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**LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Reports**

**As of and for the Years Ended June 30, 1999 and 1998
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Legislature, or reviewed, or filed in an appropriate public office. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 06 1999

**LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
950 NORTH 22ND STREET, SUITE B
BATON ROUGE, LOUISIANA 70821
(225) 219-4732**

GOVERNING BOARD

Chairman - Judge Durwood Conque

Secretary - Ms Merrell Long, CCR

Treasurer - C. Ray Pllant, CCR

**Ms Betsy Barnes, Attorney
Ms Marilyn Richardson, CCR
Ms Virginia Conlin, CCR**

**Milton Donegan, Jr., CCR
Peter Gilberti, CCR
Lloyd E. Hennigan, Jr., Attorney**

Tonya Romaire, Administrative Assistant

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GOVERNMENT FINANCE

OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board Members of
Louisiana Board of Examiners
of Certified Shorthand Reporters
State of Louisiana
Baton Rouge, Louisiana

I have audited the accompanying general purpose financial statements of the **LOUISIANA BOARD OF EXAMINERS OF CERTIFIED SHORTHAND REPORTERS**, a component unit of the State of Louisiana, as of and for the years ended June 30, 1999 and 1998, as listed in the Table of Contents. These financial statements are the responsibility of management of the Louisiana Board of Examiners of Certified Shorthand Reporters. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that I 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 includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the accompanying general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Board of Examiners of Certified Shorthand Reporters as of June 30, 1999 and 1998, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated September 2, 1999, on my consideration of the Louisiana Board of Examiners of Certified Shorthand Reporters' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts.

George F. Delaune, CPA

September 2, 1999

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
JUNE 30, 1999

	Governmental Fund Type	Account Groups		Totals (Memorandum Only)
	General	General Fixed Assets	General Long-Term Obligations	
ASSETS				
Cash and cash equivalents	\$135,258			\$135,258
Fixed assets		\$29,714		29,714
Amount to be provided for retirement of general long-term obligations			\$677	677
TOTAL ASSETS	<u>\$135,258</u>	<u>\$29,714</u>	<u>\$677</u>	<u>\$165,649</u>
LIABILITIES AND FUND EQUITY				
<i>Liabilities:</i>				
Accounts payable	\$1,682			\$1,682
Accrued payroll	917			917
Payroll deductions and accruals	371			371
Accrued compensated absences			\$677	677
Total Liabilities	<u>2,970</u>		<u>677</u>	<u>3,647</u>
<i>Fund Equity:</i>				
Investment in general fixed assets		\$29,714		29,714
Fund balances - Unreserved - undesignated	<u>132,288</u>			<u>132,288</u>
Total Fund Equity	<u>132,288</u>	<u>29,714</u>		<u>162,002</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$135,258</u>	<u>\$29,714</u>	<u>\$677</u>	<u>\$165,649</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA BOARD OF EXAMINERS
 OF CERTIFIED SHORTHAND REPORTERS
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Licenses, permits and fees	\$93,000	\$93,318	\$318
Interest earnings		3,633	3,633
Other revenues		638	638
	93,000	97,589	4,589
<i>Expenditures:</i>			
Current -			
Salaries and benefits	38,300	25,943	12,357
Travel	6,000	1,978	4,022
Operating services	13,650	10,120	3,530
Supplies	1,800	2,401	(601)
Professional services	31,250	25,518	5,732
Capital outlays	2,000	2,047	(47)
	93,000	68,007	24,993
<i>Excess of Revenues (Expenditures)</i>		29,582	\$29,582
Fund Balance - July 1, 1998		102,706	
FUND BALANCE - June 30, 1999		\$132,288	

The accompanying notes are an integral part of this statement.

