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LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA

**BASIC FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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

**MCRIGHT & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
11817 BRICKSOME AVE. SUITE E
BATON ROUGE, LOUISIANA**

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

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L. Dalton McRight, CPA, MBA

Jeanette R. McRight, CPA, MBA

INDEPENDENT AUDITORS' REPORT

Louisiana State Board of Architectural Examiners
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana State Board of Architectural Examiners, a component unit of the State of Louisiana, as of and for the year then ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Board's management. 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Auditing Guide*. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Board of Architectural Examiners as of June 30, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2004, on our consideration of the Louisiana State Board of Architectural Examiners' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 audits.

McRight & Associates

Baton Rouge, Louisiana 70816
(225) 292-2041

L. Dalton McRight, CPA, MBA

Jeanette R. McRight, CPA, MBA

Management's Discussion and Analysis and the other required supplementary information on pages 3-6, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally 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.

Our Audit was conducted for the purpose of forming an opinion on the Financial Statements that collectively comprise the Louisiana State Board of Architectural Examiners' Basic Financial Statements. The accompanying supplemental schedules and the Division of Administration Reporting Package listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McRight & Associates

Baton Rouge, Louisiana
August 5, 2004

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004

The Management's Discussion and Analysis of the Louisiana State Board of Architectural Examiners' financial performance presents a narrative overview and analysis of the Louisiana State Board of Architectural Examiners' financial activities for the year ended June 30, 2004. This document focuses on the current years activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Louisiana State Board of Architectural Examiners' financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

The Louisiana State Board of Architectural Examiners' assets exceed its liabilities at the close of fiscal year 2004 by \$301,545 which represents a 24% increase from last fiscal year. The net assets decreased by \$58,029.

The Louisiana State Board of Architectural Examiners' revenues increased \$9,036 (or 3%) and the net results from activities increased by \$87,822.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements

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

The Statement of Net Assets (page 7) 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 Louisiana State Board of Architectural Examiners is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 8) presents information showing how the Louisiana State Board of Architectural Examiners' 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 (pages 9-10) presents information showing how Louisiana State Board of Architectural Examiners' 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.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004

Statement of Net Assets
As of June 30, 2004
(in thousand)

	<u>2003</u>	<u>2004</u>
Current and other assets	\$262	317
Capital assets	0	0
	<u>262</u>	<u>317</u>
Other Liabilities	2	3
Long-term debt outstanding	<u>16</u>	<u>12</u>
Total liabilities	<u>18</u>	<u>15</u>
Net Assets:		
Invested in capital assets, net of debt:		
Restricted		
Unrestricted	<u>244</u>	<u>302</u>
Total net assets	<u>244</u> ===	<u>302</u> ===

FINANCIAL ANALYSIS OF THE ENTITY

The Board did not have any restricted assets at June 30, 2004. Restricted net assets represent those assets that are not available for spending as a result of legislative requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of Louisiana State Board of Architectural Examiners increased by \$58,029, or 24%, from June 30, 2003 to June 30, 2004.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004

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

	Total	
	2003	2004
Operating revenues	\$ 360	369
Operating expenses	(403)	(314)
Operating income(loss)	(43)	55
Non-operating revenues(expenses)	6	3
Income(loss) before transfers	(37)	58
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ (37)	58

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

For the year ended June 30, 2004, the Louisiana State Board of Architectural Examiners did not have any capital assets under the guidelines established by the Office of Statewide Reporting and Accounting Policy.

Debt

The Louisiana State Board of Architectural Examiners did not have any bonds or notes outstanding at year-end.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$7,496 under budget and expenditures were less than budget due in part to the decrease in amounts paid for operating services.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004

Projection of expenses for the next year.

CONTACTING THE LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS ;
MANAGEMENT

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

Ms. Teeny Simmons
Executive Director
9625 Finway Ave.
Baton Rouge, LA 70809

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004

ASSETS		
CURRENT ASSETS		
Cash		\$171,850
Investments		<u>145,237</u>
Total current assets		<u>317,087</u>
NONCURRENT ASSETS		
	Total Assets	<u>317,087</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		<u>\$3,174</u>
Total current liabilities		<u>3,174</u>
NON-CURRENT LIABILITIES		
Compensated absences		<u>12,368</u>
Total Liabilities		<u>15,542</u>
NET ASSETS		
Unrestricted		<u>301,545</u>
Total Net Assets		<u>301,545</u> =====

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS AND FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES

Revenues:

