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LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

Audited Financial Statements
As of and For the Year Ended June 30, 2004

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 9-8-04

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

Audited Financial Statements
As of and For the Year Ended June 30, 2004

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State of Louisiana
LOUISIANA REAL ESTATE APPRAISERS BOARD

KATHLEEN BABINEAUX BLANCO
GOVERNOR

MEMORANDUM

TO: Legislative Auditor
PO Box 94397
Baton Rouge, LA 70804-9397

FROM: Albert Rowe, Account Adm. 1 

DATE: 8/24/2004

RE: Required Financial Report Submission

Please find attached the CAFR required reports for the LA Real Estate Appraisers Board for the fiscal year ending 6/30/04.

If you have any questions, please call me at (225) 765-0191 ext.-245.

Roy Chenevert

CERTIFIED PUBLIC ACCOUNTANT

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SOCIETY OF LOUISIANA CPAs

INDEPENDENT AUDITOR'S REPORT

Louisiana Real Estate Appraisers Board
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana Real Estate Appraisers 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 basic financial statements are the responsibility of the management of the Louisiana Real Estate Appraisers Board. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Real Estate Appraisers Board as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2004, on our consideration of the Louisiana Real Estate Appraisers Board's internal control over financial reporting and on our tests of its compliance with certain provisions 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 our audit.

Our audit was made for the purpose of forming an opinion on the Louisiana Real Estate Appraisers Board's basic financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana Real Estate Appraisers Board. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 6, 2004

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Management's Discussion and Analysis

The management's discussion and analysis of the Louisiana Real Estate Appraisers Board's financial performance presents a narrative overview and analysis of the board's financial activities for the year ended 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 transmittal letter and the board's financial statements.

FINANCIAL HIGHLIGHTS

The Board's assets exceeded its liabilities at the close of fiscal year 2004 by \$85,494. Net assets increased by \$30,244 (or 55%).

The Board's revenue increased by \$100,537 (or 61%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The Louisiana Real Estate Appraisers Board's financial statements are comprised of the basic financial statements and the notes to the financial statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information required by legislative resolution. The basic financial statements are designed to provide readers with a broad overview of the board's finances in a manner similar to a private sector business.

Basic Financial Statements

Under the new reporting model, the basic financial statements of the Louisiana Real Estate Appraisers Board will be less complex and present financial information for the board as a whole, in a format designed to make the statements easier for the reader to understand. The statements of this section include the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets (page 8) presents the current and long-term portion of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the board is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 9) presents information showing how the board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 10) presents information showing how the 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 to net cash provided by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE BOARD

Statement of Net Assets as of June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Current and other assets	\$115,003	\$74,365
Total assets	<u>115,003</u>	<u>74,365</u>
Other liabilities	29,509	19,115
Total liabilities	<u>29,509</u>	<u>19,115</u>
Total net assets	<u>\$85,494</u>	<u>\$55,250</u>

The unrestricted net assets are those that do not have any limitations for what these amounts may be used.

Net assets of the Board increased by \$30,244, or 55%, from June 30, 2003 to June 30, 2004. A major cause of this increase is the collection of a new category of revenue for trainee appraisers.

Statement of Revenues, Expenses, and Changes in Net Assets for the year ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues	\$222,190	\$134,805
Operating expenses	234,452	177,159
Operating (loss)	<u>(12,262)</u>	<u>(42,354)</u>
Non-operating revenues(expenses)	42,506	29,354
Increase (decrease) in net assets	<u>\$30,244</u>	<u>\$(13,000)</u>

The Board's total revenues increased by \$100,537 or 61%. The total cost of all programs and services increased by \$57,293 or 32%.

BUDGET

The annual budget was approved by the board at the December 16, 2002 meeting.

CONTACTING THE LOUISIANA REAL ESTATE APPRAISERS BOARD'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the Louisiana Real Estate Appraisers Board's finances and to show the board's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Executive Director, Louisiana Real Estate Appraisers Board, Post Office Box 14785, Baton Rouge, Louisiana 70898-4785.

