 FUND TYPES - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 1996

	<u>GENERAL FUNDS</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Licenses, permits and fees	\$ 263,125	\$1,181,657	\$ 918,532
Uses of money and property	19,500	67,438	47,938
Sale of commodities	11,044	21,871	10,827
Other receipts	<u>6,150</u>	<u>19,750</u>	<u>13,600</u>
TOTAL REVENUES	<u>299,819</u>	<u>1,290,716</u>	<u>990,897</u>
EXPENDITURES			
General government			
Salaries	675,875	524,934	150,941
Fringe benefits	106,535	84,393	22,142
Travel	71,100	53,867	17,233
Operating services	227,876	194,586	33,290
Operating supplies	18,451	14,727	3,724
Professional services	85,860	60,605	25,255
College grants	-	-	-
Recovery claim	-	-	-
Debt service	-	16,431	(16,431)
Capital outlay	<u>70,000</u>	<u>9,958</u>	<u>60,042</u>
TOTAL EXPENDITURES	<u>1,255,697</u>	<u>959,501</u>	<u>296,196</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(955,878)</u>	<u>331,215</u>	<u>1,287,093</u>
OTHER FINANCIAL SOURCES (USES)			
Transfers in	239,047	810,823	571,776
Transfers out	<u>-</u>	<u>(810,823)</u>	<u>(810,823)</u>
TOTAL OTHER FINANCIAL SOURCES	<u>239,047</u>	<u>-</u>	<u>(239,047)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(716,831)</u>	331,215	<u>1,048,046</u>
FUND BALANCE, July 1, 1995		1,080,251	
Residual equity transfer		<u>(36,399)</u>	
FUND BALANCE, June 30, 1996		<u>\$1,375,067</u>	

The accompanying notes are an integral part of this statement.

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE ACTIVITIES
YEAR ENDED JUNE 30, 1996

	<u>RESEARCH & EDUCATION</u>			<u>TOTAL</u>
	<u>CHECKING</u>	<u>SUPER NOW</u>	<u>RECOVERY</u>	
REVENUES				
Licenses, permits and fees	\$ 29,230	\$122,030	\$201,622	\$352,882
Uses of money and property	<u>-</u>	<u>2,970</u>	<u>16,167</u>	<u>19,137</u>
TOTAL REVENUES	<u>29,230</u>	<u>125,000</u>	<u>217,789</u>	<u>372,019</u>
EXPENDITURES				
General government				
Salaries	147,283	-	11,436	158,719
Fringe benefits	20,234	-	164	20,398
Travel	31,533	-	-	31,533
Operating services	126,013	-	112	126,125
Operating supplies	1,773	-	-	1,773
Professional services	94,973	-	-	94,973
College grants	8,000	-	-	8,000
Recovery claims	-	-	11,871	11,871
Capital Outlay	<u>2,426</u>	<u>-</u>	<u>-</u>	<u>2,426</u>
TOTAL EXPENDITURES	<u>432,235</u>	<u>-</u>	<u>23,583</u>	<u>455,818</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(403,005)</u>	<u>125,000</u>	<u>194,206</u>	<u>(83,799)</u>
OTHER FINANCIAL SOURCES (USES)				
Transfers in	408,603	-	-	408,603
Transfers out	<u>-</u>	<u>(8,603)</u>	<u>(400,000)</u>	<u>(408,603)</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>408,603</u>	<u>(8,603)</u>	<u>(400,000)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	5,598	116,397	(205,794)	(83,799)
FUND BALANCE, July 1, 1995	<u>(19,245)</u>	<u>8,464</u>	<u>548,487</u>	<u>537,706</u>
FUND BALANCE, June 30, 1996	<u><u>\$(13,647)</u></u>	<u><u>\$124,861</u></u>	<u><u>\$342,693</u></u>	<u><u>\$453,907</u></u>

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana Real Estate Commission is a component unit of the State of Louisiana created within the Louisiana Department of Economic Development, as provided by Louisiana Revised Statutes 36:109. The Commission is composed of nine members, appointed by the Governor, who serve staggered terms of two, four and six years. The Commission is charged with the responsibility of regulating the issuance of real estate licenses and timesharing registrations. Included in this responsibility are the duties to establish, adopt and enforce rules and regulations and educational standards as well as to administer and enforce the provisions of the Louisiana Real Estate Licensing Law, LSA-R.S. 37:1431 et. seq., and the Louisiana Timesharing Act, LSA-R.S. 9:1131.1 et. seq. Operations of the Commission are funded with license fees, manual sales and interest earnings.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting and Financial Reporting Standards (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In June of 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

The Louisiana Real Estate Commission prepares its financial statements in accordance with the standards established by the GASB. GASB Codification 2100 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 Commission, a component unit of the State of Louisiana.

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

DAIGREPONT & BRIAN
A PROFESSIONAL ACCOUNTING CORPORATION

6641 GOVERNMENT STREET, BATON ROUGE, LOUISIANA 70806, (504) 927-3760

ROBERT D. DAIGREPONT, C.P.A.