Licenses, permits, and fees	<u>\$368,976</u>
-----------------------------	------------------

Total revenues	<u>368,976</u>
----------------	----------------

OPERATING EXPENSES

Personal services & Ben.	\$142,250
Travel	25,569
Operating services	85,310
Supplies	5,629
Professional Services	48,474
Capital Outlay	<u>7,030</u>

Total expenditures	<u>\$314,262</u>
--------------------	------------------

Operating Income (loss)	<u>54,714</u>
-------------------------	---------------

NON-OPERATING REVENUE (EXPENSES)	<u>3,315</u>
----------------------------------	--------------

CHANGE IN NET ASSETS	58,029
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Total net assets, beginning	<u>243,516</u>
-----------------------------	----------------

Total Net Assets, ending	<u>301,545</u> =====
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The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004

Cash flows from operating activities	
Cash received from customers	\$368,976
Cash payments to suppliers for Goods and services	(176,683)
Cash payments to employees for Services	<u>(142,250)</u>
Net cash provided (used) by Operating activities	<u>50,043</u>
 Cash flows from non-capital financing activities	
 Cash flows from capital and related financing	
 Cash flows from investing activities	
Interest earned	<u>3,315</u>
Net cash provided (used) by investing Activities	<u>3,315</u>
 Net increase (decrease) in cash and Cash equivalent	53,358
 Cash and cash equivalent at beginning of year	<u>118,492</u>
 Cash and cash equivalent at end of year	171,850 =====

The accompanying notes are an integral part of this statement

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004

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

Operating income (loss)	\$54,714
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(1,571)
Increase (decrease) in accounts payable	<u>(3,100)</u>
 Net cash provided (used) by operating Activities	 50,043 =====

Schedule of non-cash investing, capital, and financing activities:

None.

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2004

INTRODUCTION:

The Louisiana State Board of Architectural Examiners (the Board) is a component unit of the State of Louisiana under the Office of the Governor, as provided by Louisiana Revised Statute 36:4.1. The Board is composed of five members appointed by the Governor. The members serve terms of six years. The Board is charged with the responsibility of licensing and regulating the practice of architecture in the State of Louisiana. Operations of the Board are funded entirely through self-generated revenues.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

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. 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 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. The board applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1999, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting For Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. In addition, these financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statement-Management's Discussion and Analysis-for State and Local Governments and related standards*. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

2. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity for the board to be 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 statements present only transactions of the Louisiana State Board of Architectural Examiners, and therefore, are a part of the fund and account group structure of the State of Louisiana. Annually the State of Louisiana issues basic financial statements, which are audited by the Louisiana Legislative Auditor.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2004

3. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana State Board of Architectural Examiners present information only as to the transactions of the programs of the Louisiana State Board of Architectural Examiners as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana State Board of Architectural Examiners 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. BUDGET PRACTICES

Budgets are prepared and adopted by the Board annually. The board adopts a budget annually. The Board is a state Licensing agency subject to the Licensing Agency Budget Act established by Louisiana Revised Statutes 39:1331 et al.

All funds budgeted are immediately available, as the Board's operations are financed with self-generated revenue. Therefore, the budget is known as a non-appropriated budget.

The Board normally does not use encumbrance accounting, so the budget was not integrated in the accounting records. In addition, the budget was employed by the Board as a management control device, by comparing budgeted expenditures with actual expenditures.

The budget is prepared on the GAAP basis, using the accrual basis of accounting.

The Board monitors the budget and makes changes when deemed appropriate.

The Board has complied with the budgetary requirements of LSA-RS 39:43.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

C. DEPOSIT WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSIT 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 may deposit funds within a fiscal agency bank selected and designated by the Interim Emergency Board. Further, the board may invest in time certificates of deposits 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 in 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.

The Balance Sheet total for Cash and Certificates of deposit was \$317,087 at June 30, 2004. Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 2004, were secured by federal deposit insurance as follows:

DEPOSITS IN BANK ACCOUNTS

	<u>June 30, 2004</u>
Demand Deposits	\$192,209
Certificates of Deposit	145,237

Total Bank Balances	\$337,446
(Secured by FDIC Insurance)	<u>310,636</u>
(Secured by Pledged Securities)	26,810

2. INVESTMENTS

At June 30, 2004, the Board had investments consisting of certificates of deposit with original maturity dates greater than 90 days. This amount is included in Note C-1.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2004

D. CAPITAL ASSETS

The fixed assets, costing more than \$5,000, used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net assets of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the statement of net assets. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

E. INVENTORIES

The board's inventories consists of office supplies and printed materials that are expensed at the time of purchase. These items are considered to be immaterial.

