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**STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR**

**COMPONENT UNIT  
FINANCIAL STATEMENTS**

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For the Years Ended June 30, 1999 and 1998

Under provisions of state law, this report is a public document. A copy of the report has been deposited to the public information office of the state of Louisiana, which office is the repository for the public information of the state and the public office of the legislative committee and, where appropriate, in the office of the parish clerk of court.

Release Date ~~OCT 06 1999~~

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR  
NEW ORLEANS, LOUISIANA

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John X. Wegmann, III  
Ralph A. Dazet  
Philip A. Garrett  
Francis O. Bologna  
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Robert D. Watkins  
Edward G. Berbuesse, Jr.



## Wegmann-Dazet & Co.

*A Professional Corporation*  
*Certified Public Accountants*

Members:  
AICPA Private Companies Practice Section  
AICPA S.E.C. Practice Section  
Independent Accountants International

### INDEPENDENT AUDITORS' REPORT

-----

To the Board Members  
State Plumbing Board of Louisiana  
Department of Labor  
New Orleans, Louisiana

We have audited the accompanying financial statements of the State Plumbing Board of Louisiana, a component unit of the State of Louisiana, as of June 30, 1999 and for the years ended June 30, 1999 and 1998 as listed in the table of contents. These component unit financial statements are the responsibility of the State Plumbing Board of Louisiana's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

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

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the State Plumbing Board of Louisiana as of June 30, 1999 and 1998, and the results of its operations for the two year period then ended in conformity with generally accepted accounting principles.

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

In accordance with Government Auditing Standards, we have also issued a report dated September 8, 1999, on our consideration of the State Plumbing Board of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

September 8, 1999

*Wegmann - Dazet & Co.*

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS

-----  
June 30, 1999

	<u>ASSETS</u>			
	Governmental Fund <u>General Fund</u>	<u>Account Groups</u>		Total (Memorandum Only)
		General Fixed <u>Assets</u>	General Long-term <u>Obligations</u>	
Cash and cash equivalents	\$405,300	\$ -	\$ -	\$405,300
Accounts receivable	2,207	-	-	2,207
Prepaid expenses	5,331	-	-	5,331
Fixed assets	-	72,698	-	72,698
Amount to be provided for retirement of general long-term obligations	<u>-</u>	<u>-</u>	<u>18,700</u>	<u>18,700</u>
Total Assets	<u>\$412,838</u>	<u>\$72,698</u>	<u>\$18,700</u>	<u>\$504,236</u>
 <u>LIABILITIES</u>				
Accounts payable	\$ 100	\$ -	\$ -	\$ 100
Deferred revenue	12,735	-	-	12,735
Accrued expenses	18,147	-	-	18,147
Long-term obligations payable	<u>-</u>	<u>-</u>	<u>18,700</u>	<u>18,700</u>
Total Liabilities	<u>30,982</u>	<u>-</u>	<u>18,700</u>	<u>49,682</u>
 <u>FUND EQUITY</u>				
Investments in general fixed assets	-	72,698	-	72,698
Fund balance - unreserved - undesignated	<u>381,856</u>	<u>-</u>	<u>-</u>	<u>381,856</u>
Total Fund Equity	<u>381,856</u>	<u>72,698</u>	<u>-</u>	<u>454,554</u>
Total Liabilities and Fund Equity	<u>\$412,838</u>	<u>\$72,698</u>	<u>\$18,700</u>	<u>\$504,236</u>

See accompanying Notes to Financial Statements.

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND - GENERAL FUND

-----  
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>Revenues:</u>		
License renewals:		
Current year	\$340,810	\$327,140
Prior year	9,800	17,535
Revivals	23,290	6,885
Examination fees	66,378	72,117
Enforcement fees	63,810	35,865
Interest earned	16,872	17,745
Temporary permits	2,950	4,530
Other	<u>4,661</u>	<u>6,352</u>
Total Revenues	<u>528,571</u>	<u>488,169</u>
<u>Expenditures:</u>		
Public safety - other protection		
Examination of licensed occupations:		
Personal services and related benefits	303,096	291,228
Operating services	132,952	140,342
Materials and supplies	7,546	8,944
Travel and other charges	45,111	49,519
Capital outlay - property and equipment	3,659	8,525
Other	<u>3,545</u>	<u>3,491</u>
Total Expenditures	<u>495,909</u>	<u>502,049</u>
Excess of expenditures over revenues	32,662	(13,880)
Fund balance:		
Beginning of year	<u>349,194</u>	<u>363,074</u>
End of year	<u>\$381,856</u>	<u>\$349,194</u>

See accompanying Notes to Financial Statements.