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
JUNE 30, 1998

	Governmental Fund Type	Account Groups		Totals (Memorandum Only)
	General	General Fixed Assets	General Long-Term Obligations	
ASSETS				
Cash and cash equivalents	\$109,463			\$109,463
Fixed assets		\$27,667		27,667
Amount to be provided for retirement of general long-term obligations				
TOTAL ASSETS	<u>\$109,463</u>	<u>\$27,667</u>		<u>\$137,130</u>
LIABILITIES AND FUND EQUITY				
<i>Liabilities:</i>				
Accounts payable	\$4,629			\$4,629
Accrued payroll	875			875
Payroll deductions and accruals	1,253			1,253
Total Liabilities	<u>6,757</u>			<u>6,757</u>
<i>Fund Equity:</i>				
Investment in general fixed assets		\$27,667		27,667
Fund balances - Unreserved - undesignated	102,706			102,706
Total Fund Equity	<u>102,706</u>	<u>27,667</u>		<u>130,373</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$109,463</u>	<u>\$27,667</u>		<u>\$137,130</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA BOARD OF EXAMINERS
 OF CERTIFIED SHORTHAND REPORTERS
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 1998**

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Licenses, permits and fees	\$90,675	\$92,487	\$1,812
Interest earnings	1,800	1,994	194
Other revenues	25	189	164
Total Revenues	92,500	94,670	2,170
<i>Expenditures:</i>			
Current -			
Salaries and benefits	37,300	38,054	(754)
Travel	6,000	3,258	2,742
Operating services	13,650	12,427	1,223
Supplies	1,800	1,449	351
Professional services	31,750	20,099	11,651
Capital outlays	2,000	2,401	(401)
Total Expenditures	92,500	77,688	14,812
<i>Excess of Revenues (Expenditures)</i>		16,982	\$16,982
Fund Balance - July 1, 1997		85,725	
FUND BALANCE - June 30, 1998		\$102,707	

The accompanying notes are an integral part of this statement.

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 1 - INTRODUCTION

The Louisiana Board of Certified Shorthand Reporters was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:2551-2560. The Board is under the control of the Department of Economic Development and a component unit of the State of Louisiana and is an integral part of such reporting entity. The board is composed of nine (9) members appointed by the Governor of Louisiana, who serve three (3) year terms. Six appointees shall be certified shorthand reporters, two appointees shall be attorneys, and one appointee shall be a judge. Board members are not compensated for Board meetings they attend; but are reimbursed allowable necessary expenses in the performance of their duties as members of the board.

The Board is charged with encouraging proficiency in the practice of shorthand reporting as a profession, promoting efficiency in court and general reporting, and extending to the courts and to the public the protection afforded by a standardized profession by establishing a standard of competency for those persons engaged in it

The Board's office is located in Baton Rouge, Louisiana, and employs one administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The Louisiana Board of Certified Shorthand Reporters prepares its financial statements in accordance with the standards established by the GASB.

Reporting Entity

GASB Codification Section 2100 and GASB Statement 14, "The Financial Reporting Entity," have defined the governmental reporting entity to be the State of Louisiana. The Louisiana Board of

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Certified Shorthand Reporters 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 general purpose financial statements present information only as to the transactions of the Louisiana Board of Certified Shorthand Reporters, a component unit of the State of Louisiana.

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

Fund Accounting

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

General Fund

The General Fund is the general operating fund of the Board and is classified as a governmental fund. It accounts for the Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

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. Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses as appropriate, 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 modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Licenses and fees are recorded in the year these revenues are earned.

Interest income is recorded when received.

Substantially all other revenues are recorded when they become available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated annual and sick leave, which is recognized when paid.

Budget Practices

The Board prepares its budget on the modified accrual basis of accounting and all appropriations contained in the budget lapse at year end.

The proposed budgets are prepared by the administrator, adopted by the Board, and made available to the Department of Economic Development by January 1st of each year in compliance with Louisiana Revised Statute 36:803. The Board has the authority to make changes or amendments within various budget classifications. Budgeted amounts included in the accompanying financial statements include the original adopted budget. Formal budget integration is not employed as a management control device during the year.