**Louisiana Real Estate Appraisers Board
Office of the Governor
State of Louisiana
Statement of Net Assets
June 30, 2004**

Assets	
Current assets	
Cash (note 2)	<u>\$115,003</u>
 Total assets	 <u>115,003</u>
 Liabilities	
Current liabilities	
Accounts payable (note 6)	7,684
Due to Louisiana Real Estate Commission	12,062
Current portion of long-term liability:	
Accrued compensated absences (note 7)	<u>7,742</u>
Total current liabilities	<u>27,488</u>
Noncurrent liabilities	
Accrued compensated absences (note 7)	<u>2,021</u>
Total liabilities	<u>29,509</u>
 Net assets	
Unrestricted net assets	<u>85,494</u>
 Total net assets	 <u><u>\$85,494</u></u>

See accompanying notes to the financial statements.

**Louisiana Real Estate Appraisers Board
Office of the Governor
State of Louisiana
Statement of Revenues, Expenses,
and Changes in Net Assets
Year Ended June 30, 2004**

Operating revenues	
Licenses, permits, and fees	<u>\$222,190</u>
Operating expenses	
Personal services	99,948
Travel	8,141
Operating services	45,547
Supplies	12,545
Professional services	40,115
Other charges	28,156
Total operating expenses	<u>234,452</u>
Operating (loss)	<u>(12,262)</u>
Non-operating revenues	
Use of money and property	984
Other revenues	41,522
Total non-operating revenues	<u>42,506</u>
Change in net assets	30,244
Net assets, beginning of year	<u>55,250</u>
Net assets, end of year	<u><u>\$85,494</u></u>

See accompanying notes to the financial statements.

**Louisiana Real Estate Appraisers Board
Office of the Governor
State of Louisiana
Statement of Cash Flows
Year Ended June 30, 2004**

Cash flows from operating activities	
Cash received from customers	\$222,190
Cash paid to suppliers for goods and services	(125,484)
Cash paid to employees for services	<u>(98,574)</u>
Net cash (used) by operating activities	<u>(1,868)</u>
 Cash flows from non-capital financing activities	
Other non-operating revenue	<u>41,522</u>
Net cash provided by non-capital financing activities	<u>41,522</u>
 Cash flows from investing activities	
Interest earned	<u>984</u>
Net cash provided by investing activities	<u>984</u>
 Net increase in cash	40,638
 Cash, beginning of year	<u>74,365</u>
 Cash, end of year	<u>\$115,003</u>
 Reconciliation of operating (loss) to net cash (used) by operating activities:	
Operating (loss)	\$(12,262)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase in accounts payable	4,143
Increase in accrued payroll	379
Increase in compensated absences payable	1,374
Increase in due to other funds	<u>4,498</u>
Net cash (used) by operating activities	<u>\$(1,868)</u>

See accompanying notes to the financial statements.

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Notes to the Financial Statements
June 30, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Louisiana Real Estate Appraisers Board is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statute 36:109, within the Office of the Governor, and is domiciled in East Baton Rouge Parish. The Board consists of nine members appointed by the governor. The members may receive a per diem not to exceed \$50 per meeting or day spent on business of the Board, plus travel expenses. Employees of the Louisiana Real Estate Commission perform the administrative and accounting functions of the Board.

The Board is charged with the responsibility of regulating the issuance of real estate appraiser's certifications. Operations of the Board are funded through self-generated revenues.

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and financial reporting standards.

Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the Board members and public service is rendered within the state's boundaries. The accompanying financial statements present only transactions of the Louisiana Real Estate Appraisers Board. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

Fund Accounting

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Notes to the Financial Statements
June 30, 2004

Basis of Accounting

The accounting and financial reporting treatment applied to the Board is determined by its measurement focus. The transactions of the Board are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets.

Budget Practices

Annually, the Board adopts a budget as prescribed by Revised Statute 39:1331-1342. The budget for the fiscal year ended June 30, 2004, was adopted on December 16, 2002, and is generally prepared on the modified accrual basis of accounting. Although budget amounts lapse at year end, the Board retains its unexpended net assets to fund expenditures of the succeeding year.