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (BUDGETARY BASIS - CASH) AND ACTUAL  
GOVERNMENTAL FUND - GENERAL FUND

-----  
Year Ended June 30, 1999

	<u>Actual</u>	Adjustment to Budgetary <u>Basis</u>	Actual on Budgetary <u>Basis</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
License renewals:					
Current year	\$340,810	\$ 345	\$341,155	\$318,410	\$ 22,745
Prior year	9,800	(250)	9,550	9,800	(250)
Revivals	23,290	200	23,490	23,290	200
Examination fees	66,378	(2,235)	64,143	89,000	(24,857)
Enforcement actions	63,810	510	64,320	30,000	34,320
Miscellaneous	<u>24,483</u>	<u>100</u>	<u>24,583</u>	<u>26,300</u>	<u>(1,717)</u>
Total Revenues	<u>528,571</u>	<u>(1,330)</u>	<u>527,241</u>	<u>496,800</u>	<u>30,441</u>
<b>Expenditures:</b>					
Public safety - other protection					
Examination of licensed occupations:					
Personal services and related benefits	303,096	(3,168)	299,928	334,701	34,773
Operating services	132,952	-	132,952	187,800	54,848
Materials and supplies	7,546	-	7,546	15,500	7,954
Travel and other charges	45,111	-	45,111	52,500	7,389
Capital outlay - property and equipment	3,659	-	3,659	27,500	23,841
Other	<u>3,545</u>	<u>100</u>	<u>3,645</u>	<u>1,200</u>	<u>(2,445)</u>
Total Expenditures	<u>495,909</u>	<u>(3,068)</u>	<u>492,841</u>	<u>619,201</u>	<u>126,360</u>
Excess of expenditures over revenues	32,662	1,738	34,400	<u>\$(122,401)</u>	<u>\$156,801</u>
Fund balance:					
Beginning of year	<u>349,194</u>	<u>-</u>	<u>349,194</u>		
End of year	<u>\$381,856</u>	<u>\$ 1,738</u>	<u>\$383,594</u>		

See accompanying Notes to Financial Statements.

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (BUDGETARY BASIS - CASH) AND ACTUAL  
GOVERNMENTAL FUND - GENERAL FUND

-----  
Year Ended June 30, 1998

	<u>Actual</u>	Adjustment to Budgetary <u>Basis</u>	Actual on Budgetary <u>Basis</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
License renewals:					
Current year	\$327,140	\$ (165)	\$326,975	\$345,788	\$(18,813)
Prior year	17,535	-	17,535	18,535	(1,000)
Revivals	6,885	(320)	6,565	7,277	(712)
Examination fees	72,117	(1,900)	70,217	89,300	(19,083)
Enforcement actions	35,865	(1,010)	34,855	30,000	4,855
Miscellaneous	<u>28,627</u>	<u>(189)</u>	<u>28,438</u>	<u>25,300</u>	<u>3,138</u>
Total Revenues	<u>488,169</u>	<u>(3,584)</u>	<u>484,585</u>	<u>516,200</u>	<u>(31,615)</u>
<b>Expenditures:</b>					
Public safety - other protection					
Examination of licensed occupations:					
Personal services and related benefits	291,228	(8,226)	283,002	336,203	53,201
Operating services	140,342	-	140,342	197,300	56,958
Materials and supplies	8,944	-	8,944	15,500	6,556
Travel and other charges	49,519	-	49,519	51,500	1,981
Capital outlay - property and equipment	8,525	-	8,525	3,000	(5,525)
Other	<u>3,491</u>	<u>-</u>	<u>3,491</u>	<u>1,200</u>	<u>(2,291)</u>
Total Expenditures	<u>502,049</u>	<u>(8,226)</u>	<u>493,823</u>	<u>604,703</u>	<u>110,880</u>
Excess of expenditures over revenues	(13,880)	4,642	(9,238)	<u>\$ (88,503)</u>	<u>\$ 79,265</u>
<b>Fund balance:</b>					
Beginning of year	<u>363,074</u>	<u>-</u>	<u>363,074</u>		
End of year	<u>\$349,194</u>	<u>\$ 4,642</u>	<u>\$353,836</u>		

See accompanying Notes to Financial Statements.

DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS

-----  
June 30, 1999 and 1998

1) Summary of significant accounting policies

The State Plumbing Board of Louisiana is a component unit of the State of Louisiana created within the Louisiana Department of Labor, formerly Department of Employment and Training, as provided by Louisiana Revised Statutes 37:1361-1380. The Board is composed of eight members, appointed by the governor, who serve six year terms. The Board is charged with the responsibility of licensing and regulating the practice of plumbing in the State of Louisiana. Operations of the Board are funded entirely through self-generated revenues.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards for state and local governmental entities. In June 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. 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.

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the Board members and public service is rendered within the State's boundaries. The accompanying component unit financial statements present information only as to the transactions of the State Plumbing Board of Louisiana, a component unit of the State of Louisiana.

Annually, the State of Louisiana issues general purpose financial statements. The general purpose financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor.

(a) Fund accounting

The accounts of the Board are organized on the basis of a fund (General Fund) and account groups, each of which is considered a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The General Fund is the general operating fund of the Board and accounts for all financial resources.

(b) Basis of accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts 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 cash basis of accounting. However, the General Fund, as reported in the accompanying component unit financial statements, has been converted to a modified accrual basis of accounting using the following practices:



STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS

-----  
June 30, 1999 and 1998

1) Summary of significant accounting policies (continued)

(b) Basis of accounting (continued)

Revenues

Licenses, permits and examination fees are recorded in the year the fees are earned, which approximates when measurable and available. Amounts are collected in advance, such as deposits on examinations, and are recorded as deferred revenues.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available. All other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated vacation leave, which is expended (recognized) when paid.

(c) Budget practices

The budgets for the years ending June 30, 1999 and 1998 were adopted by the Board at the annual meetings which were held on November 20, 1997 and November 21, 1996. The budget is prepared and reported on a cash basis of accounting, and budgeted amounts do not include the beginning fund balance. Appropriations lapse at year end and formal budget integration is not employed as a management control device during the year.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Budgetary Basis - Cash) and Actual Governmental Fund - General Fund presents comparisons of the legally adopted budget (cash basis) with actual data on a budgetary basis.

The following revenue accounts have been combined into miscellaneous fees for this comparison as follows:

	<u>1999</u>	<u>1998</u>
Interest earned	\$ 16,872	\$ 17,745
Temporary permits	2,950	4,530
Other	<u>4,661</u>	<u>6,352</u>
Miscellaneous fees	<u>\$ 24,483</u>	<u>\$ 28,627</u>

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS

-----  
June 30, 1999 and 1998

1) Summary of significant accounting policies (continued)  
(b) Budget practices (continued)

A reconciliation of this basis and timing difference is presented below:

	<u>1999</u>	<u>1998</u>
Revenues - Actual	\$528,571	\$488,169
Add: Current year deferred revenues	12,735	14,895
Prior year accounts receivable	3,037	1,353
Less: Prior year deferred revenues	(14,895)	(16,795)
Current year accounts receivable	<u>(2,207)</u>	<u>(3,037)</u>
 Revenues - Budgetary Basis	 <u>\$527,241</u>	 <u>\$484,585</u>
 Expenditures - Actual	 \$495,909	 \$502,049
Add: Current year accounts payable	100	131
Prior year prepaid expenses	4,077	4,077
Prior year accrued expenses	16,232	7,875
Less: Prior year accounts payable	-	-
Current year prepaid expenses	(5,331)	(4,077)
Current year accrued expenses	<u>(18,146)</u>	<u>(16,232)</u>
 Expenditures - Budgetary Basis	 <u>\$492,841</u>	 <u>\$493,823</u>

(d) Cash and cash equivalents

Cash and cash equivalents represent petty cash, demand deposits, money market accounts, and certificates of deposit. Under state law, the State Plumbing Board of Louisiana may deposit funds within a fiscal bank. Furthermore, the Board may invest in time deposits or certificates of deposit of state banks organized under Louisiana law or national banks having their principal offices in Louisiana.