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Encumbrances

Encumbrance accounting is used when purchase orders are recorded in order to reserve that portion of the applicable appropriation. The Board does not follow the encumbrance method of accounting.

Cash and Cash Equivalents

Cash and equivalents include cash, demand deposits, time deposits, and certificates of deposit at year end. Under state law, the Board may deposit funds with a bank organized under the laws of Louisiana, or national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, as defined by R.S. 6:703(15) and (16), or in share accounts and share certificate accounts of federally or state chartered credit unions.

Under state law, the Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Compensated Absences

The Board has adopted the following policy related to vacation and personal days: After 12 months of full-time service 5 vacation days will be granted to the employee. After 24 months of full-time service 10 vacation days will be granted to the employee. All vacation time must be taken within the calendar year granted. Vacation time shall not accumulate or roll over. After 12 months of full-time service 6 personal days per calendar year shall be granted to the employee. At the end of each calendar year the employee shall be paid at the current hourly rate for any personal days not used.

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

At June 30, 1999, the employee of the Board had accumulated and vested \$677 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

The Board has not adopted a formal sick leave policy.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds, including long-term debt and compensated absences for accumulated unpaid annual leave benefits of General Fund employees, are accounted for in the general long-term obligations account group, not in the governmental funds.

Fund Equity

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations. Reservations and designations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Total Column on Balance Sheet

Total columns on the balance sheet is captioned Memorandum Only (overview) 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.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 1999 and 1998, the Board has cash (book balances) totaling \$135,258 and \$109,463, respectively, in demand deposits and short-term investments.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 securi-

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

ties 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.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

At June 30, 1999 and 1998, the Board's cash and cash equivalents bank balances (collected balances) are comprised of the following:

	1999	1998
Demand deposits	\$ 75,299	\$ 53,861
Certificates of deposit	60,735	57,741
Total	\$ 136,034	\$ 111,602

These deposits are secured from risk by federal deposit insurance.

The following is a breakdown of banking institutions, account numbers, and amount of the bank balances shown above as of June 30, 1999:

Banking Institution	Account Numbers	Amounts
Regions Bank	41-1570-2706	\$ 75,299
Mid-South Bank, Morgan City	8000163898	37,261
Mid-South Bank, Morgan City	8000165901	23,474
		\$ 136,034

LOUISIANA BOARD OF EXAMINERS
 OF CERTIFIED SHORTHAND REPORTERS
 STATE OF LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 1999 AND 1998

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets composed of furniture and office equipment follows:

Balance, July 1, 1997	\$	25,266
Additions		2,401
Deletions		_____
Balance, June 30, 1998		27,667
Additions		2,047
Deletions		_____
Balance, June 30, 1999	\$	<u>29,714</u>

NOTE 5 - LONG-TERM OBLIGATIONS

Long-term obligations consist of compensated absences.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. The liability for unused annual leave at June 30, 1999, computed in accordance with GASB Codification Section C60.105, is estimated to be \$677. This amount was recorded in the general long-term obligations account group.

NOTE 6 - PENSION PLAN

The one employee of the Board is a 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.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their

**LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998**

highest consecutive 36 month average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, or (c) age 60 with ten years of service. The System also provides death and disability benefits. Benefits are established 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 Employees' Retirement System, P. O. Box 44213, Baton Rouge, Louisiana 70804-4213 or by calling (225) 922-0600.

In addition to the employee contribution withheld at 7.5% of gross salary, the Board contributes an additional percentage of gross salary to the System (13% from July 1, 1997 to June 30, 1998, and 12.4% from July 1, 1998 to June 30, 1999). Contributions to the System during fiscal years ended June 30, 1998 and 1999 were funded through employee and employer contributions of \$5,989 and \$4,378, respectively. The total payroll of the Board, fully covered by the system, was \$29,216 and \$22,000, respectively for years 1998 and 1999. Under present statutes, the Board does not guarantee any of the benefits granted by the system.