Cash

Cash includes demand deposits. Under state law, the Board may deposit funds in a fiscal agent bank organized under the laws of the State of Louisiana, national banks having their principal offices in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of Federally or state chartered credit unions.

Compensated Absences

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. Compensated absences at June 30, 2004 are computed in accordance with GASB Codification Section C60, and are recognized as an expense and liability in the financial statements when incurred.

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. 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 employee's hourly rate of pay at termination or transfer. Compensatory leave is computed in accordance with GASB Codification Section C60.105, and is recognized as an expense and liability in the financial statements when incurred.

Net Assets

Net assets comprise the various net earnings from operation, non-operating revenues, expenses, and contributions of capital. Net assets are classified as unrestricted net assets due to the fact that no constraints have been placed on them.

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Notes to the Financial Statements
June 30, 2004

NOTE 2 – CASH

At June 30, 2004, the Board has cash (book balances) totaling \$52,960 in non-interest bearing demand accounts, and \$62,043 in interest bearing demand accounts. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or similar Federal security or the pledge of securities owned by the fiscal agent banks. The fair value of the pledged securities plus the Federal security must at all times equal the amount on deposit with the fiscal agents. At June 30, 2004, the Board has \$69,226 in deposits (collected bank balances) that were 100 percent insured or collateralized with securities held by the Board or its agency in the Board's name.

NOTE 3 – RETIREMENT SYSTEM

The employee of the Board belongs to the Louisiana State Employees Retirement System, a single employer defined benefit pension plan. The System is a statewide *public employee retirement system and is available to all eligible employees*. The System publishes annual financial reports that include detailed historical, financial, and actuarial information.

All full time Board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% 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 services, 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. The 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 Board is required to contribute at an actuarially determined rate as required by Revised Statute 11:102. The Board's contribution rate for fiscal years ended June 30, 2004, 2003, and 2002 were 15.8%, 14.1%, and 13%, respectively, of annual covered payroll. The Board's contributions to the System for the years ending June 30, 2004, 2003, and 2002 were \$5,495, \$4,749, and \$4,113, respectively, which are the required contributions for each year.

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Notes to the Financial Statements
June 30, 2004

NOTE 4 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has no retired employees for whom it is paying postretirement benefits.

NOTE 5 – LEASE AND RENTAL COMMITMENTS

The Board has continuing obligations for operating leases at June 30, 2004 as follows:

<u>Fiscal Year Ending</u>	<u>Office Space</u>
June 30, 2005	\$14,850
June 30, 2006	\$14,850
June 30, 2007	\$3,915

Lease and rental expenses for the year ended June 30, 2004 totaled \$10,800. The Board has no capital leases.

NOTE 6 – PAYABLES

At June 30, 2004, the Board had payables totaling \$7,684 as follows:

Accounts payable	\$5,260
Accrued wages payable	<u>2,424</u>
Total payables	<u>\$7,684</u>

NOTE 7 – COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended June 30, 2004:

	July 1, 2003	Additions	June 30, 2004
Compensated Absences	\$8,389	\$1,374	\$9,763

The additions to compensated absences during the 2003-04 fiscal year represent the net change during the year because the additions and deductions could not readily be determined.

NOTE 8 – LITIGATION

The Board is not a defendant in any litigation seeking damages at June 30, 2004.

NOTE 9 – RELATED PARTY TRANSACTIONS

The Board has no related party transactions at June 30, 2004.

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Notes to the Financial Statements
June 30, 2004

NOTE 10 – OTHER REVENUES

Other revenues consist of fees collected from licensees and disbursed to the Federal government to register the licensee to appraise property financed by the Federal government, and miscellaneous income from fines and sale of manuals.

**Other Report Required By
Government Auditing Standards**

The following pages contain a report on compliance with laws and regulations and on internal control as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.

