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FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
BOARD OF ADMINISTRATION FOR
PROFESSIONAL ENGINEERS AND LAND SURVEYORS
DEPARTMENT OF TRANSPORTATION
STATE OF LOUISIANA
JUNE 10, 1969

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Release Date SEP 22 1969

BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS
AND LAND SURVEYORS

DEPARTMENT OF TRANSPORTATION

STATE OF LOUISIANA

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Zahn and Kenney
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Registration for Professional
Engineers and Land Surveyors
Department of Transportation
State of Louisiana

We have audited the accompanying financial statements of the Board of Registration for Professional Engineers and Land Surveyors, a component unit of the Department of Transportation, State of Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the management of Board of Registration for Professional Engineers and Land Surveyors, Department of Transportation, State of Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Registration for Professional Engineers and Land Surveyors, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 1, 1999, on our consideration of the Board of Registration for Professional Engineers and Land Surveyors' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of per diem paid board members is presented for purposes of additional analysis and is not a required

part of the financial statements of the Board of Registration for Professional Engineers and Land Surveyors. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

John and Nancy

Metairie, Louisiana

September 1, 1999

BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS
AND LAND SURVEYORS

DEPARTMENT OF TRANSPORTATION
STATE OF LOUISIANA

BALANCE SHEET

JUNE 30, 1999

	GOVERNMENTAL FUND TYPE General Fund	ACCOUNT GROUPS		TOTAL (BENEFICIARIES) MULTI
		General Assets	General Long-Term Liabilities	
ASSETS				
Cash (Note E)	\$ 191,343	\$	\$	\$191,343
Fund assets (Note M)		266,410		266,410
Amount to be provided for payment of accrued annual leave (Note F)			43,387	43,387
Amount to be provided for retirement of general long-term obligations (Note E)			3,329	3,329
Total assets	\$ 451,343	\$266,410	\$ 46,716	\$ 764,466
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 3,909	\$	\$	\$ 3,909
Accrued expenses	6,849			6,849
Accrued annual leave			43,387	43,387
Capital lease obligations			3,329	3,329
Total liabilities	9,758		46,716	56,482
Fund Equity				
Investment in general fund assets		266,410		266,410
Fund Balance, unreserved and undesignated	182,208			182,208
Total liabilities & fund equity	\$ 451,343	\$266,410	\$ 46,716	\$ 764,466

(See notes to financial statements)

BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS
AND LAND SURVEYORS

DEPARTMENT OF TRANSPORTATION
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 1999

GENERAL FUND

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Licenses, permits and fees	\$1,080,000	\$1,165,426	85,426
Use of money and property - interest	10,000	27,983	17,983
Other	_____A,000	13,682	13,682
Total revenues	\$1,090,000	\$1,207,091	\$117,091
EXPENDITURES			
Personal services & related benefits	280,200	305,030	\$ 24,830
Operating expenses	203,200	189,930	13,270
Professional services	75,000	75,500	500
Other charges (Louisiana Journal)	35,000	41,913	6,913
Capital outlay	20,000	70,580	50,580
Total expenditures	583,200	582,953	243
Excess (deficiency) of revenues over expenditures	506,800	624,138	117,338
FUND BALANCE			
Fund Balance, July 1, 1998	581,133	556,370	24,763
Fund Balance, June 30, 1999	1,087,933	1,182,508	94,575

(See notes to financial statements)

**BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS
AND LAND SURVEYORS**

**DEPARTMENT OF TRANSPORTATION
STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Board of Registration for Professional Engineers and Land Surveyors is a component unit of the State of Louisiana created within the Louisiana Department of Transportation, as provided by Louisiana Revised Statutes 30:481 through 30:703, 35:5990 and 36:503. The Board is composed of eleven members, appointed by the Governor, who serve for terms of six years, not to be reappointed. The Board is charged with the responsibility of administering the registration law for professional engineers and land surveyors. The Board shall have the power to make, adopt, alter, amend, and promulgate all bylaws and rules not inconsistent with the constitution and laws of the state, which may be reasonably necessary for the proper performance of its duties and the regulation of the proceedings before it. Operations of the Board are funded with money received directly from applicants and Registrants of the Board. The Board is not to receive state funds through appropriations or otherwise; and shall not expend any such state funds.

The Board of Registration for Professional Engineers and Land Surveyors prepares its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statements present only transactions of the Board of Registration for Professional Engineers and Land Surveyors, a component unit of the State of Louisiana.

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

B. FUND ACCOUNTING

The accounts of the Board of Registration for Professional Engineers and Land Surveyors are organized into a General Fund and two account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

The fund and account groups presented in the financial statements are described as follows:

General Fund

The general fund is used to account for the general operations of the Board. The various revenues and expenditures are accounted for in this fund.

Account Groups

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

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Board's records are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting all revenue is recognized when measurable and available rather than when earned, and all expenditures are recognized when the obligation is incurred.

D. BUDGET PRACTICES

The Board of Registration for Professional Engineers and Land Surveyors utilizes the following budgetary practices:

On November 3, 1991 the Board approved the 1994-95 budget which was subsequently submitted to the Department of Transportation. The Board does not use zero-based budgeting. The budget is prepared using historical data and projections. The Chairman of the Board is empowered to authorize disbursements of funds, in the best interest of the Board and without its prior approval, up to an aggregate amount of ten-thousand dollars (\$10,000). Disbursements made under this authorization are reported to and ratified by the Board at its next regular meeting.

E. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits and certificates of deposit. Under state law the Board of Registration for Professional Engineers and Land Surveyors may deposit funds within a fiscal agent bank selected and designated by the 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, 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.