F. RESTRICTED ASSETS

The Board did not have any restricted assets at June 30, 2004.

G. LEAVE

1. Annual and Sick Leave

The Louisiana State Board of Architectural Examiners has the following policy related to annual and sick leave for the Board's classified and unclassified clerical employees. The earning of annual and sick leave is based on the equivalent of full-time service. It is credited at the end of each month of regular service. Accrued unused annual and sick leave shall be carried forward to the succeeding calendar year without limitation. Annual leave must be applied for by the employee and may only be used when approved by the board.

Accumulated annual leave is accrued in the accompanying financial statements. The Board's employees accumulate unlimited amounts of annual and sick leave at varying rates, as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits. The current portion is recorded as a liability in the Financial Statements and represents the amount unpaid at June 30, 2004, which would normally be liquidated with expendable available financial resources.

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. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. At June 30, 2004, compensatory leave of \$-0- is recorded in the financial statements.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2004

H. RETIREMENT SYSTEM

The employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a multiple-employer, public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees, which is administered and controlled by a separate board of trustees.

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 contacting the Louisiana State Employee Retirement System at P.O. Box 44213, Baton Rouge, Louisiana 70804 or by calling (225) 922-0600.

All full-time Board employees, who began state employment prior to age 60, 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 2.5 per cent of their highest consecutive 36 months average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested age is 55 with 25 years of service, or (c) age 60 with 10 years of service. The system also provides death and disability benefits. Covered employees were required to contribute 7.5% of gross salary to the plan. The Board added an additional 15.8% contribution for the year.

Contribution requirements to the System are set by Statute and differ from the contribution requirement determined using actuarial methods. Contributions to the retirement system for the years 2004, 2003 and 2002 were \$6,849, \$11,196 and \$13,309.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly (50%) by the employee and by the Board. The Board's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. The Board had no retired employees that it provides insurance for.

J. LEASES

1. Operating Leases

The Board rents its office space under an operation lease. The Board is paying rent of \$2,673 per month.

YEAR END	AMOUNT
2005	\$32,074
2006	32,074
2007	32,074
2008	2,673
2009	-0-

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

- 2. Capital Leases - None
- 3. Revenue Leases - None

K. LONG-TERM LIABILITIES

At June 30, 2004, the Board's long-term liabilities consisted of amounts payable for compensated absences. At June 30, 2004, the balance was \$12,368 as compared to \$16,116 for the prior year, or an decrease of \$3,748.

L. LITIGATION

There were no unasserted claims or assessments as of June 30, 2004.

M. RELATED PARTY TRANSACTIONS

There were no related party transactions as of June 30, 2004.

N. ACCOUNTING CHANGES

There were no accounting changes made in the year ended June 30, 2004.

O. IN-KIND CONTRIBUTIONS

At June 30, 2004, the Board did not have any in-kind contributions.

P. DEFEASED ISSUES

The Louisiana State Board of Architectural Examiners has not issued any taxable bonds.

Q. COOPERATIVE ENDEAVORS

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

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The Louisiana State Board of Architectural Examiners did not receive any government mandated non-exchange transactions (grants) during the year ended June 30, 2004.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 2004, the Louisiana State Board of Architectural Examiners was not in violation of any contractual agreements.

T. SHORT-TERM DEBT

The Louisiana State Board of Architectural Examiners does not issue short-term debt.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2004, were as follows:
NONE.

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004, were as follows:

Accounts Payable	\$ (103)
Accrued Payroll	<u>3,277</u>
	3,174

W. SUBSEQUENT EVENTS

There were no subsequent events for the year ended June 30, 2004.

X. SEGMENT INFORMATION

The Louisiana State Board of Architectural Examiners does not have any reportable segments.