Roy Chenevert

CERTIFIED PUBLIC ACCOUNTANT

12605 S. HARRELLS FERRY ROAD, SUITE 5
BATON ROUGE, LA 70816-2563

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MEMBER OF:

AMERICAN INSTITUTE OF CPAs
AICPA PRIVATE COMPANIES PRACTICE SECTION
SOCIETY OF LOUISIANA CPAs

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS

Louisiana Real Estate Appraisers Board
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

We have audited the basic financial statements of the Louisiana Real Estate Appraisers Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated August 6, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 the Louisiana Real Estate Appraisers Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Louisiana Real Estate Appraisers Board's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to management of the Louisiana Real Estate Appraisers Board in a separate letter dated August 6, 2004.

This report is intended solely for the information and use of the Board and its management and is not intended to be, and should not be, used by anyone other than these parties.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 6, 2004

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Schedule of Findings
For the Year Ended June 30, 2004

Type of auditor's report issued: Unqualified.

Internal control over financial reporting: No findings were identified.

Compliance: No instances of noncompliance were identified.

LOUISIANA REAL ESTATE APPRAISERS BOARD
Office of the Governor
State of Louisiana
Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2003

There were no prior audit findings.

SUPPLEMENTAL INFORMATION SCHEDULES

PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. *Per diem payments are authorized by Louisiana Revised Statute 37:3394.* Board members are paid \$50 per day for Board meetings and official business.

DIVISION OF ADMINISTRATION – OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY – REPORTING PACKAGE

The reporting package of the Division of Administration – Office of Statewide Reporting and Accounting Policy (OSRAP) was completed in order to provide information to OSRAP to be used in the preparation of the State of Louisiana's Comprehensive Annual Financial Report (CAFR).

Louisiana Real Estate Appraisers Board
Office of the Governor
State of Louisiana
Schedule of Per Diem Paid Board Members
For the Year Ended June 30, 2004

	<u>Number</u>	<u>Amount</u>
Gayle H. Boudousquie	-	\$ -
Larry Brawner	-	-
Edward Collins	-	-
Heidi C. Lee	-	-
LeAnn Maxwell	-	-
Kirk M. Michel, Vice Chairman	2	100
Leonard E. "Pete" Pauley, Jr., Secretary	6	300
Dale T. Plauche	7	350
R. Wayne Pugh, Chairman	-	-
		<hr/>
Total		<u>\$750</u>

Louisiana Real Estate Appraisers Board
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

Balance Sheet	A
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Notes to the Financial Statements

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State of Louisiana
LOUISIANA REAL ESTATE APPRAISERS BOARD

KATHLEEN BABINEAUX BLANCO
GOVERNOR

MEMORANDUM

TO: Office of Statewide Reporting and Accounting Policy
PO Box 94095
Baton Rouge, LA 70804-9095

FROM: Albert Rowe, Account Adm. 1 

DATE: 8/24/2004

RE: Required Financial Report Submission

Please find attached the CAFR required reports for the LA Real Estate Appraisers Board for the fiscal year ending 6/30/04.

If you have any questions, please call me at (225) 765-0191 ext.-245.

STATE OF LOUISIANA:
Annual Financial Statements
Fiscal Year Ending June 30, 2004

Louisiana Real Estate Appraisers Board

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Albert B. Rowe, Chief Financial Officer of the Louisiana Real Estate Appraisers Board who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Real Estate Appraisers Board at June 30, 2004 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this twenty fourth day of August, 2004.