The State Plumbing Board of Louisiana has cash and cash equivalents (book balance) totaling \$405,100 and \$373,207 at June 30, 1999 and 1998. The following is a summary of the bank (collected) balances of cash and cash equivalents at June 30, 1999 and 1998.

	<u>1999</u>	<u>1998</u>
Cash - demand deposit	\$ 63,165	\$ 74,865
Certificates of deposit	<u>354,980</u>	<u>300,000</u>
 Total	 <u>\$418,145</u>	 <u>\$374,865</u>

Cash and cash equivalents are stated at cost, which approximates market, and the resulting bank balances are fully secured through federal deposit insurance or the pledge of securities owned by the fiscal agent banks.

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS

-----  
June 30, 1999 and 1998

1) Summary of significant accounting policies (continued)

(e) General fixed assets and general long-term obligations

General fixed assets are accounted for in the general fixed assets account group, rather than in the General Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. A summary of changes in fixed assets is presented in Note 2.

Long-term obligations expected to be financed from the General Fund are accounted for in the general long-term obligations account group.

(f) Vacation and sick leave

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation 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 vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The liability for unused vacation leave payable at June 30, 1999 and 1998, Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated to be \$18,700 and \$18,147.

(g) Total column on balance sheet

The total column on the balance sheet is captioned "Memorandum Only" to indicate that it is presented 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.

2) Changes in general fixed assets

The changes in general fixed assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
			<u>1999</u>	
Furniture and equipment	<u>\$ 70,456</u>	<u>\$ 3,659</u>	<u>\$ 1,417</u>	<u>\$72,698</u>
			<u>1998</u>	
Furniture and equipment	<u>\$ 85,811</u>	<u>\$ 8,427</u>	<u>\$ 23,782</u>	<u>\$70,456</u>

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS

-----  
June 30, 1999 and 1998

3) Pension plan

Substantially all employees of the State Plumbing Board of Louisiana are members of the Louisiana State Employees Retirement Systems (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 State Plumbing Board of Louisiana 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 may retire 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 Louisiana State Employment Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Plan members of the State Plumbing Board of Louisiana are required by state statute to contribute 7.5% of their annual covered salary and the office (as the employer) is required to contribute at an actuarially determined rate. The employers rate at June 30, 1999 was 12.4% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The Board's employer contributions to LASERS for the year ended June 30, 1999 and 1998 were \$19,754 and \$19,463 and was equal to the required contributions for the year.

4) Leases

The Board has no capital leases at June 30, 1999 and 1998. Rental expenditures for office space during the years ending June 30, 1999 and 1998 were \$48,923 and \$48,924. The minimum annual commitment under the existing operating leases for office space is as follows:

Year Ending June 30

2000	48,923
2001	34,050

5) Changes in general long-term obligations

General long-term obligations consist entirely of compensated absences. The following is a summary of the long-term obligation transactions for the year ended June 30, 1999 and 1998.

	<u>1999</u>
Long-term obligations payable at June 30, 1998	\$18,147
Additions	1,325
Deletions	<u>(772)</u>
Long-term obligations payable at June 30, 1999	<u>\$18,700</u>
	<u>1998</u>
Long-term obligations payable at June 30, 1997	\$15,782
Additions	3,401
Deletions	<u>(1,036)</u>
Long-term obligations payable at June 30, 1998	<u>\$18,147</u>

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

SUPPLEMENTAL INFORMATION - SCHEDULE OF PER DIEM PAID BOARD MEMBERS  
-----

Year Ended June 30, 1999 and 1998

<u>Board Member Name</u>	<u>1999</u>	<u>1998</u>
James Finley	\$ 2,550	\$2,100
Robert F. Jaeger, II	-	-
Robert W. Rolston	4,050	4,350
Preston Dejean	825	825
Rick Lanier	750	1,125
James Osborne, Jr.	750	1,500
Johnny Gypin	525	600
W. Ray Anderson	<u>-</u>	<u>750</u>
Total Per Diem Paid Board Members	<u>\$ 9,450</u>	<u>\$11,250</u>