Y. DUE TO/DUE FROM AND TRANSFERS

At June 30, 2004, there were no Due To/Due From and Transfers.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

At June 30, 2004, there were no liabilities payable from restricted assets.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA

SUPPLEMENTARY INFORMATION

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA

SCHEDULE OF PER DIEM PAID BOARD MEMBERS
YEAR ENDING JUNE 30, 2004

NAME	AMOUNT
Glenn Angelle	\$ 825
E. Wallace Elberson	375
John F. Morton	1,425
Allen Bacque'	975
Henry Stout	1,425
Julian White	675
Knox Tumlin	300
John Cardone	975
TOTAL	\$6,975

The schedule of per diem paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$75 for each day they attend a board meeting, as authorized by Louisiana Revised Statute.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA

OTHER REPORTS REQUIRED BY

GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control as required by the *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.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS-BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
OPERATING REVENUES				
License, permits and fees	\$364,255	\$364,255	\$368,976	4,721
Total operating revenues	<u>364,255</u>	<u>364,255</u>	<u>368,976</u>	<u>4,721</u>
OPERATING EXPENSES				
Personal Services & Benefits	149,600	149,600	142,250	7,350
Professional services	59,800	59,800	48,474	11,326
Travel	42,000	42,000	25,569	16,431
Operating services	96,100	96,100	85,310	10,790
Office supplies	6,000	6,000	5,629	371
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>7,030</u>	<u>12,970</u>
Total operating expenses	373,500	<u>373,500</u>	<u>314,262</u>	<u>59,238</u>
Operating Income	(9,245)	<u>(9,245)</u>	54,714	<u>63,959</u>
NON-OPERATING REVENUE (EXPENSE)				
Use of money	9,245	9,245	3,315	(5,930)
Total non-operating revenue	<u>9,245</u>	<u>9,245</u>	<u>3,315</u>	<u>(5,930)</u>
Change in net assets	-0-	-0-	58,029	58,029
Total net assets – Beginning	<u>243,516</u>	<u>243,516</u>	<u>243,516</u>	-0-
Total net assets – Ending	<u>243,516</u>	<u>243,516</u>	<u>301,545</u>	<u>58,029</u>

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

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA

NOTES TO SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2004

A: Budgetary Accounting and Control

Budget Law

The Board's annual operating budget is prepared by the Executive Director according to the provisions of the Louisiana Licensing Agency Budget Act. The budget is revised during the year as estimates regarding revenues and expenditures change; and

- (1) Appropriations lapse at the end of each fiscal year.

Budgetary Accounting

The budget is prepared using the accrual basis of accounting.

McRight & Associates

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Baton Rouge, Louisiana 70816

(225) 292-2041

L. Dalton McRight, CPA, MBA

Jeanette R. McRight, CPA, MBA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

State Of Louisiana
Louisiana State Board of Architectural Examiners
Baton Rouge, Louisiana

We have audited the basic financial statements of the Louisiana State Board of Architectural Examiners, 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 5, 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 and the Louisiana Auditing Guide.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana State Board of Architectural Examiners' basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on 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 did not disclose any instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana State Board of Architectural Examiners' internal control over financial reporting in order 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 a material weakness. 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 basic 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 operation that we consider to be material weakness.

McRIGHT & ASSOCIATES

L. Dalton McRight, CPA, MBA

(225) 292-2041

Jeanette R. McRight, CPA, MBA

This report is intended solely for the information and use of the Board, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



MCRIGHT & ASSOCIATES, CPAS
August 5, 2004

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA
AS OF AND FOR THE YEAR ENDED JUNE 30, 2003

SUMMARY SCHEDULE OF FINDINGS

SUMMARY OF AUDITOR'S REPORT

An unqualified opinion was issued on the basic financial statements for the year ended June 30, 2004.

REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

Material Weaknesses - none Reportable Conditions - none

COMPLIANCE

Noncompliance Material to Financial Statements - None

MATERIAL FINDINGS

NONE.

MANAGEMENT LETTER

A management letter was not issued as part of this audit.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA
AS OF AND FOR THE YEAR ENDED JUNE 30, 2003

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

none

MANAGEMENT'S CORRECTIVE ACTION PLAN

There were no findings or questioned costs to be reported on.

SCHEDULE OF PRIOR YEAR FINDINGS

The recommendations included in the management letter issued for the year ended June 30, 2003 have been fully implemented as of June 30, 2004.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

STATE OF LOUISIANA
AS OF AND FOR THE YEAR ENDED JUNE 30, 2003

The information on the following pages are required by the Office of Statewide Reporting and accounting .

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

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

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

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, Mary Teeny Jimmy (Name)
(Title) LA. STATE BOARD OF ARCHITECTURAL EXAMINERS (Agency) who duly sworn, deposes
and says, that the financial statements herewith given present fairly the financial position of Louisiana
State Board of Architectural Examiners 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 30th day
of AUGUST, 2004.