Albert B. Rowe
Signature of Agency Official

Rachel Sattley
NOTARY PUBLIC

Prepared by: Albert B. Rowe

Title: Accountant 3

Telephone No.: (225) 765-0191

Date: August 24, 2004

**STATE OF LOUISIANA
LOUISIANA REAL ESTATE APPRAISERS BOARD (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

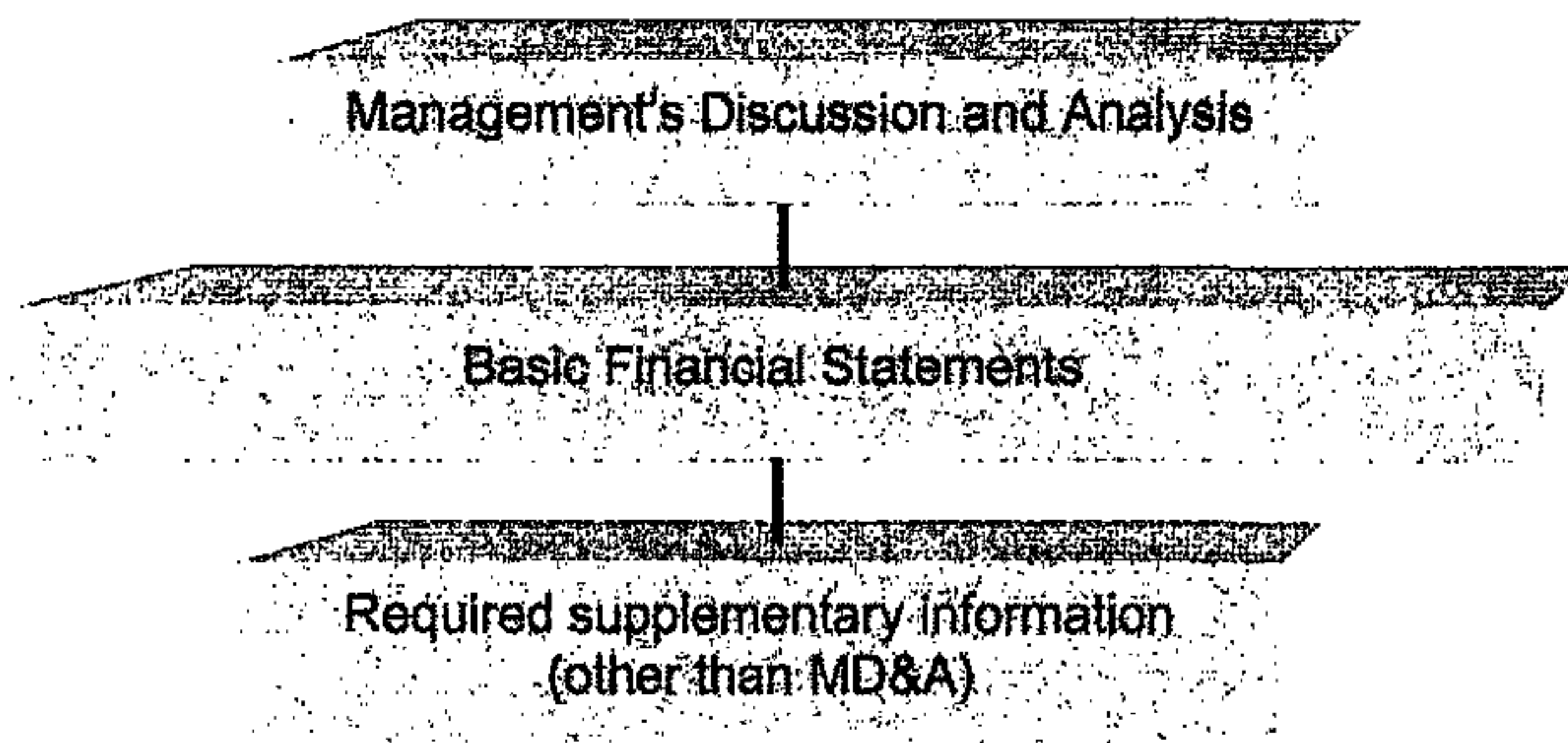
The Management's Discussion and Analysis of the Louisiana Real Estate Appraisers Board's (BTA) financial performance presents a narrative overview and analysis of the Board's (BTA) financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the Board's (BTA) financial statements.

FINANCIAL HIGHLIGHTS

- ★ The Board's (BTA) assets exceeded its liabilities at the close of fiscal year 2004 by \$85,494 which represents a 55% increase from last fiscal year. The net assets increased by \$30,244 (or 55%).
- ★ The Board's (BTA) revenue increased \$100,537 (or 61%) and the net results from activities increased by \$43,244 (or 333%).
- ★
- ★

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



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.