NOTE 7 - LITIGATION AND CLAIMS

There were no judgments, claims or similar contingencies pending against the Board at June 30, 1998 and 1999.

NOTE 8 - FEDERAL FINANCIAL ASSISTANCE

The Board received no federal funds during the fiscal years 1999 and 1998.

NOTE 9 - YEAR 2000 DISCLOSURE

Y2K issues for computer systems and other electronic equipment are resolved and complete.

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members serve without compensation as provided by Louisiana Revised Statute 37:2551(D).

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

George F. Delaune

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OFFICERS ASSOCIATION

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

Board Members of
Louisiana Board of Examiners
of Certified Shorthand Reporters
State of Louisiana
Baton Rouge; Louisiana

I have audited the general purpose financial statements of the **LOUISIANA BOARD OF EXAMINERS OF CERTIFIED SHORTHAND REPORTERS**, a component unit of the State of Louisiana, as of and for the years ended June 30, 1999 and 1998, and have issued my report thereon dated September 2, 1999. I conducted my audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Board of Examiners of Certified Shorthand Reporters' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing*

Standards which are described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Louisiana Board of Examiners of Certified Shorthand Reporters' internal control over financial reporting to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

This report is intended for the information and use of the Louisiana Board of Examiners of Certified Shorthand Reporters and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

George F. Delaune, CPA

September 2, 1999

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED JUNE 30, 1999 AND 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Louisiana Board of Examiners of Certified Shorthand Reporters.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. Two instances of noncompliance which are considered nonmaterial to the general purpose financial statements of Louisiana Board of Examiners of Certified Shorthand Reporters were disclosed during the audit.
4. There were no federal awards received by Louisiana Board of Examiners of Certified Shorthand Reporters.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Noncompliance

99-1 Fiscal Agent

Condition: The agency could not produce a current fiscal agent agreement.

Criteria: State law requires all agencies to negotiate a fiscal agent contract with a bank for the depository of funds.

Effect: Violation of state law.

Cause: The Board was not aware of this requirement.

Recommendation: The Board should seek proposals from local banks in accordance with the Interim Emergency Board regulations.

Response: Management concurred with the recommendation and will seek proposals from local banks for the depository of agency funds.

Noncompliance

99-2 Investment Policy

Condition: The agency has not adopted an investment policy.

Criteria: Act No. 374 of the 1995 Regular Session of the Legislature required all agencies to adopt an investment policy to regulate the investment of idle funds.

Effect: Violation of state law.

Cause: The Board was not aware of this requirement.

Recommendation: The Board should adopt an investment policy as required by state law.

Response: Management concurred with the recommendation and will adopt an investment policy that complies with Act No. 374.

Questioned Costs

99-3 Costs to Prepare Professional Services Contracts

Condition: From March 15, 1999 to May 14, 1999, Mr. David A. Marcello, Attorney for the Board, billed approximately 20 hours for time spent on professional services contracts for himself and Timothy Palmatier, CPA. Total cost to the agency is approximately \$3,000.00 which might be questionable since Mr. Marcello was drafting his own contract.

Recommendation: The Board should request clarification from the Attorney General's Office regarding the propriety of this cost.

Response: The Board will request an opinion.

LOUISIANA BOARD OF EXAMINERS
OF CERTIFIED SHORTHAND REPORTERS



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Fax: (225) 219-4731

Tonya Romaine
Administrative Assistant

CORRECTIVE ACTION PLAN

September 2, 1999

Legislative Auditor
State of Louisiana

Louisiana Board of Examiners of Certified Shorthand Reporters respectfully submits the following corrective action plan for the years ended June 30, 1999 and 1998.

Name and address of independent public accounting firm: George F. Delaune, CPA, APC; 7663 Anchor Drive; Ventress, LA 70783-4120.

Audit period: July 1, 1997 to June 30, 1999

The findings from the June 30, 1999 and 1998, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Noncompliance

99-1 Fiscal Agent

Recommendation: The Board should seek proposals from local banks in accordance with the Interim Emergency Board regulations.