Mary Teeny Jimmy
Signature of Agency Official

Theresa Lynn Puzos #65488
NOTARY PUBLIC

Prepared by: _____
Title: _____
Telephone No.: _____
Date: _____

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 BALANCE SHEET
 AS OF JUNE 30, 2004

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$ 171,850
Investments (Note C2)	145,237
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	317,087

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	0
Total assets	\$ 317,087

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 3,174
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	3,174

NON-CURRENT LIABILITIES:

Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	12,368
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	12,368
Total liabilities	15,542

NET ASSETS

Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	301,545
Total net assets	301,545
Total liabilities and net assets	\$ 317,087

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

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	368,976
Other	_____
Total operating revenues	<u>368,976</u>
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	314,262
Depreciation	_____
Amortization	_____
Total operating expenses	<u>314,262</u>
Operating income(loss)	<u>54,714</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	3,315
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	<u>3,315</u>
Income(loss) before contributions and transfers	<u>58,029</u>
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>58,029</u>
Total net assets – beginning as restated	<u>243,516</u>
Total net assets – ending	<u>\$ 301,545</u>

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

Statement B

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2004

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
BTA	\$ 314,262	\$ 368,976	\$	\$ 54,714
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				3,315
Miscellaneous				
Special items				
Transfers				
Total general revenues, special items, and transfers				3,315
Change in net assets				58,029
Net assets - beginning				243,516
Net assets - ending				\$ 301,545

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2004

Cash flows from operating activities		
Cash received from customers	\$	368,976
Cash payments to suppliers for goods and services		(176,683)
Cash payments to employees for services		(142,250)
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		<u>50,043</u>
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>0</u>
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		<u>-</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		3,315
Net cash provided(used) by investing activities		<u>3,315</u>
Net increase(decrease) in cash and cash equivalents		<u>53,358</u>
Cash and cash equivalents at beginning of year		<u>118,492</u>
Cash and cash equivalents at end of year	\$	<u><u>171,850</u></u>

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2004

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

Operating income(loss)	\$	<u>54,714</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization		_____
Provision for uncollectible accounts		_____
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		_____ (1,571)
(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		_____ (3,100)
Increase(decrease) in accrued payroll and related benefits		_____
Increase(decrease) in compensated absences payable		_____
Increase(decrease) in due to other funds		_____
Increase(decrease) in deferred revenues		_____
Increase(decrease) in other liabilities		_____
Net cash provided(used) by operating activities	\$	<u>50,043</u>

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

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

INTRODUCTION

The Louisiana State Board of Architectural Examiners was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 36:4.1. The Louisiana State Board of Architectural Examiners is a component unit of the State. The Board is composed of five members appointed by the governor, who are charged with licensing and regulating the practice of architecture in the State of Louisiana. Operation of the Board are funded entirely through self-generated revenues.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana State Board of Architectural Examiners present information only as to the transactions of the programs of the Louisiana State Board of Architectural Examiners 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 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.

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

4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ _____
Amendments:	_____

Final approved budget	\$ _____ -

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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 may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, and 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.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 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	\$ <u>171,850</u>	\$ <u>145,237</u>	\$ _____	\$ <u>317,087</u>
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 held by the pledging institution's trust department or agent, <u>but not in the entities name</u>	_____	_____	_____	-
Total Category 3 bank balances	\$ _____	\$ _____	\$ _____	\$ _____
Total bank balances (All categories including category 3 reported above)	\$ <u>192,209</u>	\$ <u>145,237</u>	\$ _____	\$ <u>337,446</u>

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. <u>BankOne</u>	<u>Cert of Deposit</u>	\$ <u>67,934</u>
2. <u>Hancock Bank</u>	<u>Checking</u>	<u>65,399</u>
3. <u>Hibernia</u>	<u>Cert. Of Deposit</u>	<u>77,303</u>
4. <u>Union Planters</u>	<u>checking</u>	<u>126,810</u>
Total		\$ <u>337,446</u>

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

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

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

2. INVESTMENTS

The board's investments at June 30, 2004 consisted of Certificates of Deposit with maturity dates greater than 90 days. This amount is included in Note C-1.

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS

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

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

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

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

E. INVENTORIES

The unit's inventories are considered immaterial and are expensed when purchased.

F. RESTRICTED ASSETS

The Board does not have any restricted assets at June 30, 2004.