**STATE OF LOUISIANA
LOUISIANA REAL ESTATE APPRAISERS BOARD (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

Basic Financial Statements

The basic financial statements present information for the Board (BTA) 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 Balance Sheet presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Board (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how Board's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions 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 Board's (BTA) 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 net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

**Statement of Net Assets
as of June 30, 2004
(in thousands)**

	Total	
	2004	2003
Current and other assets	\$ 115	\$ 74
Capital assets		
Total assets	<u>115</u>	<u>74</u>
Other liabilities	30	19
Long-term debt outstanding		
Total liabilities	<u>30</u>	<u>19</u>
Net assets:		
Invested in capital assets, net of debt		
Restricted		
Unrestricted	85	55
Total net assets	<u>\$ 85</u>	<u>\$ 55</u>

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 limitations on how these amounts may be spent.

Net assets of the Board's (BTA) increased by \$30,244, or 55%, from June 30, 2003 to June 30, 2004. One of the major causes of this increase is the collection of a new category of revenue for trainee appraisers.

STATE OF LOUISIANA
 LOUISIANA REAL ESTATE APPRAISERS BOARD (BTA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2004

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 for the years ended June 30, 2004
 (in thousands)

	Total	
	2004	2003
Operating revenues	\$ 222	\$ 135
Operating expenses	-234	-177
Operating income(loss)	-12	-42
Non-operating revenues(expenses)	42	29
Income(loss) before transfers	30	-13
Transfers in	0	0
Transfers out	0	0
Net increase(decrease) in net assets	\$ 30	\$ -13

The Board's (BTA) total revenues increased by \$100,537 or (61%). The total cost of all programs and services increased by \$57,293 or 32%.

STATEMENT OF CASH FLOWS

Another way to assess the financial health of BTA is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- The ability to generate future cash flows
- The ability to meet obligations as they come due
- A need for external financing
-

Statement of Cash Flows
 (in thousands)

	2004	2003
Cash and cash equivalents provided used by:		
Operating activities	\$(2)	\$(45)
Capital Financial Activities	0	0
Non-capital financing activities	42	28
Investing activities	1	1
Net increase in cash and cash equivalents	41	(16)
Cash and cash equivalents		
Beginning of year	74	90
End of year	\$115	\$74

**STATE OF LOUISIANA
LOUISIANA REAL ESTATE APPRAISERS BOARD (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$6,000 over budget and expenditures were less than budget due in part to a drop in travel expenses and professional services expenses.

CONTACTING THE BOARD'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's (BTA) finances and to show the Board's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director, Post Office Box 14785, Baton Rouge, LA 70896-4785.

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
BALANCE SHEET
AS OF June 30, 2004

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$	115,003
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		115,003

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	\$	115,003

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	7,684
Due to other funds (Note Y)		12,062
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)		7,742
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		27,488

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		2,021
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		2,021
Total liabilities		29,509

NET ASSETS

Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		85,494
Total net assets		85,494
Total liabilities and net assets	\$	115,003

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

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED June 30, 2004

		Program Revenues			Net (Expense)	
		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Entity	\$	234,452	\$	222,190	\$	\$ (12,262)
General revenues:						
		Taxes				
		State appropriations				
		Grants and contributions not restricted to specific programs				
		Interest				984
		Miscellaneous				41,522
Special items						
		Transfers				
		Total general revenues, special items, and transfers				42,506
		Change in net assets				30,244
		Net assets - beginning				55,250
		Net assets - ending				\$ 85,494

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30, 2004

Cash flows from operating activities			
Cash received from customers	\$	222,190	
Cash payments to suppliers for goods and services		(125,484)	
Cash payments to employees for services		(98,574)	
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			(1,868)
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		41,522	
Transfers In			
Transfers Out			
Net cash provided(used) by non-capital financing activities			41,522
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		984	
Net cash provided(used) by investing activities			984
Net increase(decrease) in cash and cash equivalents			40,638
Cash and cash equivalents at beginning of year			74,365
Cash and cash equivalents at end of year			\$ 115,003

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
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)		\$	(12,262)
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			
(Increase)decrease in inventories			
(Increase)decrease in other assets			
Increase(decrease) in accounts payable and accruals	4,143		
Increase(decrease) in accrued payroll and related benefits	379		
Increase(decrease) in compensated absences payable	1,374		
Increase(decrease) in due to other funds	4,498		
Increase(decrease) in deferred revenues			
Increase(decrease) in other liabilities			
Net cash provided(used) by operating activities		\$	(1,868)

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.