CLAUDIA S. BRIAN, C.P.A.

MANAGEMENT LETTER

Board of Directors
Louisiana Real Estate Commission
Baton Rouge, Louisiana

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

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

Condition

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

Cause

It was an oversight of management.

Effect

There is no effect on the financial statements.

Recommendation

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

Response

Management agreed to do as suggested.

If you have any questions, please call us.

Sincerely,

Daigrepont & Brian

Daigrepont & Brian, APAC

September 27, 1996

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

B. FUND ACCOUNTING

The accounts of the Louisiana Real Estate Commission are organized on the basis of funds and accounts groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Funds

General Fund

The General Fund is the principal fund and is used to account for the general operations of the commission. The various fees and charges due the commission are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The commission has two special revenue funds. The purpose of the Research and Education fund is to promote advancement and more efficient administration of the real estate industry and that of the Recovery fund is settlement of monetary damages involving the sale or lease of real property.

Fiduciary Funds

Agency Funds

Agency Funds account for assets that the Louisiana Real Estate Commission holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operation.

Account Groups

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

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ROBERT D. DAIGREPONT, C.P.A.

CLAUDIA S. BRIAN, C.P.A.

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

To the Board of Commissioners
Louisiana Real Estate Commission
Baton Rouge, Louisiana

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

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

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

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

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
FOR YEAR ENDED JUNE 30, 1996

COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem paid to Louisiana Real Estate Commission's commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

LOUISIANA REAL ESTATE COMMISSION MEMBERS

Joan Montgomery	\$ 1,350
James Simmons	1,950
Jack Fluck	1,750
Beverly Guidry	1,550
Arthur DeLoach	1,250
Dan Flavin	500
Roy Carter	1,400
Jeanne Carter	300
Joe Pappalardo	<u>1,600</u>
TOTAL	<u>\$11,650</u>

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
SCHEDULE OF ACTIVITY - AGENCY FUND
YEAR ENDED JUNE 30, 1996

	<u>ESCROW FUND</u>
BALANCE AT BEGINNING OF YEAR	\$126,363
ADDITIONS	
Escrow disputes	309,353
Interest earned	<u>8,052</u>
TOTAL ADDITIONS	<u>317,405</u>
DEDUCTIONS	
Escrow disputes settlements	293,576
Service charge	-
Interest transferred	<u>7,711</u>
TOTAL DEDUCTIONS	<u>301,287</u>
BALANCE AT END OF YEAR	<u>\$142,481</u>

LOUISIANA REAL ESTATE COMMISSION
DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA
FIDUCIARY FUNDS
JUNE 30, 1996

Agency Funds are used to account for assets held by a governmental unit as agent for individuals, private organizations, and other units of government.

The Commission's Escrow Fund accounts for the receipts and disbursements of funds in connection with monetary damages involving sale or lease of real property.

SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 228,520	\$352,882	\$ 124,362	\$ 491,645	\$1,534,539	\$ 1,042,894
-	19,137	19,137	19,500	86,575	67,075
-	-	-	11,044	21,871	10,827
-	-	-	6,150	19,750	13,600
<u>228,520</u>	<u>372,019</u>	<u>143,499</u>	<u>528,339</u>	<u>1,662,735</u>	<u>1,134,396</u>
173,681	158,719	14,962	849,556	683,653	165,903
20,556	20,398	158	127,091	104,791	22,300
7,900	31,533	(23,633)	79,000	85,400	(6,400)
25,320	126,125	(100,805)	253,196	320,711	(67,515)
2,050	1,773	277	20,501	16,500	4,001
9,540	94,973	(85,433)	95,400	155,578	(60,178)
-	8,000	(8,000)	-	8,000	(8,000)
-	11,871	(11,871)	-	11,871	(11,871)
-	-	-	-	16,431	(16,431)
-	2,426	(2,426)	70,000	12,384	57,616
<u>239,047</u>	<u>455,818</u>	<u>(216,771)</u>	<u>1,494,744</u>	<u>1,415,319</u>	<u>79,425</u>
<u>(10,527)</u>	<u>(83,799)</u>	<u>(73,272)</u>	<u>(966,405)</u>	<u>247,416</u>	<u>1,213,821</u>
-	408,603	408,653	239,047	1,219,426	980,379
-	<u>(408,603)</u>	<u>(408,653)</u>	-	<u>(1,219,426)</u>	<u>1,219,426</u>
-	-	-	239,047	-	(239,047)
<u>(10,527)</u>	(83,799)	<u>(73,272)</u>	<u>(727,358)</u>	247,416	<u>974,774</u>
	537,706			1,617,957	
	-			<u>(36,399)</u>	
	<u>\$453,907</u>			<u>\$1,828,974</u>	

Independent Auditor's Report
Page Two

presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Louisiana Real Estate Commission. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

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

Daigrepont & Brian

Daigrepont & Brian
A Professional Accounting Corporation

September 27, 1996