G. LEAVE

1. COMPENSATED ABSENCES

The Board has the following policy on annual and sick leave:

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 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 not recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana 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 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 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

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

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 (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 increase to 15.8% of annual covered payroll. The (BTA) contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$6,848, \$11,196, and \$13,309, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Substantially all Board employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Board. For 2004, the cost of providing those benefits for the -0- retirees totaled \$-0-.

The Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all employees become eligible for those benefits if they reach normal retirement age while working for the board. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the board.. The board recognizes the cost of providing these benefits (Board's portion of premiums) as an expenditure when paid during the year. At June 30, 2004, the board did not have any retired employees.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year amounted to \$32,074. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010- 2014</u>	<u>FY2015- 2019</u>
Office	\$ 32,074	\$ 32,074	\$ 32,074	\$ 2,673	\$ -	\$ -	\$ -
Total	\$ 32,074	\$ 32,074	\$ 32,074	\$ 2,673	\$ -	\$ -	\$ -

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

2. CAPITAL LEASES

The board does not have any capital leases at June 30, 2004.

3. LESSOR DIRECT FINANCING LEASES

The board does not have any lessor direct financing leases.

4. LESSOR – OPERATING LEASE

The Board did not have any lessor operating leases.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity 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	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other liabilities:					
Contracts payable					--
Compensated absences payable	16,116	--	3,748	12,368	
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	<u>16,116</u>	<u>--</u>	<u>3,748</u>	<u>12,368</u>	<u>--</u>
Total long-term liabilities	<u>16,116</u>	<u>--</u>	<u>3,748</u>	<u>12,368</u>	<u>--</u>

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

L. LITIGATION

1. The Board is not a defendant in any litigation seeking damages.

M. RELATED PARTY TRANSACTIONS

There were no related party transactions for the year ended June 30, 2004.

N. ACCOUNTING CHANGES

None.

O. IN-KIND CONTRIBUTIONS

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

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
None.	\$
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ -

P. DEFEASED ISSUES

The board did not issue any taxable bonds.

Q. COOPERATIVE ENDEAVORS

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

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

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2004, were as follows:

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

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
BTA	\$ (103)	\$ 3,277	\$ -	\$ -	\$ 3,174
Total payables	\$ (103)	\$ 3,277	\$ -	\$ -	\$ 3,174

W. SUBSEQUENT EVENTS

None.

X. SEGMENT INFORMATION

The Board has only one segment.

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

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		\$ _____

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

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

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

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

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

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

None.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2004.

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

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2004
(Fiscal Close)

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

SCHEDULE 2

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
June 30, 2004
(Fiscal Close)

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

*Send copies of new amortization schedules

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended June 30, 2004
 (Fiscal Close)

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 STATE BOARD OF ARCHITECTURAL EXAMINERS
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended June 30, 2004

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	 \$ _____ --	 \$ _____ --	 _____ --	 _____ --

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 2004

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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended June 30, 2004

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

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/04	Revised Budget	Variance Postive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$	\$	-	\$	-
Sales of Commodities and Services			-		-
Other			-		-
Total Operating revenues					
Operating Expenses:					
Personal services	\$	\$	-	\$	-
Travel			-		-
Operating Services			-		-
Supplies			-		-
Professional services			-		-
Capital outlay			-		-
Interagency transfers			-		-
Other charges			-		-
Total Operating Expenses					
Nonoperating Expenses:					
Use of Money and Property			-		-
Gain (Loss) on Disposal of Fixed Assets			-		-
Federal Grants			-		-
Interest Expense			-		-
Other			-		-
Total Nonoperating Expenses					
Capital Contributions			-		-
Operating Transfers In			-		-
Operating Transfers Out			-		-
Change in Net Assets	\$	\$	-	\$	-

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2004

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

Concluded

Schedule 5

STATE OF LOUISIANA

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

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	\$ 372,291	\$ 365,947	\$ 6,344	\$ 1.7%
Expenses	314,262	402,917	(88,655)	22.0%
2) Capital assets	-0-	-0-	-0-	-0-
Long-term debt	12,368	16,116	(3,748)	23.2%
Net Assets	301,545	243,515	58,030	23.8%

Explanation for change: Prior year expenses included moving
Into a new office.

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 373,500	\$ 373,500	\$ -0-	\$ -0-
Expenditures	373,500	373,500	-0-	-0-

Explanation of change: _____

	<u>2004 Final Budget</u>	<u>2004 Actual</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$373,500	\$372,292	\$(1,208)	.3%
Expenditures	\$373,500	\$314,262	\$ (59,238)	15.8%

Explanation of change: Decrease expenditures for capital outlay