As reflected on Statement A, the Board had cash and cash equivalents totaling \$781,762 at June 30, 1995. Cash and cash equivalents are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal Deposit Insurance must at all times equal the amount on deposit with the fiscal agent. As of June 30, 1995, the amount on deposit was in excess of \$100,000. The deposits at June 30, 1995 were secured as follows:

	Cash
Carrying Amount on Balance Sheet	<u>\$781,762</u>
Bank Balances:	
1. Insured (FDIC)	\$100,000
2. Uninsured, including any securities held for the entity but not in the entity's name	<u>\$681,762</u>
Total Bank Balances	<u>\$781,762</u>

F. VACATION AND SICK LEAVE

The Board of Registration for Professional Engineers and Land Surveyors has the following policy related to vacation and sick leave:

Every full-time employee, unless annual and sick leave for each hour of regular duty, including time the employee is on paid leave or observing a paid holiday. Leave earned is calculated by multiplying hours worked during the pay period by a rate multiplier from a table based on years of state service. Annual and sick leave can be carried forward without limit; however, upon separation no sick leave will be paid and only 300 hours of annual leave will be paid.

At June 30, 1999, the liability for up to 300 hours of annual leave accumulated by Board employees totaled \$43,382 which has been recorded as a general long-term obligation.

G. TOTAL COLLATERAL IN STATEMENTS

The total collaterals on the Balance Sheet is captioned Memorandum Only to indicate that it is provided only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

H. GENERAL FIXED ASSETS

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

The changes in general fixed assets (all furniture and equipment) follows:

Balance at June 30, 1998	\$188,000
additions	79,000
Deletions	(211)
Balance at June 30, 1999	<u>\$266,689</u>

I. PENSION PLAN

All full-time employees, both classified and unclassified, participate in the State of Louisiana's Retirement Plan, LASER. In addition to the employee contribution withheld at 7.5% of gross salary, the Board contributes an additional 13.04% of gross salary. Contributions to the system are funded through employee and employer contributions of \$18,180 and \$43,000 respectively. The total current year payroll of the agency was \$404,732 and its current year payroll covered by the retirement system was \$170,500. Under present statutes, the Board does not guarantee any of the benefits granted by the retirement system.

J. CONTRIBUTION HEALTH CARE AND LIFE INSURANCE BENEFITS

At June 30, 1999 there are two retired persons that participate in the Board's group benefit program. The premiums paid for the year ended June 30, 1999 are \$268, which consists solely of life insurance. The participants are liable for one-half of the life insurance premium with the Board matching the participants' portion.

B. LEASES

The Board of Registration for Professional Engineers and Land Surveyors records lease under capital leases as an asset and an obligation in the accompanying financial statements. Total rental and lease expenditures for equipment for fiscal year ended June 30, 1999 amounted to \$8,190.

The following is a summary of future minimum payments under capital leases and the present value of the net minimum lease payments as of June 30, 1999:

Fiscal Year ending June 30:	
2000	<u>0,371</u>
Total Minimum Lease payments	3,713
Less: Amounts representing executory costs	<u>0</u>
Net minimum lease payments	3,713
Less: Amount representing interest	<u>514</u>
Present value of net minimum lease payments	<u>0,329</u>

The minimum annual commitments under a noncancelable operating lease for office space is as follows:

Fiscal Year ending June 30:	
2000	60,768
2001	58,800
2002	58,800
2003	58,800
2004	58,800
Remainder of the leases	<u>26,228</u>
Total	<u>320,196</u>

C. GENERAL LONG-TERM OBLIGATIONS

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

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

Long-term obligations payable	
at July 1, 1998	44,199
Additions	3,832
Reductions	<u>(13,145)</u>
Long-term obligations payable	
at June 30, 1999	<u>34,886</u>

Zahn and Kenney
Certified Public Accountants

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

Board of Registration For Professional
Engineers and Land Surveyors
Department of Transportation
State of Louisiana

We have audited the financial statements of the Board of Registration for Professional Engineers and Land Surveyors, a component unit of the Department of Transportation, State of Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 1, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable for 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 Board of Registration for Professional Engineers and Land Surveyors' financial statements are free of material misstatement, we performed tests of the Board's 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported herein, under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Registration for Professional Engineers and Land Surveyors' internal control over financial reporting 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 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 operation that we consider to be material weaknesses.

This report is intended for the information of the Board, management, and the legislative ASSEI Advisory Committee. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board, is a matter of public record.

John Paul Koenig

Mossblain, Louisiana

September 1, 1999

BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS
AND LAND SURVEYORS

DEPARTMENT OF TRANSPORTATION

STATE OF LOUISIANA

SCHEDULE OF FEE DUES PAID BOARD MEMBERS

FOR THE YEAR ENDING JUNE 30, 1969

<u>Name</u>	<u>Amount</u>
Charles Doyle	1,880
Judge M. Parker	8,005
Allison J.F. Leavoy	1,925
Johny G. Laiterky	1,080
Lawrence Mann, Jr.	1,120
Frank L. Hensinger, III	2,120
Vernon Beyer	380
William Miller	1,680
Berlin S. Pictorino	1,935
Robby Pilon	2,060
Richard H. Primmans	960
Richard E. Bachwald	2,440
Bergen Watson	2,160
Total	518,185

Summary of Prior Year Audit Findings

- 1.) Fixed assets acquired during the fiscal year were not included on the fixed asset inventory as of June 30, 1998. This condition existed due to lack of policies regarding the updating of the Board's fixed asset inventory. We recommend that the Board establish policies to require that fixed assets be added to the inventory records when the invoice is approved for payment for the acquisition of the asset.

The Board has resolved this matter and all assets acquired during current year are included in inventory.

- 2.) The Board failed to ensure that its bank deposits were fully collateralized as of June 30, 1998. The Board has taken appropriate steps to ensure full collateralization of its bank deposits during the current fiscal year. This finding has been resolved.