Action Taken: Management is in the process of requesting proposals from local banks for the depository of agency funds.

Noncompliance

99-2 Investment Policy

Recommendation: The Board should adopt an investment policy as required by state law.

Action Taken: Management will adopt an investment policy that complies with Act No. 374 at its next scheduled meeting.

Questioned Costs

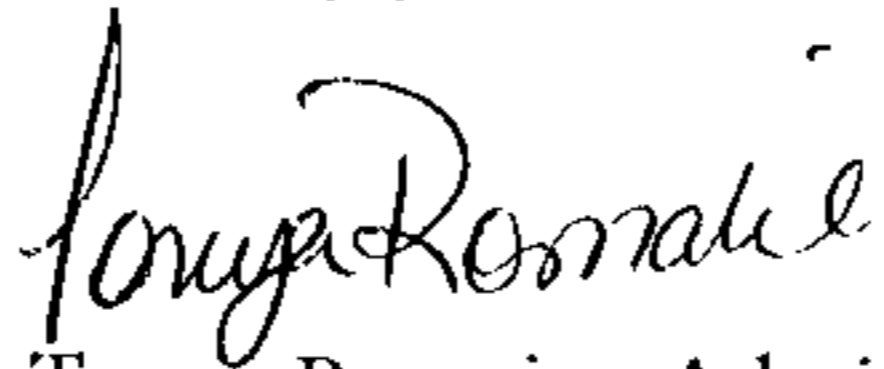
99-3 Costs to Prepare Professional Services Contracts

Recommendation: The Board should request clarification from the Attorney General's Office regarding the propriety of this cost.

Action Taken: The Board is requesting an opinion from the Attorney General.

If the Legislative Auditor has questions regarding this plan, please call Tonya Romaine, Administrative Assistant at (225) 219-4732.

Sincerely yours,



Tonya Romaine, Administrative Assistant

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

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LOUISIANA SOCIETY OF CPAs
GOVERNMENT FINANCE
OFFICERS ASSOCIATION

MANAGEMENT LETTER COMMENTS

**Board Members of
Louisiana Board of Examiners
of Certified Shorthand Reporters
State of Louisiana
Baton Rouge, Louisiana**

In planning and performing my audit of the general purpose financial statements of the LOUISIANA BOARD OF EXAMINERS OF CERTIFIED SHORTHAND REPORTERS, a component unit of the State of Louisiana, as of and for the years ended June 30, 1999 and 1998, I have encountered three items that improve your operating policies and procedures.

1. Computer Program Consultant

Tonya Romaine, Administrative Assistant is in the process of transferring the record keeping for licenses to a new data base program that she has designed. Since, she is not a qualified programmer, I recommend that the Board hire a computer programmer to review and test her program for reliability.

2. Signature on Checking Account

I understand that Merrell Long, Secretary is the only board member that resides in Baton Rouge but does not have signature authority on the checking account. Consequently, Tonya Romaine must prepare and mail all checks and copies of invoices to another board member to sign and mail. This policy costs the agency time and money. Therefore, I suggest that the Board give Ms Long this authority to make this process more efficient.

3. Accounting System

In this advanced computer age, the Board still maintains its accounting records on a manual system and hires an outside accountant to process financial statements and payroll tax returns. I therefore recommend the Board consider installing QuickBooks 99, at a cost of approximately \$100, to process transactions.

QuickBooks is a very easy system to learn and is user friendly. Tonya will be able to:

- process invoices and print checks
- process payroll and print checks
- enter receipts and make deposits
- reconcile the bank account
- print financial statements as well as budgetary statements
- print quarterly payroll tax returns and print W-2s at year end

Then the contract accountant can perform duties of a consultant and review the processed transactions on a quarterly basis and give accounting and administrative advice to the Board.

I strongly recommend that the Board consider these points to improve their operations.

Sincerely,

George F. Delaune, CPA