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

INTRODUCTION

The Louisiana Real Estate Appraisers Board (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 36:109. The following is a brief description of the operations of the Board (BTA) which includes the parish/parishes in which the (BTA) 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 the Board present information only as to the transactions of the programs of the 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 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 Board (BTA) 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 Real Estate Appraisers Board (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

	APPROPRIATIONS
Original approved budget	\$ 406,576
Amendments:	
To decrease personal services	(111,104)
Final approved budget	\$ 295,472

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

Following the issuance of GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held.

Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name. **(separate disclosure no longer required)**

Category 2 – Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name. **(separate disclosure no longer required)**

Category 3 – Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution's trust department or agent and they are not in the entity's name. **(separate disclosure still required)**

GASB Statement 40 only requires any category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should 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.

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

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	\$ 115,003	\$	\$	\$ 115,003
Bank balances (category 3 only, if any) Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	\$	\$	\$	\$ -
b. Uninsured and collateralized with securities held by the pledging institution				-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name				-
Total category 3 bank balances	\$ -	\$ -	\$ -	\$ -
Total bank balances (All categories including category 3 reported above)	\$ 69,226	\$	\$	\$ 69,226

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.	Hibernia National Bank		\$ 69,226
2.			
3.			
4.			
Total			\$ 69,226

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	\$	<u>None</u>
Petty cash	\$	<u>None</u>

2. INVESTMENTS – Not applicable.

3. Other Disclosures Required for Investments – Not applicable.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASES ASSETS – Not applicable.

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

E. INVENTORIES – Not applicable.

F. RESTRICTED ASSETS – Not applicable.

G. LEAVE

1. COMPENSATED ABSENCES

The Board (BTA) 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

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 June 30, 2004 (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the La. State 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 (BTA) employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% 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.

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Members are required by state statute to contribute 7.5% of gross salary, and the (BTA) 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 increased to 15.8% of annual covered payroll from the 14.1% and 13% required in fiscal years ended June 30, 2003 and 2002, respectively. The (BTA) contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$5,495, \$4,749, and \$4,113, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS – Not applicable.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year June 30, 2004 amounted to \$10,800. A schedule of payments for operating leases follows:

Nature of lease	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010-2014	FY2015-2019
Office space	\$ 14,850	\$ 14,850	\$ 3,915	\$ -	\$ -	\$ -	\$ -
Total	\$ 14,850	\$ 14,850	\$ 3,915	\$ -	\$ -	\$ -	\$ -

- 2. CAPITAL LEASES – Not applicable.
- 3. LESSOR DIRECT FINANCING LEASES – Not applicable.
- 4. LESSOR – OPERATING LEASE – Not applicable.

K. LONG-TERM LIABILITIES

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

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

	Balance June 30, 2003	Year ended June 30, 2004		Balance June 30, 2004	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$ --	\$ --	\$ --	\$ --	\$ --
Reimbursement contracts payable					
Bonds payable					
Total notes and bonds	--	--	--	--	--
Other liabilities:					
Contracts payable					
Compensated absences payable	8,389	1,374		9,763	7,742
Capital lease obligations					
Liabilities payable from restricted assets					
Claims and litigation					
Other long-term liabilities					
Total other liabilities	8,389	1,374	--	9,763	7,742
Total long-term liabilities	8,389	1,374	--	9,763	7,742

- L. LITIGATION – Not applicable.
- M. RELATED PARTY TRANSACTIONS – Not applicable.
- N. ACCOUNTING CHANGES – Not applicable.
- O. IN-KIND CONTRIBUTIONS– Not applicable.
- P. DEFEASED ISSUES – Not applicable.
- Q. COOPERATIVE ENDEAVORS – Not applicable.
- R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – Not applicable.
- S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS– Not applicable.
- T. SHORT-TERM DEBT – Not applicable.
- U. DISAGGREGATION OF RECEIVABLE BALANCES – Not applicable.
- V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004 were as follows:

STATE OF LOUISIANA
Louisiana Real Estate Appraisers Board (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$	\$ 2,424	\$	\$ 5,260	\$ 7,684
					-
Total payables	\$ -	\$ 2,424	\$ -	\$ 5,260	\$ 7,684

W. SUBSEQUENT EVENTS – Not applicable.

X. SEGMENT INFORMATION – Not applicable.

Y. DUE TO/DUE FROM AND TRANSFERS

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		\$None

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>
_____	<u>La. Real Estate Commission</u>	<u>\$12,062</u>
_____	_____	_____
Total due to other funds		\$12,062

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		\$None

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		\$None

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – Not applicable.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS – Not applicable.

SCHEDULE 1

STATE OF LOUISIANA

(BTA)

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

NOT APPLICABLE

<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 REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended _____
 (Fiscal Close)

NOT APPLICABLE

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
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	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended June 30, 20__

NOT APPLICABLE

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>

STATE OF LOUISIANA
_____(BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION

NOT APPLICABLE

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

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended June 30, 20__

NOT APPLICABLE

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
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	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
 LOUISIANA REAL ESTATE APPRAISERS BOARD (BTA)
 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	\$ 264,696	\$ 164,159	\$ 100,537	\$ 61.2%
Expenses	234,452	177,159	57,293	32.3%
2) Capital assets			-	
Long-term debt			-	
Net Assets	85,494	55,250	30,244	54.7%

Explanation for change: Collected revenues and paid expenses related to new category of trainee appraisers.

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 408,510	\$ 258,510	\$ 150,000	\$ 36.7%
Expenditures	406,576	295,472	111,104	27.3%

Explanation of change: Original budget overestimated collections from new category of trainee appraisers.

	<u>2004 Final Budget</u>	<u>2004 Actual Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	258,510	264,696	(6,186)	(2.4%)
Expenditures	295,472	234,452	61,020	20.7%

Explanation of change: Travel and professional services expenditures dropped in 2004.

Roy Chenevert

CERTIFIED PUBLIC ACCOUNTANT

12605 S. HARRELLS FERRY ROAD, SUITE 5
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MEMBER OF:

AMERICAN INSTITUTE OF CPAs
AICPA PRIVATE COMPANIES PRACTICE SECTION
SOCIETY OF LOUISIANA CPAs

To the Board of Directors of
Louisiana Real Estate Appraisers Board

In planning and performing our audit of the financial statements of Louisiana Real Estate Appraisers Board for the year ended June 30, 2004, we considered the Board's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, we became aware of the following matter that is an opportunity for strengthening internal controls and operating efficiency. This comment does not affect our report dated August 6, 2004, on the financial statements of the Board.

Ethics Policy

We noted that the Board has not adopted a formal ethics policy. We recommend that a formal ethics policy be adopted, and that all Board members and employees review and certify annually their compliance with such policy. If Board members and employees are aware of the policy and review it annually, then the risk of unknowingly violating the policy would be reduced.

This report is intended solely for the information and use of the Board of Directors and management of Louisiana Real Estate Appraisers Board.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 6, 2004

**Management's Corrective Action Plan and
Response to the Finding and Recommendation**



State of Louisiana
LOUISIANA REAL ESTATE APPRAISERS BOARD

KATHLEEN BABINEAUX BLANCO
GOVERNOR

August 24, 2004

Mr. Roy Chenevert
Certified Public Accountant
12605 S. Harrells Ferry Road, Suite 6
Baton Rouge, LA 70816-2563

Dear Mr. Chenevert:

In response to your recommendation, the Louisiana Real Estate Appraisers Board will develop and implement a formal ethics policy, and require all Board members and employees to annually review and certify their compliance with such policy.

Sincerely,

Julius C. Willie
Executive Director

JCW/ahb