John X. Wegmann, III  
Ralph A. Dazet  
Philip A. Garrett  
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### INDEPENDENT AUDITORS' REPORT ON REQUIRED SUPPLEMENTAL INFORMATION

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To the Board of Directors  
State of Plumbing Board of Louisiana  
Department of Labor  
New Orleans, Louisiana

We have audited the financial statements of the State Plumbing Board of Louisiana as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated September 8, 1999. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The year 2000 supplementary information on page 13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did audit the information and do not express an opinion on it. In addition, we do not provide assurance that the State Plumbing Board of Louisiana will become year 2000 compliant, that the State Plumbing Board of Louisiana's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the State Plumbing Board of Louisiana does business are or will become year 2000 compliant.

September 8, 1999

*Wegmann - Dazet & Co*

STATE PLUMBING BOARD OF LOUISIANA  
DEPARTMENT OF LABOR

REQUIRED SUPPLEMENTAL INFORMATION - YEAR 2000 ISSUE

---

Year Ended June 30, 1999

The Year 2000 Issue is the result of shortcomings in many electronic data processing system and other electronic equipment that may adversely affect the Board's operations.

The Board has completed an inventory of computer system and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the Board's operations. The Board has replaced hardware and software as needed and has tested and reviewed the changes made.

Because of the unprecedented nature of Year 2000 Issue, its effect and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Board is or will be year 2000 ready, that the Board's remediation efforts will be successful in whole or in part, or that parties with whom the Board does business will be year 2000 ready.

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

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To the Board of Directors  
State Plumbing Board of Louisiana  
New Orleans, Louisiana

We have audited the financial statements of the State Plumbing Board of Louisiana as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated September 8, 1999. 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.

### Compliance

As part of obtaining reasonable assurance about whether the State Plumbing Board of Louisiana's financial statements are free of material misstatement, we performed tests of 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 disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State Plumbing Board of Louisiana's 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 solely for the information and use of management, the State of Louisiana and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

September 8, 1999

*Wegmann - Dazet & Co.*



STATE PLUMBING BOARD OF LOUISIANA

SCHEDULE OF FINDINGS

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June 30, 1999 and 1998

**Section I Summary of Auditors' Report**

A) Financial Statements

Type of auditors' report issued: Unqualified

Internal Control over financial reporting:

- Material weakness(es) identified \_\_\_\_\_ Yes  X  No
- Reportable condition(s) identified that are not considered to be material weakness \_\_\_\_\_ Yes  X  None
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

B) Federal Awards

For the year ended June 30, 1999 and 1998 the State Plumbing Board of Louisiana was not subject to OMB Circular A-133 Audits of States, Local Government and Non-Profit Organizations.

**Section II Financial Statement Findings**

There were no financial statement findings required to be reported for the year ended June 30, 1999 and 1998.

**Section III Federal Award Findings and Questioned Costs**

Not applicable

**REPORTS BY MANAGEMENT**

STATE PLUMBING BOARD OF LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS

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June 30, 1999 and 1998

**Section I Internal Control and Compliance Material to the General Purpose Financial Statements**

For the year ended June 30, 1997 there were no internal control or compliance issues reported or noted.

**Section II Internal Control and Compliance Material to Federal Awards**

For the year ended June 30, 1997 there were no internal control or compliance issues material to federal awards reported

**Section III Management Letter**

A management letter was not issued in connection with the audit of the year ended June 30, 1997.

STATE PLUMBING BOARD OF LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
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June 30, 1999 and 1998

**Section I Internal Control and Compliance Material to the General Purpose Financial Statements**

For the years ended June 30, 1999 and 1998 there were no internal control or compliance issues reported or noted.

**Section II Internal Control and Compliance Material to Federal Awards**

For the years ended June 30, 1999 and 1998 the State Plumbing Board of Louisiana was not subject to OMB Circular A-133, Audits of States, Local Government and Non-Profit Organizations.

**Section III Management Letter**

A management letter was not issued in connection with the audit of the years ended June 30, 1999 and 1998.